# KOPRAN LIMITED

Cin No. L2430 MH1958PLC 011078
Registered Office: Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018
Website: www.kopran.com, Email: investors@kopran.com,
Tel. No.022-.43661111, Fax No.022-24950363

## NOTICE

Notice is hereby given that the 56th Annual General Meeting of the members of Kopran Limited will be held on Saturday, 19th September, 2015 at 3.00 p.m. at Shri S. K. Somani Memorial Hall, 79, Marine Drive, Mumbai-400 020, to transact the following business :

**Ordinary Business**

**Item no. 1 Adoption of Financial Statements**

To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit & Loss for the year ended as on that date together with the Reports of Board of Directors and Auditors thereon.

**Item no. 2 Appointment of Auditors**

To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions of the companies Act, 2013 and the rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors, M/s Batliboi & Purohit Co. (Firm Registration No. 101048W), Chartered Accountant, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of present Annual General Meeting until the conclusion of the next Annual General Meeting subject to the approval of members of the company at the ensuing Annual General Meeting of the Company, at a remuneration to be fixed by the Board of directors as determined by the Audit Committee apart from reimbursement of out-of-pocket expenses incurred in connection with the audit."

**Item no. 3 Appointment of Director**

To appoint a director in place of Mr. Amit Rajan (DIN no. 03264797) who retires by rotation and, being eligible, seeks re-appointment.

**Special Business**

**Item no. 4 Appointment of Mr. Vijay Kumar Bhandari as an Independent Director**

To appoint Mr. Vijay Kumar Bhandari (DIN no. 00052716) as an Independent Director at the ensuing Annual General Meeting and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of section 149, 152 and other provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Vijay Kumar Bhandari (DIN no. 00052716), an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment and seeks re-appointment be and is hereby appointed for a term of five consecutive year as an Independent Director of the Company with effect from 19th September 2015.

**Item no. 5 Appointment of Dr. Siddhan Subramanian as an Independent Director**

To appoint Dr. Siddhan Subramanian (DIN no. 02101174) as an Independent Director at the ensuing Annual General Meeting and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of section 149, 152 and other provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Dr. Siddhan Subramanian (DIN no. 02101174), an Additional Director of the Company, who holds the office of Director upto the Date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Dr. Siddhan Subramanian as a candidate for the office of a director of the company, be and is hereby appointed for a term of five consecutive years as an Independent Director of the Company with effect from 19th September 2015, not liable to retire by rotation."

**Item no. 6 Appointment of Dr. Sunita Banerji as an Independent Director**

To appoint Dr. Sunita Banerji (DIN no. 02476075) as an Independent Director at the ensuing Annual General Meeting and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of section 149, 152 and other provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Dr. Sunita Banerji (DIN no. 02476075), an Additional Director of the Company, who holds the office of Director upto the Date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Dr. Sunita Banerji as a candidate for the office of

a director of the company, be and is hereby appointed for a term of five consecutive years as an Independent Director of the Company with effect from 19th September 2015, not liable to retire by rotation."

**Item no. 7 Ratification of Remuneration of Cost Auditors**

To consider and ratify the remuneration to be paid to Mr. Dilip M Malkar (Membership No. 24644), Cost Auditor of the Company, and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with section 148(3) and the Rules made thereunder, and pursuant to the recommendation of the Audit Committee of the Board of Directors, Dilip M Malkar & Co., Cost Accountants (Firm Registration No. 101222) appointed as the Cost Auditors of the Company by the Board of Directors, for conducting the audit of the cost records of the Company for the financial year commencing on 1st April 2015 at a remuneration of ₹ 50000 (Rupees fifty thousand only) excluding service tax and the Board of Directors be and are hereby authorized to fix such remuneration (excluding out of pocket expenses) as may be recommended by the Audit Committee on consultation with the Auditors and that such remuneration may be paid on such basis to be agreed upon between the Auditors and the Board of Directors of the Company."

**Notes:**

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.

2. MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

3. Proxies in order to be effective must be received not less than 48 hours before the meeting at the Registered Office at Parijat House, 1076, Dr.E.Moses Road, Worli, Mumbai – 400 018.

4. Members / Proxies should bring duly filled in and signed Attendance Slip for attending the meeting.

5. Members holding physical shares desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to fill up the form no. SH-13 available on company's website and submit the same to Registrar and Transfer Agent of the Company. Nomination for Demat Account holders can only be done through their Depository Participant (DP).

6. The company's Register of Members and Share Transfer Books shall be closed from 17th September 2015 to 19th September 2015 (both days inclusive).

7. The Notice of the AGM along with Annual Reports 2014-15 is being sent by electronic mode to those members whose E-mail addresses are registered with the Depositories. Members desirous of physical copy of the same can send their request to the registered office of the company or through E-mail ID investors@kopran.com

8. To support the 'green initiative', the members who have not registered their E-mail addresses are requested to register the same with their depositories.

9. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL on all resolutions set forth in this Notice.

**The instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:**

(i) Log on to the e-voting website www.evotingindia.com

(ii) Click on "Shareholders" tab.

(iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"

(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 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)<br>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.<br>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.<br>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field. |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly 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 <KOPRAN 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.com and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(B) The voting period begins on 16th September, 2015 at 9.00 a.m. and ends on 18th September 2015 at 5.00 p.m. During this period

shareholders' of the Company, holding shares either in physical form or in dematerialized at form, as on the cut-off date is 11th September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

**Members are requested to:** a) Quote their Folio / DP ID & Client ID numbers in all correspondence with the Company / Registrar & Share Transfer Agent. b) Inform promptly any change in address to the DP / Company / Registrar & Share Transfer Agent. c) Bring their copy of the Annual Report. d) Intimate to the company 10 days in advance, if they desire to seek any further Information on the Annual Report, at the ensuing Annual General Meeting.

**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 4**

Pursuant to Section 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Director) Rules, 2014, it is proposed to appoint Mr. Vijay Kumar Bhandari as Independent Director of the Company upto Five Consecutive Years from 19th September, 2015.

A brief Profile along with other details of the Independent Director is as follows:

| | | | | |
|---|---|---|---|---|
| Name of the Director | Mr. Vijay Kumar Bhandari | | | |
| Director Identification Number | 00052716 | | | |
| Date of Joining the Board | 12th February, 2013 | | | |
| Profile of the Director | He holds B.Com (Hons) degree and he is a FCA. He has expertise and rich experience in banking and finance field. | | | |
| Number of shares | Nil | | | |
| Directorship and Committee memberships in other Companies | | | | |
| Name of the Company | Directorship | Audit Committee | Remuneration Committee | Investors Committee Grievances |
| HSIL ltd., Kolkatta | Director | Chairman | Member | Member |
| Jayant Agro-organics ltd., Vadodara | Director | Member | - | - |
| Golden Tobacco Ltd. | Director | Member | Member | Member |
| Super Smelters Ltd., Kolkatta | Director | Chairman | Member | - |
| Khanna Paper Mills Ltd. New Delhi | Director | Chairman | Member | - |
| Shore To shore Logistics Ltd. | Director | Chairman | - | - |
| Gurunanak Auto enterprises Ltd., Goraya | Director | Member | - | - |

The Company has received from Mr. Vijay Kumar Bhandari (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provide in Sub-Section (6) of the Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Vijay Kumar Bhandari as an Independent Director of the Company for a period up to 18th September, 2019 pursuant to section 149 and other applicable provisions of the Companies Act, 2013 and rules made thereunder. He will not be liable to retire by rotation.

In the opinion of the Board, Mr. Vijay Kumar Bhandari, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Mr. Vijay Kumar Bhandari as an independent Director setting out the terms and conditions is available for inspection without any fee by the

members at the Company's registered office during normal business hours on working days up to the date of the AGM.
No director, key managerial personnel or their relatives, except Mr. Vijay Kumar Bhandari, to whom the resolution relates, are interested or concerned in the resolution.

The Board recommends the resolution set forth in item no. 4 for the approval of the members.

**ITEM NO. 5**

Pursuant to Section 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Director) Rules, 2014, it is proposed to appoint Dr. Siddhan Subramanian as Independent Director of the Company upto Five Consecutive Years from 19th September, 2015.

A brief Profile along with other details of the Independent Director is as follows:

| | |
|---|---|
| Name of the Director | Dr. Siddhan Subramanian |
| Director Identification Number | 02101174 |
| Date of Joining the Board | 29th September, 2014 |
| Profile of the Director | He holds a degree of Phd in organic Chemistry from Indian Institute of Technology (1976). He has rich experience in fields of R&D in chemicals, agrochemicals & colorants, technical service in Textiles, pigments, paper, leather, pharma, agro & Chemical industries, Sales and Marketing in pigments, Fine & life science chemicals. |
| Number of shares | Nil |
| Directorship and Committee memberships in other Companies | Director in Rockwood Lithium India |

The Board of Directors, at its meeting held on September 29, 2014, appointed Dr. Siddhan Subramanian as an additional Director of the Company with effect from September 29, 2014, pursuant to Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Dr. Siddhan Subramanian will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, along with a deposit of ₹ 1,00,000/- proposing the candidature of Dr. Siddhan Subramanian for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies act, 2013.

The Company has received from Dr. Siddhan Subramanian (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provide in Sub-Section (6) of the Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Dr. Siddhan Subramanian as an Independent Director of the Company for a period up to 18th September, 2019 pursuant to section 149 and other applicable provisions of the Companies Act, 2013 and rules made thereunder. He will not be liable to retire by rotation.

In the opinion of the Boar, Dr. Siddhan Subramanian, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Dr. Siddhan Subramanian as an independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

No director, key managerial personnel or their relatives, except Dr. Siddhan Subramanian, to whom the resolution relates, are interested or concerned in the resolution.

The Board recommends the resolution set forth in item no. 5 for the approval of the members.

**ITEM NO. 6**

Pursuant to Section 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Director) Rules, 2014, it is proposed to appoint Dr. Sunita Banerji as Independent Director of the Company upto Five Consecutive Years from 19th September, 2015.

A brief Profile along with other details of the Independent Director is as follows:

| | |
|---|---|
| Name of the Director | Dr. Sunita Banerji |
| Director Identification Number | 02476075 |
| Date of Joining the Board | 29th September, 2014 |
| Profile of the Director | Dr. Sunita Banerji is an MBBS graduate and received her credentials in obstetrics and gynecology in 1982 after which she set up a successful family Medicine practice in Mumbai in 1989.She has extensive knowledge of pharmaceutical products, especially new products in chronic therapies. She received extensive training in Aesthetics in London. |
| Number of shares | Nil |
| Directorship and Committee memberships in other Companies | Director in Yuvanesse Anti-Aging Solutions Private Limited & Eternesse Anti-aging |

The Board of Directors, at its meeting held on September 29, 2014, appointed Dr. Sunita Banerji as an additional Director of the Company with effect from September 29, 2014, pursuant to Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Dr. Sunita Banerji will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, along with a deposit of ₹ 1,00,000/- proposing the candidature of Dr. Sunita Banerji for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies act, 2013.

The Company has received from Dr. Sunita Banerji (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that she is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provide in Sub-Section (6) of the Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Dr. Sunita Banerji as an Independent Director of the Company for a period up to 18th September, 2019 pursuant to section 149 and other applicable provisions of the Companies Act, 2013 and rules made thereunder. She will not be liable to retire by rotation.

In the opinion of the Boar, Dr. Sunita Banerji, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and she is independent of the Management. A copy of the draft letter for the appointment of Dr. Sunita Banerji as an independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

No director, key managerial personnel or their relatives, except Dr. Sunita Banerji, to whom the resolution relates, are interested or concerned in the resolution.

The Board recommends the resolution set forth in item no. 6 for the approval of the members.

**ITEM NO. 7**

The Board of Directors, at its meeting held on 28th May 2015, on recommendation of the Audit Committee, approved the appointment of Dilip M Malkar & Co., (Firm Registration No. 101222) Cost Accountants as the Cost Auditors of the Company for the financial year 2015-16 at fees of Rupees Fifty Thousand for conducting the audit of the cost accounting records, for issuing the compliance report on cost accounting records maintained, plus out of pocket expenses & service tax as applicable. Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 ("the Act"), requires the Board to appoint Cost Auditor on the recommendations of the Audit committee, on such Remuneration as shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders. The resolution contained in Item no. 7 of the accompanying Notice; accordingly, seek members' approval for ratification of remuneration of Cost Auditors of the Company for the financial year 2015-16.

None of the Directors of the Company is concerned or interested in the proposed resolution. The Board commends this resolution for your approval.

For Kopran Limited

Sunil Sodhani
Company Secretary

Registered Office:
Parijat House, 1076,
Dr. E. Moses Road,
Worli, Mumbai-400 018

Place: Mumbai
Date: 24th August 2015

Kopran

PARIJAT
ENTERPRISES

# KOPRAN LIMITED

## ANNUAL REPORT
## 2014-2015

# FINANCIAL HIGHLIGHTS

(₹ In Lakhs)

| Particulars | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 |
|---|---|---|---|---|---|---|
| Share Capital | 4968 | 4763 | 4763 | 4763 | 4763 | 4568 |
| Reserves & Surplus | 12181 | 9752 | 8048 | 6842 | 6225 | 5685 |
| Networth | 17149 | 14515 | 12811 | 11605 | 10988 | 10253 |
| Fixed Assets(net) | *3365 | 10350 | 10711 | 11160 | 11215 | 11837 |
| Sales/Other Income | 33207 | 30330 | 25194 | 20447 | 19764 | 16623 |
| Gross Profit/(loss) | 3810 | 4396 | 3601 | 2725 | 2385 | 2052 |
| Interest/Finance Charges | 1297 | 1446 | 1188 | 966 | 749 | 618 |
| Depreciation | 958 | 1246 | 1208 | 1142 | 1123 | 1116 |
| Net Profit/(loss) | 1548 | 1704 | 1206 | 617 | 540 | 997 |
| Earning per share (₹) | 3.89 | 4.36 | 3.09 | 1.58 | 1.32 | 0.8 |

Note : * Deductions during the year include transfer of assets on account of slump sale of Mahad undertaking.

## BOARD OF DIRECTORS :

| | |
|---|---|
| Mr. Vishnu N. Khanna | Chairman |
| Mr. Surendra Somani | Executive Vice Chairman |
| Mr. Susheel G. Somani | Director (Resigned w.e.f. 29th September, 2014) |
| Dr. Arvind K Mehta | Director |
| Mr. Ajit Jain | Executive Director and Chief Operating Officer |
| Mr. Amit Rajan | Director |
| Mr. Vijay K. Bhandari | Director |
| Dr. Siddhan Subramanian | Additional Director (Appointed w.e.f. 29th September, 2014) |
| Dr. Sunita Banerji | Additional Director (Appointed w.e.f. 29th September, 2014) |

**CHIEF FINANCIAL OFFICER :**

Mr. Basant K Soni
(Appointed w.e.f. 29th September,2014)

**COMPANY SECRETARY:**

Mr. Sunil Sodhani

**AUDITORS :**

M/s. Batliboi & Purohit
Chartered Accountants, Mumbai

**INTERNAL AUDITORS :**

M/s. NGS & CO. LLP,
Chartered Accountants.

**SECRETARIAL AUDITORS :**

M/s. GMJ & Associates
Practicing Company Secretaries

**REGISTRAR OF TRANSFER AGENT:**

M/s. Bigshare Services Pvt. Ltd.
Mumbai.

**BANKERS :**

State Bank of India,
The Federal Bank Limited
Punjab National Bank

**REGISTERED OFFICE :**

“Parijat House”,
1076, Dr.E.Moses Road, Worli,
Mumbai – 400 018

**FORMULATION UNIT :**

Villages Savroli,
Taluka Khalapur,
Dist. Raigad, Khopoli
Maharashtra–412 202

**API UNIT :**

K-4/4, Additional MIDC,
At/Post : Birwadi, Taluka: Mahad
Dist.: Raigad
Maharashtra– 402 302

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## Directors Report

Dear Members,

Your Directors have pleasure in presenting their 56th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2015.

**1. FINANCIAL PERFORMANCE**

**A) Standalone**

The company achieved total revenue of ` 33,207 Lacs in the current year as against total revenue of ` 30,330 Lacs in the previous year.

During the year, the company earned net profit of ` 1,548 Lacs (Previous Year: ` 1,704 Lacs), decline in profits is 9.15%.

**Divestment**

The Company during the Financial Year has sold the Active Pharmaceuticals Ingredients (API) business on slump sale basis to its subsidiary Kopran Research Laboratories Ltd. at a consideration of ` 11,000 Lacs. The sale transaction has been completed on 30th March, 2015.

**Financial Summary and Highlights:**

(` in Lacs)

| **Particulars** | **Stand Alone Basis** | |
|---|---|---|
| **For the period ended** | **F. Y. 2014-15** | F. Y. 2013-14 |
| Total Revenue | **33,207** | 30,330 |
| Less expenses | **31,652** | 28,626 |
| Profit before exceptional items and Tax | **1,555** | 1,704 |
| Less exceptional items | **7** | - |
| Net Profit/(Loss) for the period | **1,548** | 1,704 |

**B) Consolidated**

Consolidated revenue for the year was ` 33,227 Lacs as against consolidated revenue of ` 30,481 Lacs in the previous year. Consolidated net loss for the year was ` 3,912 Lacs due to loss in exceptional item of ` 5,449 Lacs against a profit of ` 1,718 Lacs in Previous Year.

(` in Lacs)

| **Particulars** | **Consolidated Basis** | |
|---|---|---|
| **For the period ended** | **F.Y. 2014-15** | F.Y. 2013-14 |
| Total Revenue | **33,227** | 30,481 |
| Less expenses | **31,690** | 28,763 |
| Profit before exceptional items and Tax | **1,536** | 1,718 |
| Less exceptional items | **5,449** | - |
| Net Profit/(Loss) for the period | **(3,912)** | 1,718 |

**2. Operations of the Company:**

The break-up of consolidated sales includes export incentives and other miscellaneous revenues is as under:

(` in Lacs)

| Divisions | F.Y. 2014-15 | F.Y. 2013-14 |
|---|---|---|
| **Formulations ((Finished Dosage form)** | | |
| Export | 18,415 | 17,378 |
| **Active Pharmaceuticals Ingredients (API)** | | |
| Local | 7,296 | 6,710 |
| Export | 6,542 | 5,639 |
| **Consumer Care Division** | | |
| Local | 243 | 246 |
| Export | 11 | – |
| Others | 51 | 223 |

During the year, the Formulations (Finished Dosage form) Division showed a growth of 5.97% and the Active Pharmaceuticals Ingredients (API) segment showed a growth of 8.73% in local sales and 16.03% in an Export sale. The Consumer Care segment is at nascent stage.

**3. Dividend:**

In view of the past losses the Board of Directors do not recommend any dividend on equity or preference shares.

**4. Management Discussion and Analysis Report:**

The Report on Management Discussion and Analysis as required under Clause 49 of the Listing Agreement is provided as a separate section in **Annexure A** of Annual Report.

**5. Subsidiaries, Associates and Joint Ventures:**

Kopran Research Laboratories Ltd., Kopran (H.K.) Ltd., and Kopran Lifesciences Ltd. are the existing wholly owned subsidiaries of the company. Salient features and financial summary is provided as a separate section in **Annexure B** of Annual Report.

During the year your company has subscribed the Right Issue of Kopran Research Laboratories Ltd. amounting to ` 40 Crores.

As required under Rule 8(1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared on standalone financial statements and a report on performance and financial position of each of the subsidiaries and associates included in the consolidated financial statements.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and consolidated financial statements has been placed on the website of the Company, www.kopran.com. Shareholders interested in obtaining a copy of the subsidiary companies may write to the Company Secretary at the Company's registered office.

**6. Share Capital:**

During the Financial Year the company has allotted Equity Shares and warrants to promoters on preferential basis aggregating to 2050000 Equity Shares of face value of ` 10/- at a premium of ` 56/-and 2150000 Warrants at a rate of ` 66/- per warrant fully paid. The warrant is convertible within 18 months from the date of allotment. Accordingly, the paid up Equity shares of the company as on 31st March, 2015 stands increased from 39.05 crores to 41.10 crores. The warrants can be exercised and converted in to fully paid Equity Shares on or before 25th May, 2016. The proceeds of ` 2,772 Lacs of the preferential issue were utilized against adjustment of loan from the promoter group company.

**7. Directors:**

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Mr. Amit Rajan, Director of the Company will retire by rotation at the ensuing Annual General Meeting (AGM) and is eligible and offers himself for re-appointment.

Mr. Vijay Kumar Bhandari, Independent Director of the Company has completed his first term and eligible for re-appointment has express his willingness act as an Independent Director for a term of 5 years.

During the year under review the Board has appointed Dr. Siddhan Subramanian and Dr. Sunita Banerji as Additional Director (Independent) w.e.f. 29th September, 2014. They will hold Office up to the ensuing AGM of the Company. The Company has received a notice together with requisite Deposit of ` 1 lac each under section 160 of the Companies Act, 2013 from a member of the Company proposing their candidature for the office of the Independent Directors for terms of 5 consecutive years commencing from the ensuing AGM.

The independent Directors of the Company have given the declaration to the Company that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The Board considers their association would be immense benefits to the Company and recommends to the members for their appointment.

Further Mr. Susheel G. Somani, Driector of the Company resigned from the Board w.e.f. 29th September, 2014 and the Board acknowledges the contribution made by Mr. Susheel G. Somani during his tenure.

**8. Key Managerial Personnel:**

Mr. Surendra Somani, Executive Vice Chairman, Mr. Ajit Jain, Director & Chief Operating Officer, Mr. Basant Kumar Soni, Chief Financial Officer and Mr. Sunil Sodhani, Company Secretary & Compliance Officer are the Key Managerial Personnel in the Company.

**9. Meetings of the Board:**

Five (5) Board Meetings were held during the financial year ended 31st March, 2015. The details of the Board Meetings with regard to their dates and attendance of each of the Directors has been provided in the Corporate Governance Report as a separate section in **Annexure C** of Annual Report.

**10. Performance Evaluation:**

Pursuant to the provision of the Companies Act, 2013 and Clause 49 of the Listing Agreements, the Board has carried out the annual Performance Evaluation of the Directors individually as well as evaluation of the working of the Board and of the Committees of the Board, by way of individual and collective feedback from Directors.

The following were the Evaluation Criteria:

**a. For Independent Directors**

- Knowledge and Skills
- Professional conduct
- Duties, Role and Functions

**b. For Executive Directors**

- Performance as Team Leader/Member
- New initiative/expansion/innovation
- Achievements in the Key responsibility area.
- Professional Conduct, Integrity
- Sharing of information with the Board
- Customer satisfaction and investor relations

**c. For Board and its Committees**

- Attendance and participation of the members
- Advising in implementation of good Corporate practices
- Reviewing and guiding corporate strategy, risk policy, annual budgets, overseen major capital expenditure etc.
- Succession planning
- Financial integrity, appropriate systems of control in relation of financial operation and compliances of various laws.

The Directors expressed their satisfaction with the evaluation process.

**11. Audit Committee:**

The Audit Committee consists of two Independent Directors with Dr. Arvind K. Mehta, Chairman and Mr. Vishnu N. Khanna member and Mr. Surendra Somani, Member (Executive Director). The Committee inter alia reviews the Internal Control System and reports of Internal Auditors and compliance of various regulations including related party transactions. The Committee also reviews in detail the Financial Statements before they are placed before the Board.

**12. Vigil Mechanism:**

Pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013 and Listing Agreements, a Vigil Mechanism or 'Whistle Blower Policy' for directors, employees and other stakeholders to report genuine concerns has been established. The same is also placed on the website of the Company.

**13. Internal Control Systems:**

The Company's internal control procedure which includes internal financial controls, ensure compliance with various policies, practices and statutes in keeping with the organization's size and increasing complexity of operations. The company is in process to implement SAP in its operations for better system control.

**14. Fixed Deposits:**

During the financial year, the Company has not accepted any deposits from the public and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

**15. Corporate Social Responsibility(CSR):**

The company has formed a CSR Committee during the financial year to decide on the CSR policy and projects for the CSR activities. The CSR Committee Chairman is Dr. Sunita Banerji and members are Mr. Ajit Jain and Mr. Surendra Somani. The details of CSR report is attached in **Annexure D**

**16. Policy on Nomination and Remuneration:**

The contents of Nomination and Remuneration Policy of the Company prepared in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 (IV) of the Listing Agreements summary of which is provided in the Corporate Governance Report.

**17. Related Party Transactions:**

Related Party Transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company. Suitable disclosure as required by the accounting standard (AS-18) has been made in the notes to the Financial Statements.
The Board has approved a policy for related party transactions for which has been uploaded on the Company's website. The web-link as required under Listing Agreement is as under www.kopran.com

**18. Corporate Governance:**

The Report on corporate governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report given in **Annexure C**. The requisite certificate from GMJ & Associates, Practicing Company Secretaries of the Company confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Clause 49, is attached to the Report on corporate governance.

**19. Listing of Shares:**

The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2015-16 have been paid.

**20. Loans, Guarantee or Investments:**

Details of Loans granted, Guarantee given and Investments made during the year under review covered under the provisions of Section 186 of the Companies Act, 2013 are given as **Annexure E**.

**21. Rating:**

The rating issued by CRISIL for Long term is BBB-and short term rating is A3

**22. Auditors:**

**I. Statutory Auditors:**

In compliance with the Companies (Audit and Auditors) Rules 2014, M/s. Batliboi & Purohit, Chartered Accountants has been appointed as Statutory Auditors of the Company till the conclusion of next Annual General Meeting. Further, pursuant to the requirement of section 139 of the Companies Act 2013, the appointment of Statutory Auditors is to be ratified by the members at every Annual General Meeting. Members are requested to ratify their appointment for the F.Y. 2015-16.

**II Secretarial Auditors:**

The Board of Directors of the Company appointed M/s. GMJ & Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the F.Y. 2015-16.

The Secretarial Audit Report of M/s. GMJ & Associates, Practicing Company Secretaries, for the Financial Year ended 31st March, 2015, is annexed as **Annexure F**

**III Cost Auditors:**

Mr. Dilip M. Malkar, Cost Accountant, Cost Auditor of the Company for F.Y. 2014-15 have been appointed as Cost Auditor for conducting audit of the cost accounts maintained by the Company.

**IV Internal Auditors:**

The Board of Directors has appointed M/s. NGS & Co. LLP, Chartered Accountants as Internal Auditor of the Company for the F.Y. 2015-16.

There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their report or by the Secretarial Auditors in their Secretarial Audit Report and hence no explanations and no comments of the Board is required in this matter.

**23. Directors' Responsibility Statement:**

In terms of the provisions of the Companies Act, 2013, the Directors state that:

I. In preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;

II. The Directors have selected such accounting policies listed in the financial statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give and true and fair view of the state of affairs of the Company at the end of the financial year as on 31st March, 2015 and of the profit of the Company for that period;

III. The directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance of the Company and for preventing and detecting fraud and other irregularities;

IV. The directors have prepared the annual accounts on a going concern basis; and

V. The 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.

VI. 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.

**24. Material changes:**

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. 31st March, 2015. Further, it is hereby confirmed that there has been no change in the nature of the business of the Company.

**25. Extracts of Annual Return:**

The extract of Annual Return required under Section 134(3)(a) of the Companies Act, 2013, read with the Rule 12(1) of the Companies (Management and Administration) Rules, 2014, forms part of this report as **Annexure G**.

**26. Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and outgo:**

The information required under Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith with **Annexure H**.

**27. Particulars of employees and related disclosures:**

Disclosures pertaining to remuneration and other details required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure I**.

The Annual Report is being sent to the members of the Company excluding the aforesaid information. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

On behalf of the Board of Directors

Surendra Somani
Executive Vice Chairman
28th May, 2015

## Annexure A

*(TO THE DIRECTOR'S REPORT)*

**Management Discussion and Analysis**

**Industrial Overview:** The Global Pharmaceutical market is now more than US$ 1 Trillion, within which the Global Generic business is nearly US$ 400 billion.

The Global Generic market is growing by more than 25%, providing a huge opportunity to the Indian Pharmaceutical Industry. The US Pharmaceutical market is around US$ 350 billion. The share of the US Global Pharmaceuticals spending is expected to decline due to expiry of Patents.

The Global Active Pharmaceutical Ingredients Industry is a little more than US$ 100 billion with China and India leading in the production of APIs. The API industry is expected to witness consolidation due to Economies of Scale and the required competitiveness.

Newer research based technologies, especially for products where patents expire, will fuel the growth of the API industry. Products going off patent between 2013 and 2016 value US$ 65 billion.

**Company Strategy and Outlook:**

Your Company has entered into various agreements in developed countries like UK, Australia and Canada. Major area of focus would be to develop new products for the Regulated markets including the entry strategy for the US market. Your Company has received approvals of UK, Australia and South Africa apart from the developing countries and also now gearing up to match quality standards acceptable by the USFDA.

**Internal Control Systems and their Adequacy**

Your Company has effective systems of internal control in place. The Company also maintains suitable monitoring procedures in various functional areas. Controls are in place as:

a) Effective systems of accounting and administrative control, implementation of SAP systems for better controls over operations, Internal Audit and Secretarial Audit conducted for checks and balances and to comply with the various statutory laws.

b) Existence of Audit Committee and Risk management Committee of Directors.

**Financial Performance and Review**

During the year, the Income from operations was ` 332.07Cr (Previous Year ` 303.30 Cr.) and a profit before Depreciation, Interest and Tax ` 38.10Cr (Previous Year ` 43.96 Cr.) The Net Profit is ` 15.48 Cr (Previous Year ` 17.04 Cr.)

There was 9.15% decrease in profit of the Company during Financial Year 2014-15 in comparison to Previous Year 2013-14. Ratio of domestic and international sales revenue amounted to the ratio of 1:3.

**Human Resources/Industrial Relations**

Human Resources are the most valuable asset of your company. Induction and Retention policies are in place to strengthen the organization with highly qualified and capable professionals, to implement the company's growth strategy.

**Cautionary Statement**

Statements in the "Management Discussion and Analysis" describing company's strategy, business and financial analysis are in the nature of judgments and forward looking statements. Actual results could differ materially from those expected or implied. Important factors that could make a difference to the company's operations include government regulations, patent laws, tax regime, economic and industrial developments within India and within the pharmaceutical industry/ relevant segments in which company operates, financial situation of the company and other external and internal variables in the company's environment.

## Annexure – B

*(TO THE DIRECTOR'S REPORT)*

**FORM AOC**

**(Pursuant to first provision 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/ associate companies/ joint ventures**

**Part "A": Subsidiaries** **Fig in `**

| | | | | |
|---|---|---|---|---|
| 1. | Name of Subsidiary & Cin No. | Kopran (H.K.) Ltd. | Kopran Research Laboratories Ltd. U74120MH2010PLC21112 | Kopran Lifesciences Ltd. U24230MH1986PLC040601 |
| 2. | Reporting period for the Subsidiary Concerned, if different from holding company's reporting period | 01-04-2014 to 31-03-15 | 01-04-2014 to 31-03-15 | 01-04-2014 to 31-03-15 |
| 3. | Reporting currency and Exchange ate as on the last date of the relevant financial year in the case of Foreign subsidies. | HKD ` 8.0634 = 1HKD | NA | NA |
| 4. | Share Capital | 23,18,750 | 9,00,00,000 | 5,00,000 |
| 5. | Reserves & Surplus | (16629.39) | (16,30,25,639) | (93,339) |
| 6. | Total assets | 23,11,120.61 | 191,02,45,055 | 11,31,013 |
| 7. | Total Liabilities | 23,11,120.61 | 191,02,45,055 | 11,31,013 |
| 8. | Investments | NIL | NIL | 10,00,000 |
| 9. | Turnover | 56340.10 | 9,75,000 | NIL |
| 10. | Profit Before Taxation | 637.57 | (18,89,26,592) | (13,116) |
| 11. | Provision for Taxation | - | - | - |
| 12. | Profit After Taxation | 637.57 | (18,89,26,592) | (13,116) |
| 13. | Proposed Dividend | Nil | Nil | Nil |
| 14. | % of Shareholding | 100% | 100% | 100% |

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures :**

**Name of Associates/ Joint Ventures : None.**

## Annexure C

*(TO THE DIRECTOR'S REPORT)*

### REPORT ON CORPORATE GOVERNANCE

**1. Corporate Governance Philosophy :**

The Company is committed to high standards of Corporate Governance, envisages Commitment of the Company towards the attainment of high level of transparency, accountability and business propriety with the ultimate objective of increasing long term shareholders value keeping in view the needs and interests of all stake holders. The aim of Corporate Governance is to invite and focus attention of the management at all levels and to strive for higher level of Accountability, Transparency, Authority commensurate with Responsibility, Free & Fair dealing and Performance Delivered in all aspects of Operations. Company's strategies, business plans and all actions are to be successful within the framework of Corporate Governance.

**2. Prevention of Insider Trading :**

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct to Regulate, Monitor and Report Trading By Insiders. All the Directors, employees or senior management who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the Code. The Company has appointed Mr. Sunil Sodhani Company Secretary as the Compliance officer of the Company.

As envisaged under Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information to ensure fair disclosure of events and occurrence that could impact price of its securities in the market. The Company Secretary of the Company shall act as the Chief Investor Relations Officer.

**3. Risk Management :**

The company has thought out and communicated the procedures to all concerned in the organization as to identification, measurement and evaluation of risks, their classification and mitigation. The Company has constituted a Risk Management Committee at its Board Meeting held on 13th February 2015.

**4. Board of Directors :**

The composition of Board is in conformity with Clause 49 of the Listing Agreement. The Company has a non-executive Chairman and over half of the total numbers of Directors are comprised of Independent Directors. The Company has Six Non-Executive Directors (including one Professional Director) and two Executive Directors.

The Non-executive Directors of the Company draws remuneration only by the way of sitting fees for attending the meeting of the Board (except Professional Director) and the committees thereof. Professional fee is paid to Mr. Amit Rajan, Non-executive and Non-independent Director. None of the Independent directors have any material pecuniary relationship or transaction with the Company, its promoters, its directors, its senior management or its holding company, its subsidiary and associates which may affect independence of the director.

The evaluation of the Independent Directors is done by the board to determine the eligibility of the directors for appointment/re-appointment. The criteria for evaluation is as per the terms as laid down by the Nomination & Remuneration Committee.

All the Directors hold directorships and committee membership within the permissible limits under the relevant provisions.

The names and categories of the directors on the Board, their attendance at Board meetings during the financial year 2014-15 and at the last Annual General Meeting and the number of directorships and committee members held by them in other companies are given below:

The Composition of Board of Directors is in conformity with clause 49 of Listing Agreement. Composition and other details of Board of Directors are as below:

| Name of Director | Category | Position/Group |
|---|---|---|
| Mr. Vishnu N. Khanna | Non- Executive Director | Chairman (Independent Director) |
| Mr. Surendra Somani | Executive Director | Vice Chairman (Promoter Group) |
| Mr. Susheel G. Somani | Non- Executive Director | Promoter Group (Resigned w.e.f. 29th September, 2014) |
| Dr. Arvind K. Mehta | Non-Executive Director | Independent Director |
| Mr. Ajit Jain | Executive Director | Chief Operating Officer |
| Mr. Amit Rajan | Non-Executive Director | Professional Director |
| Mr. Vijay K. Bhandari | Non-Executive Director | Independent Director |
| Dr. Siddhan Subramanian | Non-Executive Director | Additional Director (Appointed w.e.f. 29th September, 2014) |
| Dr. Sunita Banerji | Non-Executive Director | Additional Director (Appointed w.e.f. 29th September, 2014) |

- **Familiarization Programme of Independent Directors:**

  Training of Independent Directors was done on 4th March, 2015. The Directors were updated on their roles, duties and responsibilities towards the Company and the business model of the Company.

- **Separate Meeting of Independent Directors:**

  Independent Directors Meeting was held on 4th March, 2015 to review the performance of Non-independent Directors and the Board as a whole.

- **Directors Attendance:**

  Composition of Board of Directors is in conformity with clause 49 of Listing Agreement.

  Composition and other details of Board of Directors are as below:

| **Name of Director** | Five Board Meetings held during the FY 2014-15 | Last AGM | |
|---|---|---|---|
| | Attended | Remarks | Attendance |
| Mr. Vishnu N. Khanna | 5 | | Yes |
| Mr. Surendra Somani | 5 | | Yes |
| Mr. Susheel G. Somani | 2 | Resigned w.e.f 29.09. 2014 | No |
| Dr. Arvind K. Mehta | 4 | | Yes |
| Mr. Ajit Jain | 3 | | Yes |
| Mr. Amit Rajan | 4 | | Yes |
| Mr. Vijay K. Bhandari | 4 | | Yes |
| Dr. Siddan Subramanian | 3 | Appointed w.e.f 29.09. 2014 | NA |
| Dr. Sunita Banerji | 2 | Appointed w.e.f 29.09. 2014 | NA |

Notes :

The information as required under to clause 49 is being made available to the board. The gap of two board meetings did not exceed four months.

Total Number of Board Meetings held on FY 2014-15 : Five

The dates on which board meetings were held on are as follows:

28th May 2014; 14th August 2014; 29th September 2014; 12th November, 2014 and 13th February, 2015.

- **Details for Director, Chairman, Committee members in other companies:**

| **Name of Director** | **No. of Director ships Held in other Public Companies** | **No. of Committee Memberships in other Public Companies.** | |
|---|---|---|---|
| | | **Chairman** | **Member** |
| Mr. Vishnu N. Khanna | 4 | 2 | 5 |
| Mr. Surendra Somani | 4 | 0 | 0 |
| Mr. Susheel G. Somani | 4 | 1 | 0 |
| Dr. Arvind K. Mehta | 1 | 0 | 0 |
| Mr. Ajit Jain | 2 | 0 | 0 |
| Mr. Amit Rajan | 0 | 0 | 0 |
| Mr. Vijay K. Bhandari | 8 | 4 | 5 |
| Dr. Siddhan Subramanian | 0 | 0 | 0 |
| Dr. Sunita Banerji | 0 | 0 | 0 |

- **Remuneration to Directors and their Shareholding during the financial year 2014-15 :**

**a) Details of remuneration to Executive Directors :**

| Name of Director | Shareholding | Amount (`) |
|---|---|---|
| Mr. Surendra Somani | 503075 | 83,37,600 |
| Mr. Ajit Jain | Nil | 93,82,167 |

**b) Details of remuneration to Non-Executive Directors**

| Details of sitting fees paid: | Shareholding | Board (`) | Committee (`) |
|---|---|---|---|
| Mr. Vishnu N. Khanna | 52200 | 42000 | 20000 |
| Mr. Susheel G. Somani | 871900 | 4000 | - |
| Dr. Arvind K. Mehta | Nil | 40000 | 16000 |
| Mr. Amit Rajan | Nil | 28000 | - |
| Mr. Vijay K. Bhandari | Nil | 40000 | 4000 |
| Dr. Siddhan Subramanian | Nil | 38000 | - |
| Dr. Sunita Banerji | Nil | 36000 | - |

Note : Mr. Amit Rajan, Director of the Company was paid professional fees amounting to ` 16,85,400, for rendering professional services.

- **Audit committee :**

**(a) Terms of reference**

The Audit Committee has adequate powers and detailed terms of reference to play an effective role as required under Section 177 of the Companies Act, 2013 and Clause 49 of listing Agreement with the Stock Exchange, which inter-alia include overseeing financial reporting processes, reviewing periodic financial results, financial statements and adequacy of internal control systems with the Management, financial statement and Investment of Unlisted subsidiary Companies.

**(b) Committee Members and its composition**

| Name | Designation | Category | Meetings held | Meetings attended |
|---|---|---|---|---|
| Dr. Arvind K. Mehta | Chairman | Independent Director | 5 | 4 |
| Mr. Vishnu N. Khanna | Member | Independent Director | 5 | 5 |
| Mr. Surendra Somani | Member | Executive Director | 5 | 5 |

- **Stakeholders Relationship Committee**

**Committee Members and its composition**

| Name | Designation | Category | Meetings held | Meetings attended |
|---|---|---|---|---|
| Dr. Arvind K. Mehta | Chairman | Independent Director | 1 | 1 |
| Mr. Vishnu N. Khanna | Member | Independent Director | 1 | 1 |
| Mr. Surendra Somani | Member | Executive Director | 1 | 1 |

- **Status of Shareholder's Complaints (For FY 2014-15) :**

| Nature of Complaint | Number of Complaints | | |
|---|---|---|---|
| | Received | Resolved | Pending |
| Enquiry regarding dividend | 3 | 3 | 0 |
| Non Receipt of Annual Report & Physcial Copy required | 30 | 30 | 0 |
| Non Receipt of Share Certificate after transfer | 1 | 1 | 0 |
| Non Receipt of Demat Credit | 1 | 1 | 0 |

Address for investors Correspondence:
Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai - 400018; Tel. No. 022 - 43661111; Fax No.022-24950363 Email id : investors@kopran.com Website : www.kopran.com

- **Nomination & Remuneration Committee**

In pursuant to the provisions of Section 178 of the Companies Act, 2013, the Company has constituted a Nomination & Remuneration Committee of Directors in May; 2013. The terms of reference of the Committee are in line with Clause 49 of the Listing Agreement and broadly the terms of reference are to appraise the performance of Managing/ Executive/ Whole time Directors, determine and recommend to the Board, compensation payable to them, details of which are included in this report.

**Composition**

| Name | Designation | Category | Committee Meetings held | Committee Meetings attended |
|---|---|---|---|---|
| Mr. Vijay K. Bhandari | Chairman | Independent Director | 2 | 2 |
| Dr. Arvind K. Mehta | Member | Independent Director | 2 | 1 |
| Mr. Vishnu N. Khanna | Member | Independent Director | 2 | 2 |

**Nomination & Remuneration Policy**

a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

- **Corporate Affairs Committee**

| Name | Designation | Category | Committee Meetings held | Committee Meetings attended |
|---|---|---|---|---|
| Mr.Surendra Somani | Chairman | Executive Director | 3 | 3 |
| Dr. Arvind K. Mehta | Member | Independent Director | 3 | 3 |
| Mr. Ajit Jain | Member | Executive Director | 3 | 3 |

- **CSR Committee**

| Name | Designation | Category | Committee Meetings held | Committee Meetings attended |
|---|---|---|---|---|
| Dr.Sunita Banerji | Chairman | Independent Director | 1 | 1 |
| Mr. Ajit Jain | Member | Executive Director | 1 | 1 |
| Mr. Surendra Somani | Member | Executive Director | 1 | 1 |

**5. General Meetings :**

Details Previous General Meetings/Postal Ballots:

| AGM | Date | Time | Location of the Meeting Resolutions passed | No. of Special |
|---|---|---|---|---|
| 53rd | 15th September, 2012 | 10.00 a.m. | Shri S. K. Somani Memorial Hall, HVB Academy, 79, Marine Drive, Mumbai-400 020 | Nil |
| 54th | 14th September, 2013 | 12.00 Noon | As above | Two |
| 55th | 11th September, 2014 | 11.30 a.m. | As above | Four |

**EGM during FY 2014-15 :**

| EGM | Last Date of Postal Ballot | Scrutinizer | No. of Special Resolutions passed |
|---|---|---|---|
| Postal Ballot | 14th September, 2014 | Mr. Prabhat Maheshwari, Partner GMJ & Associates, Practicing Company Secretary | Two |
| Postal Ballot | 12th November, 2014 | - do - | Three |

Details of voting pattern and of special resolution is available on company website.

**6. Shareholders' Information**

- Details of 56th Annual General Meeting:

| Date | Saturday 19th September, 2015 |
|---|---|
| Venue | Shri S. K. Somani Memorial Hall, Gr. Floor, 79, Marine Drive, Mumbai – 400 020. |
| Time | 3.00 p.m. |

- Financial Results announced for the year ended 31st March, 2015 :

| Period | Result for F.Y.2014-15 | Tentative Schedule for F.Y.2015-16 |
|---|---|---|
| First Quarter | 14th August, 2014 | On or before 14-August-2015 |
| Second Quarter and Half yearly | 12th November, 2014 | On or before 14-November-2015 |
| Third Quarter & Nine Months | 13th February, 2015 | On or before 14-February-2016 |
| Fourth Quarter and Annual | 28th May, 2015 | On or before 15 May-2016 for Unaudited Results or for Audited Results by 30th May, 2016 |

- Book Closure :

  The Register of Members and Share Transfer Books will remain closed from Thursday, 17th September, 2015 to Saturday, 19th September, 2015 (both days inclusive)

- Registered Office Address :

  Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018; Tel. No. 022-43661111; Fax No.022-24950363; Website : www.kopran.com CIN NO. L24230MH1958PLC011078.

**7. Dematerialization of shares and liquidity :**

The Equity Shares of the Company are compulsory tradable in the Demat Form by all the investors. The Company's Equity Shares are available for trading in the Depository System of both NSDL and CDSL. As on 31.03.2015, 40758648 shares representing 99.17% of Equity shares are held in demat mode. ISIN for the equity shares is INE082A01010.

**8. Share Transfer System**

The Company's shares are traded compulsorily in Demat segment in the Stock Exchange, Mumbai. Shares in physical segment which are lodged for transfer are processed by our Registrar and returned to the Shareholders within stipulated time period.

**9. Proceeds from public issue, right issues, preferential issues:**

The proceeds of `. 2,772 Lacs of the preferential issue made during the year were utilized against repayment/adjustment of loan from the promoters.

**10. Subsidiary Monetary Framework**

All subsidiary companies of the Company are Board managed with their Boards having the rights and obligations to manage companies with best interest of their stakeholders. The Company monitors performance of subsidiary companies, inter alia by following means

a) Review of financial statements, in particular investments made by the unlisted subsidiary companies by the Audit Committee of the Company.

b) All minutes of Board Meeting of the unlisted subsidiary companies are placed before the Company's Board.

**11. Code of Conduct**

The Board of Directors has adopted a revised Code of Conduct for its members and senior management at the Board Meeting held on 29th September, 2015. The Code of Conduct for its Directors and Senior Management upholds the interest of the company and its stakeholders and to fulfill all the fiduciary obligations towards them. The Code of Conduct further enjoins the Directors and Senior Management to act in accordance with the highest standard of honesty, integrity, fairness, and good faith and due diligence in performing their duties. The Code of Conduct adopted by Board is available in the Website of the Company.

**12. Declaration by CEO**

The Company has obtained from all the Members of the Board and Senior Management Personnel, affirmation(s) that they have confirmed compliance with the Code of Conduct in respect of the Financial Year Ended 31st March, 2015.

**13. CFO / CEO Certification**

The Executive Vice Chairman of the Company have certified to the Board that:

1. They have reviewed the balance sheet and profit and loss account (consolidated and unconsolidated), and all its schedules and notes to accounts, as well as the cash flow statement;
2. Based on their knowledge, information and belief, these statements do not contain any untrue statement of a material fact or omit to state a material fact that might be misleading with respect to the statements made;
3. Based on their knowledge, information and belief, the financial statements and other financial information included in this Report present a true and fair view of the Company's affairs for the period presented in this Report and are in compliance with the existing accounting standards, applicable laws and regulations;
4. To the best of their knowledge, information and belief, no transactions entered into by the Company during the period are fraudulent, illegal or violate of the Company's Code of conduct;
5. They are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;
6. They have disclosed, based on their most recent evaluation, wherever applicable, to the Company's Auditors and the Audit Committee of the Company's Board of Directors, all significant deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps taken or proposed to be taken to rectify the deficiencies;
7. They have indicated to the Auditors and the Audit Committee:
   a. Significant changes in the Company's internal control over financial reporting during the year.
   b. All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
   c. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.

**14. Means of communication**

The Unaudited Financial Results of the Company for each Quarter is placed before the Board of Directors within 45 days from the end of the respective quarter. The Quarterly Financial Results of the Company is published in Economic Times/ Maharashtra Times and Notice in Free Press Journal/ Navshakti newspaper. The Financial Results/office news releases are also made available on the Company's website www.kopran.com

**15. Whistle Blower Policy**

The Board has laid down a whistle blower policy for its Directors, employees and customers/Stakeholders to report fraud, abuse of authority, breach of Company's code of conduct, employee misconduct, illegality and other reportable matters through any of the following manners:

- Email : ak.mehta@hotmail.com
- Phone No. : 022- 22090424

Written Communication: Chairman of Audit Committee : C/o. Kopran Limited, Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai-400 018.

**16. Listing**

The Company's equity shares are listed on the Bombay Stock Exchange Ltd (BSE) Stock Code – 524280 and the National Stock Exchange of India Ltd (NSE) Stock Code – KOPRAN. The Company has paid listing fees for the Financial Year 2014-15 to both stock exchanges. The Company has also paid custodial fees for the Financial Year 2014-15 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

- **Stock Market Data**

**The monthly movement of equity share price on BSE & NSE is summarized below:**

| | Bombay Stock Exchange (BSE) | | | National Stock Exchange (NSE) | | |
|---|---|---|---|---|---|---|
| **Month** | **High (`)** | **Low (`)** | **Volume of Shares Traded** | **High (`)** | **Low (`)** | **Volume of Shares Traded** |
| April-14 | 34.95 | 20.95 | 3907541 | 34.95 | 20.90 | 7933613 |
| May-14 | 39.90 | 32.00 | 4361745 | 39.40 | 32.00 | 8493131 |
| June-14 | 46.55 | 35.50 | 5580946 | 46.50 | 35.30 | 12838472 |
| July-14 | 56.60 | 38.40 | 6574189 | 56.60 | 38.50 | 16765285 |
| August-14 | 65.15 | 45.60 | 10460187 | 65.20 | 45.65 | 25409065 |
| September-14 | 72.65 | 58.80 | 13267855 | 72.65 | 58.60 | 29803497 |
| October-14 | 68.80 | 57.00 | 2847844 | 68.80 | 56.15 | 6500690 |
| November-14 | 70.50 | 55.70 | 5521676 | 70.45 | 55.20 | 14488013 |
| December-14 | 64.20 | 47.55 | 3327656 | 64.20 | 47.50 | 7948689 |
| January-15 | 62.35 | 51.25 | 3632083 | 62.35 | 51.10 | 9599790 |
| February-15 | 56.25 | 42.15 | 2216310 | 56.35 | 41.50 | 4645065 |
| March-15 | 52.90 | 42.40 | 3213960 | 53.00 | 42.00 | 8696632 |

Yearly Stock Performance vs Benchmark, Index

| NSE (Closing Index) exchange | As on 1st April, 2014 | As on 31st March, 2015 | Change in % |
|---|---|---|---|
| Nifty | 6721 | 8491 | 26.33% |
| Kopran Ltd. (Closing Price) (`) | 21.10 | 45.15 | 114% |

- **Distribution of Shareholding as on 31st March, 2015**

**By size of shareholdings**

| No. of Equity Share held | No. of Share holders | % of Share holders | No. of Shares held | % of Shares held |
|---|---|---|---|---|
| 01 to 500 | 25032 | 80.51 | 4360948 | 10.61 |
| 501 to1000 | 3008 | 9.67 | 2564514 | 6.24 |
| 1001 to 2000 | 1505 | 4.84 | 2366716 | 5.76 |
| 2001 to 3000 | 515 | 1.66 | 1356529 | 3.30 |
| 3001 to 4000 | 208 | 0.67 | 755349 | 1.84 |
| 4001 to 5000 | 224 | 0.72 | 1068626 | 2.60 |
| 5001 to 10000 | 340 | 1.09 | 2552492 | 6.21 |
| 10001 and above | 260 | 0.84 | 26077428 | 63.44 |
| Grand Total | 31092 | 100.00 | 41102602 | 100.00 |

- **Mode of Shareholding :**

| | **No. of Shares** | % of Shares |
|---|---|---|
| No. of Shares in Physical Mode | 342178 | 0.83 |
| No. of Shares in Electronic Mode | 40760424 | 99.17 |
| Total | 41102602 | 100.00 |

- **By Category of Shareholders:**

| | **No. of Shareholders** | **% of shareholders** | **No. of share held** | **% of Share held** |
|---|---|---|---|---|
| Indian Promoters | 33 | 0.11 | 17345713 | 42.20 |
| Banks | 5 | 0.02 | 76525 | 0.19 |
| Financial Institutions | 7 | 0.02 | 1065218 | 2.59 |
| Mutual Funds | 3 | 0.01 | 500 | 0.00 |
| FII/NRI | 334 | 1.07 | 689030 | 1.68 |
| Trust | 3 | 0.01 | 5700 | 0.02 |
| Resident Individuals | 29990 | 96.45 | 18308612 | 44.54 |
| Body Corporate (Others) | 602 | 1.94 | 3400332 | 8.27 |
| Clearing Member | 115 | 0.37 | 210972 | 0.51 |
| Total | 31092 | 100.00 | 41102602 | 100.00 |

**17. Outstanding GDR / ADR/ Warrant or any convertible instruments, conversion date and likely impact on Equity.**

During the Financial Year Company has issued 2150000 Warrants on preferential basis to a promoter group company. Assuming full conversion of warrant in equity shares the promoter holding would be 44.95% and public holding would be 55.05 %.

**18. Location of Plant :**

Formulation Unit Village Savroli, Taluka Khalapur, District Raigad, Khopoli – 410 202

API Unit : Kopran Research Laboratories ltd (Subsidiary company) K- 4, Additional MIDC, Village Birwadi, Near Global Board, Mahad 402 302.

The Compliance Officer of the Company is Mr. Sunil Sodhani, Company Secretary.

**19. Registrar & Share Transfer Agent :**

Bigshare Services Pvt. Ltd. E- 2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East),
Mumbai – 400 072, Tel. No. 022-40430200, Fax No. 022-28475207

**16. Disclosures :**

**Related Party Transactions:**

There were no related party transactions that may have potential conflict with the interests of the company at large.

**Details of non-compliances, penalties etc. imposed on the Company by SEBI or Stock Exchange or any other statutory authority on any matter related to capital market, during the last three years**

The Company has complied with the requirements of the Stock Exchange, SEBI, and other Statutory Authorities on all matters relating to Capital Markets during the last three years.

**Details of compliance with mandatory requirements and adoption of non-mandatory requirements**

1) The Company has complied with all mandatory requirement of Clause 49 of the Listing Agreement with the Stock Exchanges as on 31st March, 2015.

2) Adoption / non adoption of non – mandatory requirements as at March 31, 2015 :

(a) The Company does not maintain an office for the Non-Executive Chairman

(b) As the Financial Results are published in the newspaper as well as displayed on the Company's website, the Results are not sent to household of each of the Shareholders.

(c) The auditors have issued an un-qualified opinion for financial statements for the year ended March 31, 2015

(d) The Company is already having separate posts for Chairman and Managing Director

(e) The Internal Auditor directly reports to the Audit Committee

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**AUDITORS' CERTIFICATE**

**To**
**The Members,**
**KOPRAN LIMITED,**

We have examined the compliance of conditions of Corporate Governance by KOPRAN LIMITED, for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

We further 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.

For **GMJ & ASSOCIATES**
**Company Secretaries**

**[CS P. MAHESHWARI]**
**PARTNER**
**FCS No.: 2405**
**COP No. : 1432**

Place: Mumbai
Date: **28th May, 2015.**

## Annexure D

*(TO THE DIRECTOR'S REPORT)*

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

| Sr.No | Particulars | |
|---|---|---|
| 1. | A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or program.<br>The Company's CSR policy provides for carrying out CSR activities in the areas of Education, Healthcare and Rural Development and to various 'not for profit of organization' or contribution towards some specific project being undertaken by any of the organization. The brief outline of the CSR policy is available on the Company's Website. | |
| 2. | The Composition of the CSR Committee<br>The CSR Committee Chairman is Dr.Sunita Banerji and members are Mr. Ajit Jain and Mr. Surendra Somani . | |
| 3. | Average net profit of the Company for last three financial years is `1,175.66 Lacs. | |
| 4. | Prescribed CSR Expenditure (two percent of the amount as in item 3 above)<br>` 23.51 Lacs. | |
| 5. | Details of CSR spent during the financial year<br>a) total amount to be spent for the financial year ` 23.51 Lacs<br>b) Amount unspent, if any ` 1.32 Lacs.<br>c) Manner in which the amount spent during the financial year is detailed below: | |
| Sr.No | CSR project for activity identified | Contribution made to Ratan Nidhi Charitable Trust to provide for Artificial limb to handicap person |
| a | Sector in which the project is covered | Healthcare |
| b | Projects or programs<br>(1) Local area or other<br>(2) Specify the State and District where projects or program was undertaken | Jaipur, Rajasthan. |
| c | Amount outlay (budget) project or programs wise | ` 1.32 Lacs spent on single program |
| d | Amount spent on the projects or programs<br>Sub-heads<br>1. Direct Expenditure on projects or programs<br>2. Overheads | <br><br>Direct expenditure of the projects is ` 1.32 Lacs<br>Nil |
| e | Cumulative expenditure upto the reporting period | ` 1.32 Lacs |
| f | Amount spent: Direct or through implementing agency. | Through implementing agency, Ratan Nidhi Charitable Trust |
| 6. | In case the company has failed to spend the two percent of the average net profit of last three financial years or any part thereof, the reason for not spending the amount: | |
| | The CSR Committee is also evaluating on various projects as per the CSR policy. | |
| | CSR Committee hereby confirms that the implementation and monitoring of CSR policy is in compliance with CSR objective and policy of the Company. | |

Place : Mumbai
Date: 28th May, 2015

**Executive Vice Chairman**

**Chairperson of CSR Committee**

## Annexure E

*(TO THE DIRECTOR'S REPORT)*

**Particulars of loans, guarantees or investments made by the Company.**

| Nature of Transactions (whether loan/ guarantee/ investments | Date of making loans, giving guarantee or making investments | Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired | Amount (` in lacs) | Purpose of loan/ guarantee/investments |
|---|---|---|---|---|
| Loan | Balance as on 31.03.2015 | Kopran Research Laboratories Ltd. | 81.27 | Loan to subsidiary co. |
| Investment | 23.03.2015 | Kopran Research Laboratories Ltd. | 400.00 | Subscription of Rights issue by Conversion of Loan |

## Annexure F

*(TO THE DIRECTOR'S REPORT)*

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015**

{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,**
**Kopran Limited**
Parijat House,
1076, Dr. E Moses Road,
Worli, Mumbai 400 018.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kopran Limited (hereinafter called the 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 the company's 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 31st March, 2015 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 the Company, for the financial year ended on 31st March, 2015 according to the provisions of:

i. The Companies Act, 2013 and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), viz :

   a. The Securities and Exchange Board of India (Substantial acquisition of Shares and Takeover) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   c. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

vi. We have relied on the representation made by the company and its officers for systems and mechanism formed by the company for compliances under other applicable Acts, Laws and Regulations with respect to Factory related laws, Industry related laws, Employees related Laws, Environmental Laws, Acts prescribed under prevention and control of pollution, Intellectual Property Laws, Municipality Laws to the extent applicable, Direct and Indirect Tax Laws, Land Laws of the State and other local Laws as applicable.

We have also examined compliance with the applicable clauses of The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange Limited.

During the year under review, the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, 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. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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 are carried out unanimously at Board Meetings and Committee Meetings and recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company to 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 year under report, the company has undertaken the following action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above :

1. Preferential Allotment of 20,50,000 Equity shares of ` 10/- each at a premium of ` 56 to Oricon Properties Private Limited in lieu of adjustment of outstanding loan on 26th November, 2014.

2. Preferential Allotment of 21,50,000 Warrants at a price of ` 66/- each which are converted in one Equity Share of face value of ` 10/- each at a premium of ` 56 to Oricon Properties Private Limited in lieu of adjustment of outstanding loan on 26th November, 2014.

3. Divestment of API business to its subsidiary Kopran Research Laboratories Limited.

For **GMJ & ASSOCIATES**
**Company Secretaries**

**[CS P. MAHESHWARI]**
**PARTNER**
**FCS No. : 2405**
**COP No. : 1432**

Place: Mumbai
Date: 28th May, 2015

Note: This report is to be read with our letter of even date that is annexed as Annexure I and forms an integral part of this report.

## ANNEXURE I

*(TO THE SECRETARIAL AUDIT REPORT)*

To,
**The Members,**
**Kopran Limited**
Parijat House,
1076 Dr. E Moses Road,
Worli, Mumbai 400 018.

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

1. Maintenance of secretarial records is the responsibility of 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 processes 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 processes 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 and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures 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 **GMJ & ASSOCIATES**
**Company Secretaries**

**[CS P. MAHESHWARI]**
**PARTNER**
**FCS No. : 2405**
**COP No. : 1432**

Place: Mumbai
Date: 28th May, 2015

## Annexure G

*(TO THE DIRECTOR'S REPORT)*

**Form No. MGT-9**

**Extract of annual return as on the financial year ended on 31.03.2015**

[Pursuant to section 92(3)of the Companies Act, 2013 and rule12(1)ofthe Companies (Management and Administration) Rules,2014]

**I. REGISTRATION AND OTHER DETAILS:**

| | | |
|---|---|---|
| i) CIN | : | L24230MH1958PLC011078 |
| ii) Registration Date | : | 26TH April, 1958 |
| iii) Name of the Company | : | Kopran Limited |
| iv) Category/Sub-Category of the Company | : | Company limited by shares |
| v) Address of the registered office and contact details | : | Parijat House, 1076, Dr. E Moses Road, Worli, Mumbai-400 018 |
| vi) Whether listed company | : | Yes |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | : | Bigshare Services Pvt. Ltd<br>CIN : U99999MH1994PTC076534<br>E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400 072<br>Tel No. : 022 40430200 Fax No. : 022 28475207 |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turn over of the company shall be stated:-

| Sl.No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turn over of the company |
|---|---|---|---|
| 1 | Formulations | 21001 | 55.94% |
| 2 | API | 21001 | 43.54% |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

| Sr. No. | Name and address of the company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1. | Kopran Research Laboratories Ltd | U24230MH1986PLC040601 | Subsidiary | 98.89% | 2(87) |
| 2. | Kopran Lifesciences Ltd. | U74120MH2010PLC21112 | Subsidiary | 100% | 2(87) |
| 3. | Kopran (H.K.) Ltd. | Not Applicable | Subsidiary | 100% | 2(87) |

**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 | | | | No. of shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total Shares | % of Total | Demat | Physical | Total shares | % of Total | |
| **A. Promoters** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual/HUF | 5522700 | 0 | 5522700 | 14.14 | 5522700 | 0 | 5522700 | 13.44 | No change |
| b) Central Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) State Govt(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Bodies Corp. | 9720813 | 0 | 9720813 | 24.89 | 11770813 | 0 | 11770813 | 28.64 | -21.08% |
| e) Banks/ FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Any Other…. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| **Sub-total (A)(1):-** | 15243513 | 0 | 15243513 | 39.03 | 17293513 | 0 | 17293513 | 42.07 | -13.45% |
| **(2)Foreign** | | | | | | | | | |
| a) NRIs-Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Other-Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Banks/ FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Any other…. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (A) (2):- | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| **Total shareholding of promoter(A)= (A)(1)+(A)(2)** | 15243513 | 0 | 15243513 | 39.03 | 17293513 | 0 | 17293513 | 42.07 | -13.45% |
| **B.Public shareholding 1. Institutions** | | | | | | | | | |
| a) Mutual Funds | 0 | 500 | 500 | 0.00 | 0 | 500 | 500 | 0.00 | No Change |
| b) Banks/FI | 1039738 | 300 | 1040038 | 2.66 | 1141443 | 300 | 1141743 | 2.78 | -9.78% |
| c) Central Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) State Govt(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| g) FIIs | 0 | 300 | 300 | 0.00 | 0 | 300 | 300 | 0.00 | No Change |
| h) Foreign Venture Capital funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| **Sub-total (B) (1):-** | **1039738** | **1100** | **1040838** | **2.67** | **1141443** | **1100** | **1142543** | **2.78** | **-9.77%** |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **2. Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | 3426099 | 19801 | 3445900 | 8.82 | 3380531 | 19801 | 3400332 | 8.27 | 1.32% |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ` 1 lakh | 11002962 | 329202 | 11332164 | 29.02 | 13242493 | 321127 | 13563620 | 33.00 | -19.69% |
| ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh | 7095107 | 0 | 7095107 | 18.17 | 4744992 | 0 | 4744992 | 11.54 | 33.12% |
| c) Others (Specify) | | | | | | | | | |
| i) Trusts | 4500 | 0 | 4500 | 0.01 | 5700 | 0 | 5700 | 0.01 | -2.67% |
| ii)Clearing Member | 252876 | 0 | 252876 | 0.65 | 210972 | 0 | 210972 | 0.51 | 16.57% |
| iii)Directors Relatives | 52200 | 0 | 52200 | 0.13 | 52200 | 0 | 52200 | 0.13 | No Change |
| iv)Non Resident Indians (NRIs) | 585354 | 150 | 585504 | 1.50 | 688580 | 150 | 688730 | 1.68 | -17.63% |
| **Sub-total (B)(2):-** | 22419098 | 349153 | 22768251 | 58.30 | 22325468 | 341078 | 22666546 | 55.15 | 0.44% |
| Total Public Shareholding (B)=(B) (1)+(B)(2) | 23458836 | 350253 | 23809089 | 60.97 | 23466911 | 342178 | 23809089 | 57.93 | No Change |
| C. Shares held by custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 38702349 | 350253 | 39052602 | 100.00 | 40760424 | 342178 | 41102602 | 100.00 | -5.24% |

**(ii) Shareholding of Promoters**

| Sr. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the company | % of Shares Pledged/ Encumbered to total shares | No. of Shares company | % of total shares of the Encumbered | % of Shares Pledged/ holding to total shares | % of change Shares during the year |
| 1 | Debonair Publication Pvt ltd. | 1000 | 0.0026 | 0.0000 | 1000 | 0.0024 | 0.0000 | -0.0002 |
| 2 | Riddhi Siddhi Equifin ltd. | 3950 | 0.0101 | 0.0000 | 3950 | 0.0096 | 0.0000 | -0.0005 |
| 3 | Sarla Sevantilal Prekh | 6290 | 0.0161 | 0.0000 | 6290 | 0.0153 | 0.0000 | -0.0008 |
| 4 | Renuka Vinubhai Bhansali | 8500 | 0.0218 | 0.0000 | 8500 | 0.0207 | 0.0000 | -0.0011 |
| 5 | Pravina Rameshchandra Virvadi | 8500 | 0.0218 | 0.0000 | 8500 | 0.0207 | 0.0000 | -0.0011 |
| 6 | Anushree Somani | 9000 | 0.0230 | 0.0000 | 9000 | 0.0219 | 0.0000 | -0.0011 |
| 7 | Vrinda Somani | 9000 | 0.0230 | 0.0000 | 9000 | 0.0219 | 0.0000 | -0.0011 |
| 8 | G. Claridge& Company Ltd. | 25000 | 0.0640 | 0.0000 | 25000 | 0.0608 | 0.0000 | -0.0032 |
| 9 | Somani Kumkum | 35635 | 0.0912 | 0.0000 | 35635 | 0.0867 | 0.0000 | -0.0045 |
| 10 | Suhrid Somani | 93300 | 0.2389 | 0.0000 | 93300 | 0.2270 | 0.0000 | -0.0119 |
| 11 | Practical Financial Services pvt ltd. | 96900 | 0.2481 | 0.0000 | 96900 | 0.2358 | 0.0000 | -0.0123 |
| 12 | Hridai Susheel Somani | 116900 | 0.2993 | 0.0000 | 0 | 0.0000 | 0.0000 | -0.2993 |
| 13 | Morganite Trading Company Pvt. Ltd. | 161150 | 0.4126 | 0.0000 | 161150 | 0.3921 | 0.0000 | -0.0205 |
| 14 | Mr. Adarsh Somani | 181250 | 0.4641 | 0.0000 | 181250 | 0.4410 | 0.0000 | -0.0231 |
| 15 | Surendra Somani | 187000 | 0.4788 | 0.0000 | 187000 | 0.4550 | 0.0000 | -0.0238 |
| 16 | Mridula Somani | 228900 | 0.5861 | 0.0000 | 228900 | 0.5569 | 0.0000 | -0.0292 |
| 17 | Jaya Somani | 258500 | 0.6619 | 0.0000 | 258500 | 0.6289 | 0.0000 | -0.0330 |
| 18 | Uni Recyclers Pvt. Ltd. | 265395 | 0.6796 | 0.0000 | 265395 | 0.6457 | 0.0000 | -0.0339 |
| 19 | Nupur Somani | 270000 | 0.6914 | 0.0000 | 270000 | 0.6569 | 0.0000 | -0.0345 |
| 20 | Rajendra Somani | 270500 | 0.6927 | 0.0000 | 270500 | 0.6581 | 0.0000 | -0.0346 |
| 21 | Susheel G. Somani | 272000 | 0.6965 | 0.0000 | 272000 | 0.6618 | 0.0000 | -0.0347 |
| 22 | Varun Somani | 272500 | 0.6978 | 0.0000 | 272500 | 0.6630 | 0.0000 | -0.0348 |
| 23 | Rajendra Somani | 289000 | 0.7400 | 0.0000 | 289000 | 0.7031 | 0.0000 | -0.0369 |
| 24 | Surendra Somani | 316075 | 0.8094 | 0.0000 | 316075 | 0.7690 | 0.0000 | -0.0404 |
| 25 | Claridge Investments ltd. | 317500 | 0.8130 | 0.0000 | 317500 | 07725 | 0.0000 | -0.0405 |
| 26 | Vandana Somani | 325200 | 0.8327 | 0.0000 | 325200 | 0.7912 | 0.0000 | -0.0415 |
| 27 | Parijat shipping and finale ltd. | 385209 | 0.9864 | 0.0000 | 385209 | 0.9372 | 0.0000 | -0.0492 |
| 28 | Susheel Somani | 599900 | 1.5361 | 0.0000 | 599900 | 1.4595 | 0.0000 | -0.0766 |
| 29 | Oricon properties pvt. Ltd. | 1761758 | 4.5112 | 0.0000 | 3811758 | 9.2738 | 0.0000 | 4.7626 |
| 30 | Rajendra Somani | 1764750 | 4.5189 | 0.0000 | 1764750 | 4.2935 | 0.0000 | -0.2254 |
| 31 | Sarvamangal Mercantile Co. ltd. | 2902951 | 7.4334 | 0.0000 | 2902951 | 7.0627 | 0.0000 | -0.3707 |
| 32 | Panorama Finvest Pvt. Ltd. | 3800000 | 9.7305 | 3300000 | 3800000 | 9.2452 | 3300000 | -0.4853 |
| | **Total** | **15243513** | **39.0330** | **3300000** | **17293513** | **42.0743** | **3300000** | **3.0413** |

**(iii) Change in Promoter's Shareholding (please specify, if there is no change)**

| Sr.No. | | 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 |
| | At the beginning of the year | 15243513 | 37.09 | 15243513 | 37.09 |
| | DECREASE | - | - | - | - |
| | INCREASE 26/11/2014 (preferential allotment) | 2050000 | 4.99 | 17293513 | 42.07 |
| | At the End of the year | 2050000 | 4.99 | 17293513 | 42.07 |

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

**TOP TEN NON PROMOTERS MOVEMENT**

| Sr.No | NAME | No. of Shares at the beginning /End of the year | Date | Increase/ Decrease in share-holding | Reason | Number of Shares | Percentage of total shares of the company |
|---|---|---|---|---|---|---|---|
| 1 | KOTAK MAHINDRA INVESTMENTS LTD | 62500 | 1-Apr-14 | 0 | Transfer | 62500 | 0.15 |
| | | | 25-Apr-14 | -4100 | Transfer | 58400 | 0.14 |
| | | | 2-May-14 | -33400 | Transfer | 25000 | 0.06 |
| | | | 9-May-14 | -19000 | Transfer | 6000 | 0.01 |
| | | | 16-May-14 | 11233 | Transfer | 17233 | 0.04 |
| | | | 23-May-14 | -17233 | Transfer | 0 | 0.00 |
| | | | 25-Jul-14 | 14826 | Transfer | 14826 | 0.04 |
| | | | 8-Aug-14 | -5178 | Transfer | 9648 | 0.02 |
| | | | 15-Aug-14 | 1188 | Transfer | 10836 | 0.03 |
| | | | 22-Aug-14 | -396 | Transfer | 10440 | 0.03 |
| | | | 29-Aug-14 | -10440 | Transfer | 0 | 0.00 |
| | | | 19-Sep-14 | 13635 | Transfer | 13635 | 0.03 |
| | | | 14-Nov-14 | 26466 | Transfer | 40101 | 0.10 |
| | | | 19-Dec-14 | 268519 | Transfer | 308620 | 0.75 |
| | | | 9-Jan-15 | -10 | Transfer | 308610 | 0.75 |
| | | | 13-Feb-15 | -1200 | Transfer | 307410 | 0.75 |
| | | | 13-Mar-15 | -100 | Transfer | 307310 | 0.75 |
| | | | 27-Mar-15 | -100 | Transfer | 307210 | 0.75 |
| | | 307210 | 31-Mar-15 | 0 | Transfer | 307210 | 0.75 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2 | INDO THAI SECURITIES LIMITED | 395973 | 1-Apr-14 | 0 | Transfer | 395973 | 0.96 |
| | | | 4-Apr-14 | -32959 | Transfer | 363014 | 0.88 |
| | | | 11-Apr-14 | 46226 | Transfer | 409240 | 1.00 |
| | | | 18-Apr-14 | -2826 | Transfer | 406414 | 0.99 |
| | | | 25-Apr-14 | 690 | Transfer | 407104 | 0.99 |
| | | | 2-May-14 | -6590 | Transfer | 400514 | 0.97 |
| | | | 9-May-14 | -15960 | Transfer | 384554 | 0.94 |
| | | | 16-May-14 | 10000 | Transfer | 394554 | 0.96 |
| | | | 23-May-14 | -10660 | Transfer | 383894 | 0.93 |
| | | | 30-May-14 | -990 | Transfer | 382904 | 0.93 |
| | | | 13-Jun-14 | -3000 | Transfer | 379904 | 0.92 |
| | | | 20-Jun-14 | -30000 | Transfer | 349904 | 0.85 |
| | | | 30-Jun-14 | -10350 | Transfer | 339554 | 0.83 |
| | | | 4-Jul-14 | -7777 | Transfer | 331777 | 0.81 |
| | | | 11-Jul-14 | -12661 | Transfer | 319116 | 0.78 |
| | | | 18-Jul-14 | 16433 | Transfer | 335549 | 0.82 |
| | | | 25-Jul-14 | -1740 | Transfer | 333809 | 0.81 |
| | | | 1-Aug-14 | 12100 | Transfer | 345909 | 0.84 |
| | | | 8-Aug-14 | -3800 | Transfer | 342109 | 0.83 |
| | | | 22-Aug-14 | -16733 | Transfer | 325376 | 0.79 |
| | | | 29-Aug-14 | 18515 | Transfer | 343891 | 0.84 |
| | | | 5-Sep-14 | 450 | Transfer | 344341 | 0.84 |
| | | | 11-Sep-14 | -1250 | Transfer | 343091 | 0.83 |
| | | | 12-Sep-14 | -700 | Transfer | 342391 | 0.83 |
| | | | 19-Sep-14 | -3460 | Transfer | 338931 | 0.82 |
| | | | 30-Sep-14 | -3000 | Transfer | 335931 | 0.82 |
| | | | 3-Oct-14 | 2191 | Transfer | 338122 | 0.82 |
| | | | 10-Oct-14 | -1581 | Transfer | 336541 | 0.82 |
| | | | 17-Oct-14 | 4300 | Transfer | 340841 | 0.83 |
| | | | 24-Oct-14 | -5950 | Transfer | 334891 | 0.81 |
| | | | 31-Oct-14 | -1100 | Transfer | 333791 | 0.81 |
| | | | 7-Nov-14 | 4700 | Transfer | 338491 | 0.82 |
| | | | 14-Nov-14 | -1200 | Transfer | 337291 | 0.82 |
| | | | 21-Nov-14 | -4400 | Transfer | 332891 | 0.81 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | 28-Nov-14 | 500 | Transfer | 333391 | 0.81 |
| | | | 5-Dec-14 | 108 | Transfer | 333499 | 0.81 |
| | | | 12-Dec-14 | -29500 | Transfer | 303999 | 0.74 |
| | | | 19-Dec-14 | -185437 | Transfer | 118562 | 0.29 |
| | | | 31-Dec-14 | -1028 | Transfer | 117534 | 0.29 |
| | | | 2-Jan-15 | 28 | Transfer | 117562 | 0.29 |
| | | | 9-Jan-15 | -2012 | Transfer | 115550 | 0.28 |
| | | | 16-Jan-15 | 10000 | Transfer | 125550 | 0.31 |
| | | | 23-Jan-15 | -3310 | Transfer | 122240 | 0.30 |
| | | | 30-Jan-15 | 200 | Transfer | 122440 | 0.30 |
| | | | 6-Feb-15 | -1500 | Transfer | 120940 | 0.29 |
| | | | 13-Feb-15 | -175 | Transfer | 120765 | 0.29 |
| | | | 20-Feb-15 | -31725 | Transfer | 89040 | 0.22 |
| | | | 27-Feb-15 | -32800 | Transfer | 56240 | 0.14 |
| | | | 6-Mar-15 | -10902 | Transfer | 45338 | 0.11 |
| | | | 13-Mar-15 | -7800 | Transfer | 37538 | 0.09 |
| | | | 20-Mar-15 | -1298 | Transfer | 36240 | 0.09 |
| | | | 27-Mar-15 | -200 | Transfer | 36040 | 0.09 |
| | | | 31-Mar-15 | 62 | Transfer | 36102 | 0.09 |
| | | 36102 | 31-Mar-15 | 0 | Transfer | 36102 | 0.09 |
| 3 | LIFE INSURANCE CORPORATION OF INDIA | 400000 | 1-Apr-14 | 0 | Transfer | 400000 | 0.97 |
| | | 400000 | 31-Mar-15 | 0 | Transfer | 400000 | 0.97 |
| 4 | NIRMAL BANG FINANCIAL SERVICES PRIVATE LIMITED | 59500 | 1-Apr-14 | 0 | Transfer | 59500 | 0.14 |
| | | | 18-Apr-14 | -7500 | Transfer | 52000 | 0.13 |
| | | | 25-Apr-14 | -36741 | Transfer | 15259 | 0.04 |
| | | | 2-May-14 | -12759 | Transfer | 2500 | 0.01 |
| | | | 9-May-14 | -2000 | Transfer | 500 | 0.00 |
| | | | 16-May-14 | -500 | Transfer | 0 | 0.00 |
| | | | 11-Sep-14 | 20807 | Transfer | 20807 | 0.05 |
| | | | 19-Sep-14 | -5000 | Transfer | 15807 | 0.04 |
| | | | 30-Sep-14 | 73500 | Transfer | 89307 | 0.22 |
| | | | 10-Oct-14 | 2000 | Transfer | 91307 | 0.22 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | 17-Oct-14 | 8215 | Transfer | 99522 | 0.24 |
| | | | 14-Nov-14 | 13500 | Transfer | 113022 | 0.28 |
| | | | 21-Nov-14 | 25500 | Transfer | 138522 | 0.34 |
| | | | 12-Dec-14 | 27500 | Transfer | 166022 | 0.40 |
| | | | 19-Dec-14 | 4700 | Transfer | 170722 | 0.42 |
| | | | 9-Jan-15 | -4000 | Transfer | 166722 | 0.41 |
| | | | 16-Jan-15 | -4153 | Transfer | 162569 | 0.40 |
| | | | 23-Jan-15 | -5000 | Transfer | 157569 | 0.38 |
| | | | 6-Feb-15 | 2000 | Transfer | 159569 | 0.39 |
| | | | 27-Feb-15 | -49347 | Transfer | 110222 | 0.27 |
| | | | 6-Mar-15 | 59000 | Transfer | 169222 | 0.41 |
| | | | 27-Mar-15 | 4000 | Transfer | 173222 | 0.42 |
| | | 173222 | 31-Mar-15 | 0 | Transfer | 173222 | 0.42 |
| 5 | UNITED INDIA INSURANCE COMPANY LIMITED | 253744 | 1-Apr-14 | 0 | Transfer | 253744 | 0.62 |
| | | 253744 | 31-Mar-15 | 0 | Transfer | 253744 | 0.62 |
| 6 | SURESH PAHARIA | 247920 | 1-Apr-14 | 0 | Transfer | 247920 | 0.60 |
| | | | 8-Aug-14 | -1000 | Transfer | 246920 | 0.60 |
| | | 246920 | 31-Mar-15 | 0 | Transfer | 246920 | 0.60 |
| 7 | YOGESH MANUBHAI DESAI | 193000 | 1-Apr-14 | 0 | Transfer | 193,000 | 0.47 |
| | | 193000 | 31-Mar-15 | 0 | Transfer | 193,000 | 0.47 |
| 8 | PARAG CHANDUBHAI MEHTA | 380756 | 1-Apr-14 | 0 | Transfer | 380756 | 0.93 |
| | | | 23-May-14 | -200275 | Transfer | 180481 | 0.44 |
| | | | 29-Aug-14 | -10000 | Transfer | 170481 | 0.41 |
| | | | 5-Sep-14 | -12500 | Transfer | 157981 | 0.38 |
| | | | 11-Sep-14 | -10000 | Transfer | 147981 | 0.36 |
| | | | 19-Sep-14 | -15000 | Transfer | 132981 | 0.32 |
| | | | 7-Nov-14 | -50000 | Transfer | 82981 | 0.20 |
| | | | 12-Dec-14 | -82981 | Transfer | 0 | 0.00 |
| | | | 31-Mar-15 | 0 | Transfer | 0 | 0.00 |
| 9 | JUGAL KISHORE MAHESHWARI | 559228 | 1-Apr-14 | 0 | Transfer | 559228 | 1.36 |
| | | | 13-Jun-14 | -150500 | Transfer | 408728 | 0.99 |
| | | | 20-Jun-14 | -49000 | Transfer | 359728 | 0.88 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | 30-Jun-14 | -50000 | Transfer | 309728 | 0.75 |
| | | | 4-Jul-14 | -54386 | Transfer | 255342 | 0.62 |
| | | | 11-Jul-14 | -255342 | Transfer | 0 | 0.00 |
| | | | 18-Jul-14 | 185123 | Transfer | 185123 | 0.45 |
| | | | 25-Jul-14 | -161131 | Transfer | 23992 | 0.06 |
| | | | 8-Aug-14 | -19981 | Transfer | 4011 | 0.01 |
| | | | 15-Aug-14 | -1294 | Transfer | 2717 | 0.01 |
| | | | 22-Aug-14 | 29890 | Transfer | 32607 | 0.08 |
| | | | 29-Aug-14 | -25000 | Transfer | 7607 | 0.02 |
| | | | 14-Nov-14 | -7607 | Transfer | 0 | 0.00 |
| | | | 31-Mar-15 | 0 | Transfer | 0 | 0.00 |
| 10 | H. S. SHAMASUNDARA | 0 | 1-Apr-14 | | Transfer | 0 | 0.00 |
| | | | 30-Sep-14 | 89995 | Transfer | 89995 | 0.22 |
| | | | 3-Oct-14 | 5 | Transfer | 90000 | 0.22 |
| | | | 31-Oct-14 | 11000 | Transfer | 101000 | 0.25 |
| | | | 7-Nov-14 | 29000 | Transfer | 130000 | 0.32 |
| | | | 9-Jan-15 | 9817 | Transfer | 139817 | 0.34 |
| | | | 16-Jan-15 | 183 | Transfer | 140000 | 0.34 |
| | | | 6-Feb-15 | 20000 | Transfer | 160000 | 0.39 |
| | | | 20-Feb-15 | 36900 | Transfer | 196900 | 0.48 |
| | | | 27-Feb-15 | 10114 | Transfer | 207014 | 0.50 |
| | | | 6-Mar-15 | 10000 | Transfer | 217014 | 0.53 |
| | | | 13-Mar-15 | 4749 | Transfer | 221763 | 0.54 |
| | | | 31-Mar-15 | 1918 | Transfer | 223681 | 0.54 |
| | | 223681 | 31-Mar-15 | 0 | Transfer | 223681 | 0.54 |
| 11 | SHOBHA PAHARIA | 271747 | 1-Apr-14 | 0 | Transfer | 271747 | 0.66 |
| | | | 25-Apr-14 | -40614 | Transfer | 231133 | 0.56 |
| | | | 2-May-14 | -122367 | Transfer | 108766 | 0.26 |
| | | | 9-May-14 | -15000 | Transfer | 93766 | 0.23 |
| | | | 30-Jun-14 | -2766 | Transfer | 91000 | 0.22 |
| | | 91000 | 31-Mar-15 | 0 | Transfer | 91000 | 0.22 |
| 12 | ARUNDHATI SUNIL PAREKH | 158780 | 1-Apr-14 | 0 | Transfer | 158780 | 0.39 |
| | | 158780 | 31-Mar-15 | 0 | Transfer | 158780 | 0.39 |
| 13 | UMESH NATH KAPUR | 202850 | 1-Apr-14 | 0 | Transfer | 202850 | 0.49 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | 202850 | 31-Mar-15 | 0 | Transfer | 202850 | 0.49 |
| 14 | TARINI KUMAR | 158610 | 1-Apr-14 | 0 | Transfer | 158610 | 0.39 |
| | | 158610 | 31-Mar-15 | 0 | Transfer | 158610 | 0.39 |
| 15 | ANANDITA SUNIL PAREKH | 158610 | 1-Apr-14 | 0 | Transfer | 158610 | 0.39 |
| | | 158610 | 31-Mar-15 | 0 | Transfer | 158610 | 0.39 |
| 16 | VARSHA SOMANI | 399800 | 1-Apr-14 | 0 | Transfer | 399800 | 0.97 |
| | | | 13-Jun-14 | -100000 | Transfer | 299800 | 0.73 |
| | | | 20-Jun-14 | -11051 | Transfer | 288749 | 0.70 |
| | | | 30-Jun-14 | -188749 | Transfer | 100000 | 0.24 |
| | | | 5-Sep-14 | -25000 | Transfer | 75000 | 0.18 |
| | | | 12-Sep-14 | -20000 | Transfer | 55000 | 0.13 |
| | | | 19-Sep-14 | -20000 | Transfer | 35000 | 0.09 |
| | | | 31-Oct-14 | -10000 | Transfer | 25000 | 0.06 |
| | | | 7-Nov-14 | -15000 | Transfer | 10000 | 0.02 |
| | | | 23-Jan-15 | -10000 | Transfer | 0 | 0.00 |
| | | | 31-Mar-15 | 0 | Transfer | 0 | 0.00 |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|
| For Each of the Directors and KMP | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| At the beginning of the year | | | | |
| 1. Mr. Vishnu N. Khanna | 52200 | 0.13% | Nil | Nil |
| 2. Mr. Surendra Somani | 503075 | 1.29% | Nil | Nil |
| 3. Mr. Susheel G. Somani | 871900 | 2.23% | Nil | Nil |
| 4. Mr. Sunil Sodhani | Nil | Nil | Nil | Nil |
| 5. Mr. B. K. Soni | Nil | Nil | Nil | Nil |
| Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | Nil | Nil | Nil | Nil |
| At the End of the year | | | | |
| 1. Mr. Vishnu N. Khanna | 52200 | 0.13% | Nil | Nil |
| 2. Mr. Surendra Somani | 503075 | 1.23% | Nil | Nil |
| 3. Mr. Susheel G. Somani | 871900 | 2.12% | Nil | Nil |
| 4. Mr. Sunil Sodhani | Nil | Nil | Nil | Nil |
| 5. Mr. B.K. Soni | Nil | Nil | Nil | Nil |

**(V) INDEBTNESS**

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

` in lacs

| | Secured Loans excluding | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year.** | | | | |
| i) Principal Amount | 5820.29 | 7054.48 | - | 12874.77 |
| ii) Interest due but not paid | - | - | - | 0.00 |
| iii) Interest accrued due but not due | 3.81 | - | - | 3.81 |
| **Total (i + ii + iii)** | 5824.10 | 7054.48 | - | 12878.58 |
| **Change in Indebtedness during the financial year** | | | | |
| Addition | 5217.45 | 1087.83 | - | 6305.29 |
| Reduction ** | 8749.93 | 6652.31 | - | 15402.24 |
| **Net Change** | (3532.48) | (5564.47) | - | (9,096.96) |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 2291.17 | 1490.00 | - | 3781.17 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued due but not due | 0.45 | - | - | 0.45 |
| **Total (i + ii + iii)** | 2291.62 | 1490.00 | - | 3781.62 |

** Reduction includes ` 2500/- lacs transferred to Kopran Research Laboratories Ltd on account of slump sale

**(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/ or Manager:

| Sr. No. | | Particulars of Remuneration Name of MD/ WTD/ Manager | | | | Total Amount (`) |
|---|---|---|---|---|---|---|
| | | Surendra Somani | Ajit Jain | ---- | ---- | |
| A. | Gross salary | | | | | |
| 1. | Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 | 79,98,000 | 93,42,567 | | | 1,73,40,567 |
| 2. | Value of perquisites u/s 17(2) Income tax Act, 1961 | 3,39,600 | 39,600 | | | 3,79,200 |
| 3. | Profits in lieu of salary under section 17(3) Income tax Act, 1961 | - | - | | | |
| 2. | Stock Option | - | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - | - |
| 4. | Commission<br>- As % of profit<br>- Others, specify | - | - | - | - | - |
| 5. | Others, please specify | - | - | - | - | - |
| | Total(A) | 83,37,600 | 93,82,167 | - | - | 1,77,19,767 |
| | Ceiling as per the Act | The Remuneration paid by the Company is with compliance of the conditions of section II of Schedule V of the Companies Act, 2013 | | | | |

**B. Remuneration to other Directors:**

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | | | | Total Amount (`) |
|---|---|---|---|---|---|---|---|---|---|
| | | Vijay Kumar Bhandari | A.K. Mehta | Vishnu N Khanna | Dr. Sunita Banerji | Dr. Siddhan Subramanian | Susheel G. Somani | Amit Rajan | |
| 1. | Independent Directors<br>• Fee for attending<br>i) board meetings | 40,000 | 40,000 | 42,000 | 36,000 | 38,000 | | | 1,96,000 |
| | ii) committee meetings | 4,000 | 16,000 | 20,000 | - | - | | | 40,000 |
| | • Commission | - | - | - | - | - | | | - |
| | • Others, please specify | - | - | - | - | - | | | - |
| | Total (1) | 44,000 | 56,000 | 62,000 | 36,000 | 38,000 | - | - | 2,36,000 |
| 2. | Other Non-Executive Directors<br>• Fee for attending board committee meetings | | | | | | 4,000 | 28,000 | 32,000 |
| | • Commission | | | | | | - | - | |
| | • Others, please specify | | | | | | - | - | |
| | Professional fess | | | | | | - | 15,00,000 | 15,00,000 |
| | Total (2) | - | - | - | - | - | 4,000 | 15,28,000 | 15,32,000 |
| | Total (B)=(1+2) | 44,000 | 56,000 | 62,000 | 36,000 | 38,000 | 4,000 | 15,28,000 | 17,68,000 |
| | Total Managerial Remuneration | | | | | | | | 1,94,87,767 |
| | Overall Ceiling as per the Act * | | | | | | | | |
| | *The company is paying Remuneration to Managerial Personnel in compliance with Schedule V, Companies Act, 2013 | | | | | | | | |

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

| Sr. No. | Particulars of Remuneration | Name of MD/ WTD/ Manager | | | |
|---|---|---|---|---|---|
| | | CEO | Company Secretary | CFO | Total |
| 1. | Gross salary<br>a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 | - | 9,43,801 | 8,61,180 | 18,04,981 |
| | b) Value of perquisites u/s 17(2) Income tax Act, 1961 | - | 18,000 | 10,800 | 28,800 |
| | c) Profits in lieu of salary under section 17(3) Income tax Act, 1961 | - | - | - | - |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission<br>- As % of profit<br>- Others, specify | - | - | - | - |
| 5. | Others, please specify | - | - | - | - |
| | Total | - | 9,61,801 | 8,71,980 | 18,33,781 |

Note :Salary of Mr. Sunil Sodhani, Company Secretary & Mr. Basant Kumar Soni, Chief Financial Office is form the date of appointment as KMP.

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: None**

## Annexure H

*(TO THE DIRECTOR'S REPORT)*

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts)Rules, 2014 pertaining to conservation of energy, technology, absorption, foreign exchange earnings and outgo.

**1. CONSERVATION OF ENERGY**

Energy conservation is accorded highest priority by the company and substantial energy saving was achieved earlier through measures such as Auto Power factor controller, even distribution of electrical load, temperature control in brine plant, recycling of condensate recovery. Therefore, these energy saving measures are continued in 2014-15. .

Total energy consumption is given in form A as follows:

**FORM A**

| Power and fuel consumption: | | | |
|---|---|---|---|
| | Particulars | Current year 2014-15 | Previous year 2013-14 |
| a) | Electricity | | |
| | Unit (lacs) | 116.99 | 112.48 |
| | Total amount (` in lacs) | 900.89 | 814.66 |
| | Rate / Units (`) | 7.70 | 7.24 |
| b) | Briquette | | |
| | Quantity(Kg) | 3417692 | 3602993 |
| | Amount (` In lacs) | 199.77 | 205.72 |
| | Average Rate (`) | 5.85 | 5.71 |
| c) | Furnace Oil | | |
| | Oil Quantity (M.T.) | 18.83 | 41.31 |
| | Total amount (` in lacs) | 6.76 | 12.17 |
| | Average rate (`) | 35.92 | 29.46 |
| d) | HSD | | |
| | Oil (Ltrs) | 50507 | 37352 |
| | Total amount (` in lacs) | 30.60 | 21.35 |
| | Average rate (`) | 60.59 | 57.16 |
| e) | Others / Internal generation | N.A. | N.A. |

**2. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION AND EXPENDITURE ON RESEARCH & DEVELOPMENT**

The Company has focused on new product development for both the Finished Dosage Forms and the Active Pharmaceutical Ingredients. During the year, several new products were developed in the field of Oncology, Pain Management, Anti-Infective and Cardiac therapies.

**3. FOREIGN EXCHANGE EARNINGS &OUTGO :**

Earnings : ` 23,236 Lacs (Previous Year : ` 20,560 Lacs)

Outgo : ` 768 Lacs (Previous Year : ` 839 Lacs)

## Annexure I

(TO THE DIRECTOR'S REPORT)

As per the provision of section 197 of the Companies Act, 2013 read with companies (Appointment & Remuneration of managerial personnel) Rules, 2014 every listed company are required to disclose following information in Board Report.

| | |
|---|---|
| Variation in Market Capitalisation | 127% increase |
| Price earning ratio as at the closing date of current financial year | 11.64 |
| Price earning ratio as at the closing date of the previous financial year | 4.84 |
| Percentage increase over decrease in market quotation of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies and in case of unlisted companies, the variation in networth of the company at the close of the current financial year and previous financial year | NA |

Ratio of Remuneration of each Director to the medium Remuneration of the Employees of the Companies for the Financial Year.

| Name | Ratio to employees |
|---|---|
| SurendraSomani – Executive Vice Chairman | 1:0.0251 |
| Ajit Jain – Director & Chief Operating Officer | 1:0.2948 |

Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Off icer, Company Secretary or Manager if any in the Financial Year.

| Name | % increase |
|---|---|
| SurendraSomani – Executive Vice Chairman | 66.64 |
| Ajit Jain – Director & Chief Operating Officer | 43.60 |
| Basant Kumar Soni – Chief Financial Officer(appointed w.e.f.29/09/2014) | NA |
| Sunil Sodhani – Company Secretary (appointed w.e.f.28/05/2014) | NA |

| | |
|---|---|
| Percentage increase in the medium remuneration of employee in the financial year | 13.90% |
| Number of permanent employees on the Roll of the Company | 785 |
| Explanation on the relationship between average increase in remuneration and company performance **:**<br>The salary has been increased to retain the skilled & trained manpower | |
| Comparison of the remuneration of the Key Managerial Personnel against the performance of the company**:**<br>Increase in Remuneration of KMP is 55.20%. The profit of the company as declined by 9.15% | |
| Average percentile increase already made in the Salaries of the employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentile increase in the Managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial remuneration**.:**<br>Average increase in Managerial Remuneration is 20.47% and Average increase in Non-managerial person is 15.43% | |
| Key Parameter for any variable components of Remuneration availed by the Directors | NA |
| Ratio of Remuneration of the highest pay Director to that the employee who were not Director but receive remuneration in access of the highest paid Director during the year | NA |

Note : The data calculation for this Annexure is done on gross basis on cost to company (CTC) and not on take home salary.

We affirm that the Remuneration paid to the Managerial and Non-Managerial Personnel is as per the Remuneration policy of the Company.

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF KOPRAN LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Kopran Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, 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 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. 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 financial statement.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2015, and its profit and its cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention to Note 43 of the financial statements, whereby the management is of the opinion that no provision is required in respect of investment made in the subsidiary company Kopran Research Laboratories Limited for reasons stated there in. Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1 As required by Companies (Auditors Report) order 2015 issued by Central Government of India in terms of sub section 11 of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order

2 As required by Section 143 (3) of the Act, we report that:

(a) We have 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) 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, 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 financial statements – Refer Note 27 to the 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.

For **BATLIBOI & PUROHIT**
*Chartered Accountants*
ICAI Firm Registration No. 101048W

**Kaushal Mehta**
*Partner*
*Membership No.111749*

Place : Mumbai
Date : 28th May, 2015

**Annexure to the Independent Auditor's Report**

(Referred to in paragraph 1 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) As explained to us, fixed assets are physically verified by the management in a phased periodical manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(ii) (a) Physically verification of inventory has been conducted by the management at year end.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.

(iii) The company has granted unsecured loan to its subsidiary covered in the register maintained under section 189 of the Companies Act.

(a) The loans granted are re-payable on demand. We are informed that the company has not demanded repayment of the loan outstanding during the year, and thus, there has been no default on the part of the said subsidiary to which the money has been lent. The loan granted is interest free. (also refer 'Emphasis of matter' paragraph in the audit report)

(b) There is no overdue amount of loan granted to subsidiary company listed in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(v) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that *prima-facie,* the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed dues in respect of income-tax, which were outstanding, at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, dues outstanding of service tax, excise duty and other statutory dues that have not been deposited on account of any dispute as follows:

| Name of the Statute | Nature of dues | Amount ( ` in Lakhs) | For the Period | Forum where the Dispute is pending |
|---|---|---|---|---|
| Central Excise Act | Excise Duty | 14.06 | 1998-2002, 2002-2003, 2004-2005 | Central Excise and Service Tax Appellate Tribunal |
| | | 1.46 | 2011-2012 | Commissioner of Central Excise (Appeal) |
| | | 5.05 | 2012-2013 | Joint Secretary of Government of India Ministry of Finance |
| | | 6.48 | 2012-2013, 1990-1991 | Commissioner of Central Excise |
| Finance Act, 1994 | Service Tax | 507.95 | 2001-2002 | High Court (Mumbai) |
| Drug Price Control Order -95 | Difference in pricing | 591.34 | 2000-2003 | High Court (Mumbai) |

(c) There are no amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

(viii) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth and it has not incurred cash losses in the current and immediately preceding financial year.

(ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank. There were no outstanding dues to any financial institution or debenture holders anytime during the year.

(x) The company has not given any guarantee for loans taken by others from bank or financial institutions.

(xi) Based on information and explanation given to us, the term loans were applied for the purpose for which loans were obtained.

(xii) Based on the audit procedures performed and as per the information and explanation given by the management we report that no material fraud on or by the company has been noticed or reported during the year.

For **BATLIBOI & PUROHIT**
*Chartered Accountants*
ICAI Firm Registration No. 101048W

**Kaushal Mehta**
*Partner*
*Membership No.111749*

Place : Mumbai
Date : 28th May, 2015

## BALANCE SHEET AS AT 31st MARCH, 2015

| | | Notes | As at 31st March, 2015 ` | As at 31st March, 2014 ` |
|---|---|---|---|---|
| **I** | **EQUITY AND LIABILITIES** | | | |
| | **1. Shareholders' funds** | | | |
| | a Share Capital | 2 | **49,67,89,080** | 47,62,89,080 |
| | b Reserves and Surplus | 3 | **1,21,81,23,391** | 97,52,14,316 |
| | c Money received against share warrants | | **14,19,00,000** | - |
| | | | **1,85,68,12,471** | 1,45,15,03,396 |
| | **2. Non-current liabilities** | | | |
| | a Long-term borrowings | 4 | **7,52,53,743** | 63,22,69,942 |
| | b Long-term provisions | 5 | **2,72,97,000** | 3,54,69,000 |
| | | | **10,25,50,743** | 66,77,38,942 |
| | **3. Current liabilities** | | | |
| | a Short-term borrowings | 6 | **18,41,16,350** | 52,26,59,664 |
| | b Trade payables | 7 | **36,34,25,723** | 35,48,80,705 |
| | c Other current liabilities | 8 | **23,04,52,282** | 29,17,65,018 |
| | d Short-term provisions | 9 | **87,57,000** | 14,35,000 |
| | | | **78,67,51,355** | 1,17,07,40,387 |
| | | **Total** | **2,74,61,14,569** | 3,28,99,82,725 |
| **II** | **ASSETS** | | | |
| | **1. Non-current assets** | | | |
| | a Fixed Assets | | | |
| | (i) Tangible assets | 10 | **33,45,92,665** | 1,02,66,19,342 |
| | (ii) Capital work-in-progress | | **19,00,000** | 83,93,186 |
| | b Non-current investment | 11 | **46,07,09,994** | 6,87,09,994 |
| | c Long-term loans and advances | 12 | **1,74,59,513** | 58,31,20,913 |
| | | | **81,46,62,172** | 1,68,68,43,435 |
| | **2. Current assets** | | | |
| | a Inventories | 13 | **14,05,56,441** | 53,02,26,225 |
| | b Trade receivables | 14 | **29,05,72,685** | 54,63,58,974 |
| | c Cash and Bank balances | 15 | **3,61,95,846** | 4,54,14,918 |
| | d Short-term loans and advances | 16 | **1,46,41,27,425** | 48,11,39,173 |
| | | | **1,93,14,52,397** | 1,60,31,39,290 |
| | | **Total** | **2,74,61,14,569** | 3,28,99,82,725 |
| **Significant accounting policies** | | 1 | | |

The notes referred to above form an integral part of the financial statements
Per our report attached

For **BATLIBOI & PUROHIT**
*Chartered Accountants*
Firm Registration No. 101048W

**Kaushal Mehta**
*Partner*
Membership No. 111749

Place : Mumbai
Date : 28th May, 2015

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

**SURENDRA SOMANI**
**Executive Vice Chairman**

**V. N. KHANNA**
**Director**

**B. K. SONI**
**Chief Financial Officer**

**SUNIL SODHANI**
**Company Secretary**

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

| | | Notes | For the year ended 31st March, 2015 ` | For the year ended 31st March, 2014 ` |
|---|---|---|---|---|
| I | **INCOME** | | | |
| | Revenue from operation (gross) | 17 | **3,34,62,57,589** | 3,11,25,29,854 |
| | Less: Excise duty | | **9,04,07,961** | 9,29,63,319 |
| | Revenue from operation (net) | | **3,25,58,49,628** | 3,01,95,66,535 |
| | Other income | 18 | **6,48,65,304** | 1,33,95,170 |
| | **Total Income** | | **3,32,07,14,932** | 3,03,29,61,705 |
| II | **EXPENSES** | | | |
| | Cost of materials consumed | 19 | **2,07,13,01,373** | 1,87,49,61,750 |
| | Purchase of traded goods | | **1,31,41,193** | 5,78,06,756 |
| | Changes in inventories of finished goods and work in progress | 20 | **3,37,06,215** | (6,36,28,266) |
| | Employee benefit expense | 21 | **28,82,57,185** | 22,95,88,238 |
| | Other expenses | 22 | **53,33,19,100** | 49,46,37,221 |
| | Finance cost | 23 | **12,96,93,836** | 14,46,02,203 |
| | Depreciation and amortisation expense | 24 | **9,57,88,989** | 12,46,01,372 |
| | **Total Expenses** | | **3,16,52,07,891** | 2,86,25,69,274 |
| | **Profit before exceptional items, extraordinary items and tax** | | **15,55,07,041** | 17,03,92,431 |
| | Exceptional items (Net expense) | 25 | **7,02,865** | - |
| | **Profit before extraordinary items and tax** | | **15,48,04,176** | 17,03,92,431 |
| | Extraordinary items | | **-** | - |
| | **Profit before tax** | | **15,48,04,176** | 17,03,92,431 |
| | **Profit from continuing operations before Tax** | | **11,03,15,475** | 12,57,83,849 |
| | Tax expense | | **-** | - |
| | **Profit from continuing operations after Tax (A)** | | **11,03,15,475** | 12,57,83,849 |
| | **Profit from discontinuing operations before Tax** | | **4,44,88,701** | 4,46,08,582 |
| | Tax expense | | **-** | - |
| | **Profit from discontinuing operations after Tax (B)** | | **4,44,88,701** | 4,46,08,582 |
| | **Profit/(Loss) for the period (A+B)** | | **15,48,04,176** | 17,03,92,431 |
| | **Earnings per equity share (`)** | 26 | | |
| | Basic and Diluted-Par value of ` 10/- per share | | | |
| | From total operations | | **3.89** | 4.36 |
| | From continuing operations | | **2.77** | 3.22 |
| | **Significant accounting policies** | 1 | | |

The notes referred to above form an integral part of the financial statements
Per our report attached

For **BATLIBOI & PUROHIT**
*Chartered Accountants*
Firm Registration No. 101048W

**Kaushal Mehta**
*Partner*
Membership No. 111749

Place : Mumbai
Date : 28th May, 2015

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

**SURENDRA SOMANI**
**Executive Vice Chairman**

**V. N. KHANNA**
**Director**

**B. K. SONI**
**Chief Financial Officer**

**SUNIL SODHANI**
**Company Secretary**

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

| PARTICULARS | For the year ended 31st March, 2015 ` | For the year ended 31st March, 2014 ` |
|---|---|---|
| **NET PROFIT BEFORE TAX FROM CONTINUING OPERATIONS** | **11,03,15,475** | 12,57,83,849 |
| **NET PROFIT BEFORE TAX FROM DISCONTINUING OPERATIONS** | **4,44,88,701** | 4,46,08,582 |
| **NET PROFIT BEFORE TAX** | **15,48,04,176** | 17,03,92,431 |
| Adjusted for : | | |
| Depreciation | **9,57,88,989** | 12,46,01,372 |
| Dividend income | **(5,487)** | (5,437) |
| Unclaimed balances/ excess provision written back | **(13,85,859)** | (17,52,467) |
| Finance cost | **12,96,93,835** | 14,46,02,203 |
| Interest income | **(19,59,890)** | (71,82,587) |
| Profit on sale of fixed assets | **(61,201)** | (2,674) |
| Profit on slump sale | **(7,27,80,435)** | - |
| Advances/ balances written off | **7,46,02,739** | 1,11,313 |
| | **37,86,96,867** | 43,07,64,154 |
| **OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS** | | |
| Adjustments for : | | |
| Trade Receivables | **(25,01,67,711)** | (5,02,61,237) |
| Inventories | **7,72,05,293** | (16,28,20,628) |
| Loans and advances | **(9,22,17,369)** | (17,21,30,262) |
| Trade Payables | **33,50,00,978** | (11,34,52,537) |
| Other liabilities and provisions | **7,76,58,504** | 8,71,16,056 |
| Cash generated from operations | **52,61,76,562** | 1,92,15,546 |
| Direct Taxes (paid) / refund (net) | **(2,97,146)** | (3,79,715) |
| **(a) NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITES** | **52,58,79,416** | 1,88,35,831 |
| **Cash flow from investing activities:** | | |
| Purchase of fixed assets (including capital work in progress) | **(11,26,46,998)** | (8,81,36,445) |
| Sale of fixed assets | **61,205** | 90,000 |
| Withdrawal / (investment) of margin deposits | **75,63,619** | (78,39,229) |
| Sale of shares of subsidiary | **10,00,000** | - |
| Sales of other non-current investments | **70,00,000** | - |
| Interest received | **19,59,890** | 61,37,056 |
| Dividend received | **5,487** | 5,437 |
| **(b) NET CASH FLOW FROM /(USED) IN INVESTING ACTIVITIES** | **(9,50,56,797)** | (8,97,43,181) |
| **Cash flow from financing activities** | | |
| Proceeds from issue of share capital (net of expenses) | **-** | - |
| Repayment of borrowings (net) | **(30,25,17,055)** | 21,63,76,993 |
| Finance cost | **(12,99,58,754)** | (14,42,20,908) |
| Dividend paid | **-** | - |
| **(c) NET CASH FLOW FROM/ (USED) IN FINANCING ACTIVITIES** | **(43,24,75,809)** | 7,21,56,085 |
| **Net increase / (decrease) in cash and cash equivalents (a+b+c)** | **(16,53,190)** | 12,48,735 |
| **Cash and cash equivalents as at the commencement of the year, comprising :** | | |
| Cash | **8,80,261** | 1,49,570 |
| Balances with scheduled banks on current accounts | **52,81,157** | 47,63,113 |
| | **61,61,418** | 49,12,683 |
| **Cash and cash equivalents as at the end of the year, comprising :** | | |
| Cash | **11,18,742** | 8,80,261 |
| Balances with scheduled banks on current accounts | **33,89,486** | 52,81,157 |
| | **45,08,228** | 61,61,418 |
| **NET INCREASE /(DECREASE) AS DISCLOSED ABOVE** | **(16,53,190)** | 12,48,735 |

Per our report attached

For **BATLIBOI & PUROHIT**
*Chartered Accountants*
Firm Registration No. 101048W

**Kaushal Mehta**
*Partner*
Membership No. 111749

Place : Mumbai
Date : 28th May, 2015

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

**SURENDRA SOMANI**
**Executive Vice Chairman**

**V. N. KHANNA**
**Director**

**B. K. SONI**
**Chief Financial Officer**

**SUNIL SODHANI**
**Company Secretary**

## NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2015

### 1) SIGNIFICANT ACCOUNTING POLICIES

**(a) Basis of preparation of financial statement.**

The financial statements have been prepared in accordance with the generally accepted accounting principles in india ('Indian GAAP") to comply with the accounting standards specified under section 133 of the Companies Act,2013, read with Rule 7 of the Companies (Accounts) rules, 2014 and relevant provisions of the Companies Act, 2013 and other accounting pronouncements of the Institute of Chartered Accountants of India. The financial statements have been prepared under historical cost convention and on accrual basis. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year except for change in the accounting policy for depreciation in respect of tangible assets other than factory building and plant and machinery as mentioned in note no 10.

**(b) Uses of estimates**

The presentation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

**(c) Fixed assets and depreciation**

**i) Fixed assets :**

Fixed assets are stated at cost less accumulated depreciation/amortisation. Cost comprises of the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

**ii) Depreciation :**

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the plant and machinery, in whose case the estimated useful life has been assessed to be 20 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, etc.

**(d) Investments**

1. Investments intended to be held for not more than a year are classified as current investments. These are valued at lower of cost or fair value.
2. Long term investments are stated at cost. Provision for diminution in value is made only if, in the opinion of management such a decline is other than temporary.

**(e) Inventories**

Items of inventories are measured at lower of cost or net realisable value. Cost of raw materials, stores & spares and packing materials is determined using first in first out (FIFO) method. Cost of work-in-process and finished goods is determined on absorption costing method.

**(f) Research and development expenses**

1. Revenue expenditure on research and development is charged to profit and loss account under respective heads of account in the year in which it is incurred.
2. Capital expenditure is included in fixed assets under the respective heads.

**(g) Foreign exchange transactions**

1. Transactions in foreign currency are recorded at the exchange rate prevailing as on the date of transaction.
2. Foreign currency assets / liabilities as on the balance sheet date are translated at the exchange rate prevailing on the date of balance sheet.
3. The exchange difference arising out of settlement and restatement of foreign currency monetary items including those arising on repayment and translation of liabilities relating to fixed assets are taken to statement of profit and loss account.
4. Forward exchange contracts outstanding as at the year end on account of firm commitment transactions are marked to market and the losses, if any, are recognised in the statement of profit and loss and gains are ignored in accordance with the announcement of the Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

**(h) Revenue recognition**

1. Sales of products and services

   Sales comprise of sale of goods and services, net of trade discounts and include excise duty.
2. Export benefits

   The unutilised export benefits under DEPB scheme / advance license against export as on the balance sheet date are recognised as income on accrual basis.
3. Dividend

   Dividend is recognised when the company's right to receive the payment is established .
4. Other income

   Other income is accounted on accrual basis except where the receipt of income is uncertain, it is accounted on receipt basis.

**(i) Employee benefits :**

1. **Defined contribution plan :** Company's contribution paid/payable during the year to ESIC and labour welfare fund are charged to statement of profit and loss account. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the statement of profit and loss. The above benefits are classified as 'Defined contribution schemes' as the company has no further defined obligations beyond the monthly contributions.
2. **Defined Benefit Plan :** Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the statement of profit and loss account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discounted rate that is determined by the reference to market yields at the balance sheet date on government bonds where the currency and terms of government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

**(j) Excise and customs duty**

1. Excise and customs duty payable in respect of finished goods lying at factory / bonded premises are provided for and included in the valuation of inventory.
2. CENVAT credit of excise duty availed during the year is accounted for by reducing purchase cost of the materials and is adjusted against excise duty payable on clearance of goods produced.

**(k) Borrowing costs**

Borrowing costs directly attributable to the acquisition or construction of fixed assets are capitalised as part of the cost of the assets, upto the date the asset is put to use. Other costs are charged to the statement of profit and loss account in the year in which they are incurred.

**(l) Prior period items**

Prior period expenses / income is accounted under the respective head of expenses / income account, material items, if any, are disclosed separately by way of a note.

**(m) Earning per share**

In accordance with the Accounting Standard -20 (AS-20) "Earning Per Share" issued by the Institute of Chartered Accountants of India, earning per share is computed by dividing the profit after tax with the weighted average number of shares outstanding at the year end. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**(n) Income tax**

Tax expense comprises of current tax, deferred tax charge or credit. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. The deferred tax charged or credit is recognised using prevailing enacted or substantatively annexed tax rate where there is unabsorbed depreciation or carried forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets / liabilities are reviewed as at each balance sheet date based on developments during the period.

**(o) Intangible assets**

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of such assets can be measured reliably. Intangible assets are stated at cost less accumulated amortization and impairment loss, if any. All costs relating to the acquisition are capitalized. Intangible assets are amortized over the useful life of the asset.

**(p) Impairment of assets**

In accordance with Accounting Standard (AS-28) on impairment of assets, at each balance sheet date, the management reviews the carrying amount of assets in each cash generating unit to determine whether there is any indication that those assets were impaired, if any such indication exists, the recoverable amount of the asset is estimated in order to determine: i. The provision for impairment loss, if the carrying amount of an asset exceeds its recoverable amount or ii. The reversal, if any, required of impairment loss recognised in previous years.

**(q) Contingencies and provisions**

A provision is recognised when the company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefit will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

**(r) Cash and cash equivalents**

The company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

**(s) Operating lease**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under such leases are charged to the statement of profit and loss on a straight line basis over the primary period of the lease.

**(t) Other accounting policies**

These are consistent with the generally accepted accounting principles in India.

## NOTES FORMING PART OF THE BALANCE SHEET

### 2) SHARE CAPITAL

| | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| | Number of Shares | ` | Number of Shares | ` |
| **Authorised** | | | | |
| **(i)** Equity shares of ` 10 each | **5,62,50,000** | **56,25,00,000** | 5,62,50,000 | 56,25,00,000 |
| **(ii)** 10% Non Convertible Non Cumulative Redeemable Preference Shares of ` 10 each | **1,37,50,000** | **13,75,00,000** | 1,37,50,000 | 13,75,00,000 |
| **Total** | **7,00,00,000** | **70,00,00,000** | 7,00,00,000 | 70,00,00,000 |
| **Issued** | | | | |
| **(i) Equity shares of ` 10 each fully paid up** | | | | |
| At the beginning of the year | **3,90,52,602** | **39,05,26,020** | 3,90,52,602 | 39,05,26,020 |
| Add: Issued during the year | **20,50,000** | **2,05,00,000** | - | - |
| Less: Bought back during the year | **-** | **-** | - | - |
| **At the end of the year** | **4,11,02,602** | **41,10,26,020** | 3,90,52,602 | 39,05,26,020 |
| **(ii) 10% Non Convertible Non Cumulative Redeemable Preference Shares of ` 10 each** | | | | |
| At the beginning of the year | **85,80,000** | **8,58,00,000** | 85,80,000 | 8,58,00,000 |
| Add: Issued during the year | **-** | **-** | - | - |
| Less: Bought back during the year | **-** | **-** | - | - |
| **At the end of the year** | **85,80,000** | **8,58,00,000** | 85,80,000 | 8,58,00,000 |
| **Total** | **4,96,82,602** | **49,68,26,020** | 4,76,32,602 | 47,63,26,020 |
| **Subscribed and paid up** | | | | |
| **(i) Equity Shares of ` 10 each fully paid up** | | | | |
| At the beginning of the year | **3,90,52,602** | **39,05,26,020** | 3,90,52,602 | 39,05,26,020 |
| Add: Issued during the year | **20,50,000** | **2,05,00,000** | - | - |
| Less: Bought back during the year | **-** | **-** | - | - |
| Less: Calls in-Arrears (Other than Director's) | **-** | **36,940** | - | 36,940 |
| **At the end of the year** | **4,11,02,602** | **41,09,89,080** | 3,90,52,602 | 39,04,89,080 |
| **(ii) 10% Non Convertible Non Cumulative Redeemable Preference Shares of ` 10 each** | | | | |
| At the beginning of the year | **85,80,000** | **8,58,00,000** | 85,80,000 | 8,58,00,000 |
| Add: Issued during the year | **-** | **-** | - | - |
| Less: Bought back during the year | **-** | **-** | - | - |
| **At the end of the year** | **85,80,000** | **8,58,00,000** | 85,80,000 | 8,58,00,000 |
| **Total** | **4,96,82,602** | **49,67,89,080** | 4,76,32,602 | 47,62,89,080 |

**a) Terms / Rights attached to equity shares**

The Company has only one class of equity shares having a par value of `10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

**b) Terms of redemption of preference shares**

55,80,000 10% Non Convertible Non Cumulative Redeemable Preference Shares of ` 10/- each are redeemable at par on 15th March, 2025 or at any time after one year from 31st March, 2012 at the option of the company.

10,00,000 10% Non Convertible Non Cumulative Redeemable Preference Shares of ` 10/- each are redeemable at par on 28th June, 2019 or at any time after one year from 31st March, 2012 at the option of the company.

20,00,000 10% Non Convertible Non Cumulative Redeemable Preference Shares of ` 10/- each are redeemable at par on 22nd June, 2019 or at any time after one year from 31st March, 2012 at the option of the company.

**c) Shares held by holding/ultimate holding company and/or their subsidiaries/associates**

None of the shares of the Company are held by the subsidiaries, associates or joint ventures of the Company.

**d) Details of shareholders holding more than 5% shares in the company**

| | As at 31st Mar 2015 | | As at 31 March 2014 | |
|---|---|---|---|---|
| | **Number of Shares** | **% holding** | Number of Shares | % holding |
| **Equity Shares of ` 10/- each fully paid** | | | | |
| Panorama Finvest Pvt Ltd | **38,00,000** | **9.25%** | 38,00,000 | 9.73% |
| Sarvamangal Mercantile co. Ltd | **29,02,951** | **7.06%** | 29,02,951 | 7.43% |
| Oricon Properties Pvt. Ltd | **38,11,758** | **9.27%** | - | - |
| **10% Non Convertible Non Cumulative Redeemable Preference Shares of ` 10 each** | | | | |
| Sarvamangal Mercantile co. Ltd | **-** | **-** | 63,80,000 | 74.00% |
| Kopran Laboratories Ltd | **-** | **-** | 10,00,000 | 12.00% |
| Susheel G. Somani and Mridula Somani | **12,00,000** | **14.00%** | 12,00,000 | 14.00% |
| Rajendra Somani and Surendra Somani | **73,80,000** | **86.00%** | - | - |

## 3) RESERVES AND SURPLUS

| | | **As at 31st March, 2015** ` | As at 31st March, 2014 ` |
|---|---|---|---|
| **(a)** | **Capital reserve** | | |
| | Opening balance | **14,84,74,390** | 14,84,74,390 |
| | **Closing balance** | **14,84,74,390** | 14,84,74,390 |
| **(b)** | **Securities premium account** | | |
| | Opening balance | **99,52,42,754** | 99,52,42,754 |
| | Add: Issued during the year | **11,48,00,000** | - |
| | Less : Calls in -arrears (other than directors's) | **(1,10,820)** | (1,10,820) |
| | **Closing balance** | **1,10,99,31,934** | 99,51,31,934 |
| **(c)** | **General reserve** | | |
| | Opening balance | **8,14,20,684** | 8,14,20,684 |
| | **Closing balance** | **8,14,20,684** | 8,14,20,684 |
| **(d)** | **Export allowance reserve** | | |
| | Opening balance | **40,000** | 40,000 |
| | **Closing balance** | **40,000** | 40,000 |
| **(e)** | **Surplus / (Deficit) in Statement of Profit and Loss** | | |
| | Opening balance | **(24,98,52,693)** | (42,02,45,124) |
| | Add: Depreciation on transition to schedule II of the Companies Act, 2013 (ref note no.32) | **(2,66,95,100)** | - |
| | Add: Profit / (Loss) for the year | **15,48,04,176** | 17,03,92,431 |
| | **Closing balance** | **(12,17,43,617)** | (24,98,52,693) |
| | **Total** | **1,21,81,23,391** | 97,52,14,316 |

## 4) LONG-TERM BORROWINGS

| | As at 31st March, 2015 ` | As at 31st March, 2014 ` |
|---|---|---|
| **Rupee loans** | | |
| Term loans from banks (Secured) | **15,87,503** | 66,45,713 |
| Vehicles finance loans (Secured) | **46,65,928** | 1,76,445 |
| Other (Unsecured) * | **-** | 8,00,00,000 |
| **Loan from related party** | | |
| Mr. Surendra Somani | **4,77,00,000** | - |
| **Inter corporate deposits (Unsecured)** | | |
| Others | **2,13,00,312** | 54,54,47,784 |
| **Total** | **7,52,53,743** | 63,22,69,942 |

(a) Term loans from banks include term loan of ` 66,45,713/- (Balance outstanding) which carries interest base rate +3.50% p.a. and is repayable in 10 equal quarterly installments of ` 50 lacs from June, 2013. Current maturities of ` 66,45,713/- have been shown under current liabilities. The loan is secured by first mortgage charge on the company's entire fixed assets on pari-passu basis with other working capital consortium banks and second charge on current assets of the company on pari-passu basis.

(b) Term loans from banks include term loan of ` 3,15,87,503/-(Balance outstanding) which carries interest base rate +3.50% p.a. and is repayable in 8 equal quarterly installments of ` 75 lacs from June, 2014 and last installment of ` 50 lacs. Current maturities of ` 3,00,00,000/- have been shown under current liabilities. The loan is secured by first mortgage charge on the company's entire fixed assets on pari-passu basis with other working capital consortium banks and second charge on current assets of the company on pari-passu basis.

(c) Vehicle finance loans carry interest @ 10.73 to 12.40 % p.a. and is repayable in 35 to 40 equal monthly installments. The loans are secured by hypothecation of vehicles.

(d) * Loans from others carries Interest @ 13.50% p.a. and is repayable in 10 equal quarterly installments from December,2013. The loan is secured by personal guarantee and mortgage/ pledge of certain assets of promoters and directors

## 5) LONGTERM PROVISIONS

| | | |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (Ref. Note No. 29) | **2,08,90,000** | 2,70,36,000 |
| Leave encashment ( Ref. Note No. 29) | **64,07,000** | 84,33,000 |
| **Total** | **2,72,97,000** | 3,54,69,000 |

## 6) SHORT-TERM BORROWINGS

| | | |
|---|---|---|
| Cash credit / packing credit * | **6,86,24,000** | 34,05,21,726 |
| Buyers credit | **11,54,92,350** | 18,21,37,938 |
| **Total** | **18,41,16,350** | 52,26,59,664 |

*Cash credit / packing credit facilities availed from banks are secured by hypothecation of inventories and book debts (present and future) also second charge by way of mortgage on all immoveable properties and by way of hypothecation on all the moveable fixed assets of the company both present and future and guaranteed by director / promoter jointly and severally. The said facility is repayable on demand.

## 7) TRADE PAYABLES

| | | |
|---|---|---|
| Trade payables (including acceptances) | **36,34,25,723** | 35,48,80,705 |
| **Total** | **36,34,25,723** | 35,48,80,705 |

"The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act"), hence disclosures required to be made under the act has not been given."

## 8) OTHER CURRENT LIABILITIES

| | As at 31st March, 2015 ` | As at 31st March, 2014 ` |
|---|---|---|
| Current maturities of long-term borrowings | **11,87,46,782** | 13,25,46,978 |
| Interest accrued but not due | **45,328** | 3,81,295 |
| Interest free trade deposits | **9,68,804** | 44,68,804 |
| Advance from customers | **1,50,34,944** | 2,90,21,500 |
| Statutory liabilities | **60,51,714** | 1,16,25,291 |
| **Other payables** | | |
| Creditors for capital goods | **1,39,64,772** | 97,14,762 |
| Employees related | **3,00,57,465** | 4,59,35,251 |
| Others | **4,55,82,473** | 5,80,71,137 |
| **Total** | **23,04,52,282** | 29,17,65,018 |

## 9) SHORT TERM PROVISIONS

| | | |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (ref. note no. 29) | **59,45,000** | 10,07,000 |
| Leave encashment ( ref. note no. 29) | **28,12,000** | 4,28,000 |
| **Total** | **87,57,000** | 14,35,000 |

## 10) TANGIBLE ASSETS

| | GROSS BLOCK | | | | DEPRECIATION | | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **DESCRIPTION** | As at 1st April, 2014 (₹) | Additions during the year (₹) | Deductions during the year (₹) | **As at 31st March 2015** (₹) | Upto 1st April 2014 (₹) | Depreciation written back (₹) | Charge to Reserves (₹) | For the year (₹) | Deductions during year (₹) | **Upto 31st March, 2015** (₹) | **As at 31st March, 2015** (₹) | As at 31st March, 2014 (₹) |
| 1. Lease hold land | 43,75,252 | - | 43,75,252 | - | 9,67,160 | | | 46,056 | 10,13,216 | - | - | 34,08,092 |
| 2. Free hold land | 5,60,240 | - | - | 5,60,240 | - | | | | | - | 5,60,240 | 5,60,240 |
| 3. Buildings | 31,19,12,102 | 1,29,04,150 | 17,73,53,658 | 14,74,62,594 | 12,16,25,380 | - | - | 1,01,59,600 | 7,08,77,852 | 6,09,07,128 | 8,65,55,466 | 19,02,86,722 |
| 4. Plant & machinery | 2,31,49,49,885 | 8,31,36,506 | 1,85,16,11,387 | 54,64,75,004 | 1,49,86,21,539 | 2,29,78,022 | 2,31,24,503 | 10,66,84,954 | 1,28,60,26,859 | 31,94,26,115 | 22,70,48,889 | 81,63,28,346 |
| 5. Furniture and fixtures | 3,59,36,069 | 18,58,733 | 78,09,813 | 2,99,84,989 | 2,91,53,526 | 11,67,675 | 6,17,377 | 9,57,291 | 61,16,999 | 2,34,43,520 | 65,41,469 | 67,82,543 |
| 6. Tube well | 1,66,658 | - | - | 1,66,658 | 61,708 | - | 1,04,950 | - | - | 1,66,658 | - | 1,04,950 |
| 7. Office equipments | 1,09,72,983 | 7,42,228 | 27,93,351 | 89,21,860 | 86,82,562 | 4,04,165 | 8,12,267 | 11,36,433 | 23,26,431 | 79,00,666 | 10,21,194 | 22,90,421 |
| 8. Computers | 3,22,06,359 | 24,94,421 | 79,71,283 | 2,67,29,497 | 2,91,94,970 | 5,29,832 | 3,84,337 | 21,50,871 | 76,58,463 | 2,35,41,883 | 31,87,614 | 30,11,389 |
| 9. Vehicles | 1,79,75,755 | 75,72,137 | 54,95,305 | 2,00,52,587 | 1,41,29,116 | 12,24,672 | 16,51,666 | 9,58,150 | 51,39,466 | 1,03,74,794 | 96,77,793 | 38,46,639 |
| **T O T A L** | **2,72,90,55,303** | **10,87,08,175** | **2,05,74,10,049** | **78,03,53,429** | **1,70,24,35,961** | **2,63,04,366** | **2,66,95,100** | **12,20,93,355** | **1,37,91,59,286** | **44,57,60,764** | **33,45,92,665** | **1,02,66,19,342** |
| Previous year | 2,64,07,49,730 | 8,95,08,472 | 12,02,899 | 2,72,90,55,303 | 1,57,89,50,162 | - | - | 12,46,01,372 | 11,15,573 | 1,70,24,35,961 | 1,02,66,19,342 | - |

* Deductions during the year include transfer of assets on account of slump sale of Mahad undertaking.

** Refer not no. 32

## 11) INVESTMENTS (AT COST)

| Face Value ` | | As at 31st March, 2015 Nos. | ` | As at 31st March, 2014 Nos. | ` |
|---|---|---|---|---|---|
| | **Long term investments (at cost)** | | | | |
| | **I. In government securities (non-trade) :** | | | | |
| | 7 years national savings certificate ( lodged with collector of central excise and sales tax authority- Mumbai) | **-** | **40,250** | - | 40,250 |
| | **II. In Equity shares (fully paid-up)** | | | | |
| | **A. Quoted shares (non-trade)** | | | | |
| 10 | DSQ Software Limited | **400** | **1,99,608** | 400 | 1,99,608 |
| 1 | Himachal Futuristic Communication Ltd | **200** | **48,235** | 200 | 48,235 |
| 10 | IMP Power Ltd | **2874** | **7,92,334** | 2874 | 7,92,334 |
| 10 | Advent Computers Ltd | **30** | **24,060** | 30 | 24,060 |
| | | | **10,64,237** | | 10,64,237 |
| | Less: Provision for diminution in value of investments | | **4,26,243** | | 4,26,243 |
| | | | **6,37,994** | | 6,37,994 |
| | | | **6,37,994** | | 6,37,994 |
| | **B. Unquoted shares** | | | | |
| | **Trade investments:** | | | | |
| 10 | Kapol Co-Op Bank Ltd | **20000** | **2,00,000** | 20000 | 2,00,000 |
| 10 | The Saraswat Co-Op Bank Ltd | **1000** | **10,000** | 1000 | 10,000 |
| 10 | The New india Co-Op Bank Ltd | **500** | **5,000** | 500 | 5,000 |
| 10 | Mandvi Co-Op Bank Ltd. | **25000** | **2,50,000** | 25000 | 2,50,000 |
| | | | **4,65,000** | | 4,65,000 |
| | **Non trade investments:** | | | | |
| 10 | Parijat Shipping & Finale Ltd | **-** | **-** | 700000 | 70,00,000 |
| | | | **-** | | 70,00,000 |
| | **C. Investment in wholly owned subsidiary companies:(Unquoted)** | | | | |
| 1 HK$ | Kopran (H.K.) Limited, Hong Kong | **2318750** | **1,00,06,000** | 2318750 | 1,00,06,000 |
| 10 | Kopran Lifesciences Ltd | **50000** | **5,00,000** | 50000 | 5,00,000 |
| 10 | Kopran Research Laboratories Ltd | **8900000** | **44,90,60,750** | 5000000 | 5,00,60,750 |
| | | | **45,95,66,750** | | 6,05,66,750 |
| | **TOTAL( A+B+C)** | | **46,06,69,744** | | 6,86,69,744 |
| | **TOTAL(I+II)** | | **46,07,09,994** | | 6,87,09,994 |
| | Aggregate cost of quoted investment | | **10,64,237** | | 10,64,237 |
| | Aggregate market value of quoted investment | | **2,19,762** | | 67,886 |
| | Aggregate cost of unquoted investment | | **46,00,72,000** | | 6,80,72,000 |
| | Aggregate provision for diminution in value | | **4,26,243** | | 4,26,243 |

## 12) LONG TERM LOANS AND ADVANCES

(Unsecured considered good, unless stated otherwise)

| | | | | |
|---|---|---|---|---|
| Capital advances | | **41,96,112** | | 54,23,213 |
| Deposits | | **1,06,99,604** | | 6,74,03,708 |
| Loans and advances to subsidiary | | **-** | | 44,50,00,000 |
| **Other loans and advances** | | | | |
| Loans to employees | | **23,06,228** | | 38,21,512 |
| Loans to others | | **-** | | 6,04,83,300 |
| Prepaid expenses | | **2,57,569** | | 9,89,180 |
| | **Total** | **1,74,59,513** | | 58,31,20,913 |

## 13) INVENTORIES

(Valued at lower of cost or net realisable value)

| | As at 31st March, 2015 ` | As at 31st March, 2014 ` |
|---|---|---|
| Stores & spares | **33,94,481** | 1,33,88,840 |
| Raw materials (includes stocks in transit ` Nil (PY. ` 6,82,01,569/-)) | **8,16,06,939** | 27,05,29,350 |
| Packing materials | **2,71,36,728** | 3,19,87,573 |
| Work-in-process | **1,87,34,734** | 17,47,67,508 |
| Traded goods | **7,91,635** | 35,48,930 |
| Finished goods | **88,91,924** | 3,60,04,024 |
| **Total** | **14,05,56,441** | 53,02,26,225 |

** Excluding the inventory of Mahad undertaking transferred on slump sales basis on closing date (31st March 2015)

## 14) TRADE RECEIVABLES

(Unsecured, considered good unless other wise stated)

| | | |
|---|---|---|
| **Debts outstanding for a period exceeding six months from the date they are due for payment** | | |
| Debts due from related parties | **-** | - |
| Others | **1,61,51,131** | 1,34,63,100 |
| Considered doubtful | **-** | 2,46,59,838 |
| | **1,61,51,131** | 3,81,22,938 |
| Less: Provision for doubtful debts | **-** | 2,46,59,838 |
| | **1,61,51,131** | 1,34,63,100 |
| **Other debts** | | |
| Others | **27,44,21,554** | 53,28,95,874 |
| **Total** | **29,05,72,685** | 54,63,58,974 |

## 15) CASH AND BANK BALANCES

| | | |
|---|---|---|
| **Cash and cash equivalent** | | |
| Balance with Banks in current accounts | **33,89,486** | 52,81,157 |
| Cash on hand | **11,18,742** | 8,80,261 |
| **Other Bank balances** | | |
| Margin money deposits (with original maturity up to 12 months) | **3,16,87,618** | 3,92,53,500 |
| **Total** | **3,61,95,846** | 4,54,14,918 |

## 16) SHORT TERM LOANS AND ADVANCES

| | | |
|---|---|---|
| (Unsecured considered good, unless stated otherwise) | | |
| Loans to employees | **7,73,850** | 10,86,406 |
| Balance with statutory/ government authorities | **29,74,83,852** | 29,60,67,346 |
| Prepaid expenses | **1,22,89,722** | 90,91,810 |
| Advance income-tax (Net of provision of taxation) | **22,77,570** | 19,80,424 |
| Advances recoverable in cash or kind : | | |
| Advances to subsidiary | **81,26,907** | 2,79,01,907 |
| Receivable against slump sale (refer note no.33) | **1,10,00,00,000** | - |
| Others | **4,31,75,524** | 14,50,11,280 |
| **Total** | **1,46,41,27,425** | 48,11,39,173 |

## NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS ACCOUNT

### 17) REVENUE FROM OPERATION

| | Year ended 31st March, 2015 ` | Year ended 31st March, 2014 ` |
|---|---|---|
| Sale of products * | **3,27,48,66,609** | 3,03,46,01,333 |
| **Other operating income** | | |
| Scrap sales | **21,27,898** | 19,71,347 |
| Other | **6,92,63,082** | 7,59,57,174 |
| | **3,34,62,57,589** | 3,11,25,29,854 |
| ***Details of Sale of products** | | |
| Bulk drugs | **1,46,38,57,970** | 1,30,80,06,547 |
| Tablate / capsules / liquids | **1,78,55,99,263** | 1,70,20,17,221 |
| FMGC products | **2,54,09,376** | 2,45,77,565 |
| **Total** | **3,27,48,66,609** | 3,03,46,01,333 |

### 18) OTHER INCOME

| | | |
|---|---|---|
| Dividend income | | |
| long-term investments | **5,487** | 5,437 |
| Interest Income | | |
| On fixed deposit | **18,95,948** | 23,00,168 |
| Others | **63,942** | 48,82,419 |
| Net profit on sale of assets | **61,201** | 2,674 |
| Recovery of bad debts | **4,000,000** | - |
| Liabilities written back | **13,85,859** | 17,52,467 |
| Foreign exchange gain (loss) (net) | **5,72,46,764** | 44,37,043 |
| Insurance claim | **1,47,552** | 14,962 |
| Miscellaneous income | **58,551** | - |
| **Total** | **6,48,65,304** | 1,33,95,170 |

### 19) COST OF MATERIALS CONSUMED

| | | |
|---|---|---|
| **Raw material consumption** | | |
| Opening stock | **27,05,29,350** | 17,45,06,625 |
| Add: Purchases | **1,84,91,86,469** | 1,81,57,18,861 |
| | **2,11,97,15,819** | 1,99,02,25,486 |
| Less : Closing stock** | **22,46,03,981** | 27,05,29,350 |
| | **1,89,51,11,838** | 1,71,96,96,136 |
| **Packing materials consumption:** | | |
| Opening stock | **3,19,87,573** | 3,12,03,296 |
| Add: Purchases | **17,55,57,294** | 15,60,49,891 |
| | **20,75,44,867** | 18,72,53,187 |
| Less : Closing stock** | **3,13,55,332** | 3,19,87,573 |
| ** Including the inventory of Mahad undertaking transferred on slump sales basis on closing date (31st March, 2015) | **17,61,89,535** | 15,52,65,614 |
| **Total** | **2,07,13,01,373** | 1,87,49,61,750 |
| **Raw Material Consumption** | | |
| 1) 7 A.C.A. | **11,21,80,472** | 12,62,96,512 |
| 2) P.H.P.A. | **-** | 2,16,03,250 |
| 3) Ceftriaxone sodium N.S. | **6,11,92,895** | 6,96,49,877 |
| 4) P.H.A.P | **9,29,10,368** | 6,94,03,931 |
| 5) CMMHA | **72,25,468** | 4,16,32,488 |
| 6) Amoxicillin trihydrate | **47,76,10,953** | 40,15,45,013 |
| 7) Erythromycin stearate | **38,70,311** | 4,64,69,017 |
| 8) Others | **1,14,01,21,371** | 94,30,96,048 |

## 20) CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

| | | Year ended 31st March, 2015 ` | Year ended 31st March, 2014 ` |
|---|---|---|---|
| **Opening stock** | | | |
| Finished goods | | **3,60,04,024** | 4,30,19,413 |
| Traded goods | | **35,48,930** | - |
| Work in progress | | **17,47,67,508** | 10,76,72,783 |
| | | **21,43,20,462** | 15,06,92,196 |
| Less : Closing stock** | | | |
| Finished goods | | **1,48,24,378** | 3,60,04,024 |
| Traded goods | | **7,91,635** | 35,48,930 |
| Work in progress | | **16,49,98,234** | 17,47,67,508 |
| | | **18,06,14,247** | 21,43,20,462 |
| Net( increase)/ decrease | **Total** | **3,37,06,215** | (6,36,28,266) |
| **Details of Inventory** | | | |
| **Finished goods** | | | |
| Bulk drugs | | **60,91,755** | 2,52,35,718 |
| Tablate / capsules / liquids | | **87,32,623** | 1,07,68,306 |
| | | **1,48,24,378** | 3,60,04,024 |
| Traded goods | | **7,91,635** | 35,48,930 |
| | | **1,56,16,013** | 3,95,52,954 |
| **Work in progress** | | | |
| Bulk Drugs | | **14,62,63,500** | 12,86,07,709 |
| Tablate / capsules / liquids | | **1,87,34,734** | 4,61,59,799 |
| | | **16,49,98,234** | 17,47,67,508 |

** Including the inventory of Mahad undertaking transferred on slump sales basis on closing date (31st March, 2015)

## 21) EMPLOYEE BENEFIT EXPENSE

| | | | |
|---|---|---|---|
| Salaries, wages and bonus | | **25,19,92,016** | 19,54,43,935 |
| Contribution to provident and other fund | | **1,43,44,866** | 1,15,86,820 |
| Staff welfare expense | | **2,19,20,303** | 2,25,57,483 |
| | **Total** | **28,82,57,185** | 22,95,88,238 |

## 22) OTHER EXPENSES

| | | | |
|---|---|---|---|
| Stores and spares consumed | | **4,14,02,011** | 3,47,53,773 |
| Power and fuel | | **12,92,78,400** | 11,70,58,435 |
| Rent | | **2,56,54,076** | 2,07,94,910 |
| **Repairs and maintenance** | | | |
| Building | | **77,54,705** | 62,55,959 |
| Machinery | | **90,16,185** | 97,36,168 |
| Others | | **30,33,864** | 15,67,586 |
| Insurance | | **63,65,302** | 63,17,397 |
| Commission on sales | | **7,21,71,029** | 6,57,35,233 |
| Selling and distribution expenses | | **94,03,804** | 2,27,55,532 |
| Job work charges | | **4,55,55,885** | 4,55,45,853 |
| Packing, freight and forwarding | | **5,17,53,103** | 4,68,82,280 |
| Payment to auditors (refer details below) | | **7,00,000** | 7,00,000 |
| Printing and stationery | | **67,65,599** | 58,79,014 |
| Postage, telegram and telephone | | **43,76,091** | 46,59,971 |
| Travelling and conveyance | | **1,92,41,566** | 2,34,61,384 |
| Legal and professional fees | | **3,37,62,118** | 2,81,32,937 |
| Rates and taxes | | **25,22,565** | 74,64,842 |
| Labour charges | | **1,81,87,556** | 1,68,52,240 |
| Directors' sitting fees | | **2,68,000** | 58,000 |
| Sundry balances written off | | **11,19,439** | 1,11,313 |
| Miscellaneous expenses | | **4,49,87,802** | 2,99,14,394 |
| | **Total** | **53,33,19,100** | 49,46,37,221 |
| **Payment to auditors** | | | |
| As auditor | | | |
| Audit fee | | **5,50,000** | 5,50,000 |
| Tax audit fee | | **1,50,000** | 1,50,000 |
| | **Total** | **7,00,000** | 7,00,000 |

## 23) FINANCE COST

| | Year ended 31st March, 2015 ` | Year ended 31st March, 2014 ` |
|---|---|---|
| Interest expense | **7,20,61,193** | 7,85,80,365 |
| Other borrowing cost | **5,76,32,643** | 6,60,21,838 |
| **Total** | **12,96,93,836** | 14,46,02,203 |

## 24) DEPRECIATION AND AMORTISATION EXPENSE

| | | |
|---|---|---|
| Depreciation on tangible assets for the year | **12,20,93,355** | 12,46,01,372 |
| Less: Depreciation written back on change in policy (refer note no 32) | **(2,63,04,366)** | - |
| **Total** | **9,57,88,989** | 12,46,01,372 |

## 25) EXCEPTIONAL ITEMS

| | | |
|---|---|---|
| Gain on slump sale of Mahad undertaking (refer note no 33) | **(7,27,80,435)** | - |
| Advances written off | **7,34,83,300** | - |
| **Total** | **7,02,865** | - |

## 26) EARNINGS PER EQUITY SHARE

| | | |
|---|---|---|
| Number of Equity Shares | **4,11,02,602** | 3,90,52,602 |
| Weighted average number of equity shares | **3,97,60,273** | 3,90,52,602 |
| Face Value per share | **10** | 10 |
| Profit After Tax | **15,48,04,176** | 17,03,92,431 |
| Less: Dividend on preference shares | **-** | - |
| Profit after tax available to equity shareholders | **15,48,04,176** | 17,03,92,431 |
| Profit after tax available to equity shareholders from discontinuing operations | **11,03,15,475** | 12,57,83,849 |
| Basic and diluted earning per share total operations | **3.89** | 4.36 |
| Basic and diluted earning per share continuing operations | **2.77** | 3.22 |

## 27) CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :

| | As on 31st March, 2015 ` | As on 31st March, 2014 ` |
|---|---|---|
| i) Guarantees given by the company's bankers on behalf of the company | **1,02,17,238** | 1,69,59,099 |
| ii) Bills discounted with banks | **51,58,80,825** | 43,28,85,659 |
| iii) Disputed tax matters | | |
| a) Service tax demand disputed in appeal | **38,99,000** | 34,04,819 |
| b) Excise duty demand disputed in appeal | **27,05,152** | 38,69,299 |
| c) Demand under drug price control order - 95 ( DPCO - 95 ) demand disputed in appeal | **5,91,34,474** | 5,91,34,474 |

**28)** Estimated amount of contracts remaining to be executed on capital account not provided for ` **51,28,701/-** ( Previous year ` 1,09,17,451/- )

**29) EMPLOYEE BENEFITS :**

Consequent upon adoption of Accounting Standard on "Employee Benefits" (AS-15) (Revised 2005) issued by the Institute of Chartered Accountants of India, as required by the standard, the following disclosures are made :

**Part A : Gratuity benefits**

| | Gratuity benefit Unfunded | | |
|---|---|---|---|
| | Continuing Operations | Discontinuing Operations | Previous year |
| | **As on 31st March, 2015** ` | **As on 31st March, 2015** ` | As on 31st March, 2014 ` |
| **i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation** | | | |
| Obligation at the beginning of the year | **1,75,07,000** | **1,05,36,000** | 2,84,54,000 |
| Interest cost | **14,00,560** | **8,42,880** | 21,85,782 |
| Service cost | **17,56,702** | **10,58,195** | 26,66,871 |
| Actuarial (gain)/ loss | **72,97,730** | **10,61,038** | (30,00,195) |
| Benefits paid | **(11,26,992)** | **(6,40,113)** | (22,63,458) |
| **Obligation at the year end** | **2,68,35,000** | **1,28,58,000** | 2,80,43,000 |
| **ii) Change in plan assets** | | | |
| Fair value of plan assets at the beginning of the year | **-** | **-** | - |
| Expected return on plan assets | **-** | **-** | - |
| Contribution | **2,68,35,000** | **1,28,58,000** | 22,63,458 |
| Actuarial (gain)/ loss | **-** | **-** | - |
| Benefits paid | **(2,68,35,000)** | **(1,28,58,000)** | (22,63,458) |
| **Fair value of plan assets at the end of the year** | **-** | **-** | - |
| **Unfunded status** | **(2,68,35,000)** | **(1,28,58,000)** | (2,80,43,000) |
| **iii) Limits of corridor not considered since total actuarial gain/loss is being recognised as on 31st March, 2015** | | | |
| Actuarial (loss) for the year- obligation | **72,97,730** | **10,61,038** | 30,00,195 |
| Actuarial gain/(loss) for the year- plan assets | **-** | **-** | - |
| Sub- Total | **72,97,730** | **10,61,038** | 30,00,195 |
| **Actuarial loss recognised** | **(72,97,730)** | **(10,61,038)** | (30,00,195) |
| **iv) Unrecognised actuarial gains (losses) at the end of the year Reconciliation of present value of the obligation and the fair value of plan assets** | | | |
| present value of the defined benefit obligations at the end of the year | **(2,68,35,000)** | **(1,28,58,000)** | 2,80,43,000 |
| Fair value of plan assets at the end of the year | **-** | **-** | - |
| **Liability/(Asset) recognised in the balance sheet** | **(2,68,35,000)** | **(1,28,58,000)** | 2,80,43,000 |
| **v) Cost for the year** | | | |
| Service cost | **17,56,702** | **10,58,195** | 26,66,871 |
| Interest cost | **14,00,560** | **8,42,880** | 21,85,782 |
| Expected return on plan assets | **-** | **-** | - |
| Actuarial (gain)/loss | **72,97,730** | **10,61,038** | (30,00,195) |
| **Net cost recognised in the profit & loss account** | **1,04,54,992** | **29,62,113** | 18,52,458 |
| **vi) Movement in the liability recognised in the balance sheet** | | | |
| Opening net liability | **1,75,07,000** | **1,05,36,000** | 2,84,54,000 |
| Expenses as above | **1,04,54,992** | **29,62,113** | 18,52,458 |
| Contribution paid | **(11,26,992)** | **(6,40,113)** | (22,63,458) |
| **Closing net liability** | **2,68,35,000** | **1,28,58,000** | 2,80,43,000 |
| **vii) Assumptions used to determine the benefit obligations:** | | | |
| Discount rate | **8.00%** | **8.00%** | 8.00% |
| Rate of increase in compensation levels | **6.00%** | **6.00%** | 6.00% |

**Part B : Leave Encashment**

| | Leave Encashment benefit Unfunded | | |
|---|---|---|---|
| | Continuing Operations | Discontinuing Operations | Previous year |
| | **As on 31st March, 2015** ` | **As on 31st March, 2015** ` | As on 31st March, 2014 ` |
| **i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation** | | | |
| Obligation at the beginning of the year | **61,65,000** | **26,96,000** | 83,90,000 |
| Interest cost | **4,93,200** | **2,15,680** | 6,25,144 |
| Service cost | **6,53,940** | **3,96,383** | 10,52,763 |
| Actuarial (gain)/ loss | **28,37,278** | **5,76,945** | (55,515) |
| Benefits paid | **(9,30,418)** | **(6,87,008)** | (11,51,392) |
| **Obligation at the year end** | **92,19,000** | **31,98,000** | 88,61,000 |
| **ii) Change in plan assets** | | | |
| Fair value of plan assets at the beginning of the year | **-** | **-** | - |
| Expected return on plan assets | **-** | **-** | - |
| Contribution | **92,19,000** | **31,98,000** | 11,51,392 |
| Actuarial (gain)/ loss | **-** | **-** | - |
| Benefits paid | **(92,19,000)** | **(31,98,000)** | (11,51,392) |
| **Fair value of plan assets at the end of the year** | **-** | **-** | - |
| **Unfunded status** | **(92,19,000)** | **(31,98,000)** | (88,61,000) |
| **iii) Limits of corridor not considered since total actuarial gain/loss is being recognised as on 31st March, 2015** | | | |
| Actuarial (loss) for the year- obligation | **28,37,278** | **5,76,945** | 55,515 |
| Actuarial gain/(loss) for the year- plan assets | **-** | **-** | - |
| Sub- Total | **28,37,278** | **5,76,945** | 55,515 |
| **Actuarial loss recognised** | **(28,37,278)** | **(5,76,945)** | (55,515) |
| **iv) Unrecognised actuarial gains (losses) at the end of the year Reconciliation of present value of the obligation and the fair value of plan assets** | | | |
| Present value of the defined benefit obligations at the end of the year | **92,19,000** | **31,98,000** | 88,61,000 |
| Fair value of plan assets at the end of the year | **-** | **-** | - |
| **Liability/(Asset) recognised in the balance sheet** | **92,19,000** | **31,98,000** | 88,61,000 |
| **v) Cost for the year** | | | |
| Service cost | **6,53,940** | **3,96,383** | 10,52,763 |
| Interest cost | **4,93,200** | **2,15,680** | 6,25,144 |
| Expected return on plan assets | - | - | **-** |
| Actuarial (gain)/loss | **28,37,278** | **5,76,945** | (55,515) |
| **Net cost recognised in the profit & loss account** | **39,84,418** | **11,89,008** | 16,22,392 |
| **vi) Movement in the liability recognised in the balance sheet** | | | |
| Opening net liability | **61,65,000** | **26,96,000** | 83,90,000 |
| Expenses as above | **39,84,418** | **11,89,008** | 16,22,392 |
| Contribution paid | **(9,30,418)** | **(6,87,008)** | (11,51,392) |
| **Closing net liability** | **92,19,000** | **31,98,000** | 88,61,000 |
| **vii) Assumptions used to determine the benefit obligations:** | | | |
| Discount rate | **8.00%** | **8.00%** | 8.00% |
| Rate of increase in compensation levels | **6.00%** | **6.00%** | 6.00% |

**30)** The disclosure as per Accounting Standard 17 (AS-17) "Segment Reporting" issued by the Institute of Chartered Accountants of India:

**(a) Business Segment:**

| Particulars | Pharmaceutical | Consumer Care Division | Total |
|---|---|---|---|
| (a) Revenue from operation | 3,23,04,36,081 | 2,54,13,547 | **3,25,58,49,628** |
| (b) Operating and other expenses | 2,98,19,67,998 | 5,35,46,057 | **3,03,55,14,055** |
| (c) Segment result | 24,84,68,083 | (2,81,32,510) | **22,03,35,573** |
| (d) Unallocated expenses | | | **(12,96,93,836)** |
| (e) Other income | | | **6,48,65,304** |
| (f) Exceptional item | | | **(7,02,865)** |
| (g) Profit for the year | | | **15,48,04,176** |

Fixed Assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilites are made.

**(b) Geographical Segment:**

| Particulars | For the year ended 31st March, 2015 ` | For the year ended 31st March, 2014 ` |
|---|---|---|
| Revenue from operation (net) | | |
| In India | **82,82,37,875** | 79,38,59,835 |
| Outside India | **2,42,76,11,753** | 2,22,57,06,700 |
| **Total** | **3,25,58,49,628** | 3,01,95,66,535 |

**31)** The company has unabsorbed depreciation and carried forward loss under income tax laws. Hence deferred tax assets have not been recognised as there is no virtual certainty supported by convincing evidence that there will be sufficient future taxable income against which such deffered tax assets can be realised.

**32)** During the current year, the Company has revised its accounting policy in respect of depreciation method on tangible assets, other than factory building and plant and machinery, from 'written down value method' to 'straight line method' over the expected useful life of the assets. The management is of the opinion that this change in accounting policy would result in a more appropriate presentation of the financial statements. As a result of this change, depreciation has been calculated retrospectively on straight line method and accordingly the Company has recorded reversal of depreciation expense amounting to ` 2,63,04,366 /- pertaining to previous years in the current year's statement of profit & loss (also refer note no 10).

The Company has also revised the estimate useful life of assets, except plant and machinery, as prescribed in schedule II of the Companies Act, 2013. The carrying value of assets where the remaining useful life was determined to be nil as on April 1, 2014 has been fully depreciated during the year and an amount of ` 2,66,95,100/- has been adjusted against the opening balance of profit and loss account in the balance sheet under reserves and surplus.

Consequent to the above changes, the depreciation expense in the statement of profit and loss for the year is lower by ` 85,87,580/- (excluding depreciation written back in respect of previous year).

**33) Discontinuing operations**

During the year, pursuant to the agreement with Kopran Research Laboratories Limited ("the Subsidiary Company") on 25th March, 2015, the Company has transferred its Mahad Undertaking ('Active Pharmaceutical Ingredients business'), which is a part of pharmaceutical segment, to the subsidiary company on a slump sale basis for a consideration of ` 110 Crores on closing date 30th March, 2015.

a) The following statement shows the bifurcation of income and expenses of continuing and discontinuing operations included under the statement of profit and loss:

| | Continuing operations | | Discontinuing operations | |
|---|---|---|---|---|
| Profit/(loss) from ordinary activities | **For the year 2014-2015** | For the year 2013-2014 | **For the year 2014-2015** | For the year 2013-2014 |
| Income | **1,91,45,80,958** | 1,76,26,10,072 | **1,40,67,77,619** | 1,27,03,51,633 |
| Less: Expenses | **1,80,35,62,618** | 1,63,68,26,223 | **1,36,22,88,919** | 1,22,57,43,051 |
| Profit before exceptional items, extraordinary items and tax | **11,10,18,342** | 12,57,83,849 | **4,44,88,701** | 4,46,08,582 |
| Less: Exceptional Items | **7,02,865** | - | **-** | - |
| Less: Tax expense | **-** | - | **-** | - |
| Profit after tax | **11,03,15,475** | 12,57,83,849 | **4,44,88,701** | 4,46,08,582 |

b) The carrying amount of total assets and liabilities of discontinuing operations are as follows:

| | As on 31st March, 2015 |
|---|---|
| Total assets | **1,80,76,88,444** |
| Total liabilities | **78,04,68,879** |
| Net assets transferred | **1,02,72,19,565** |
| Consideration | **1,10,00,00,000** |
| Gain on slump sale | **7,27,80,435** |

**34)** Disclosure as per Accounting Standard 18 (AS-18) "Related Party Disclosure" issued by the Institute of Chartered Accountants of India

**I) Enterprises owned or controlled (Wholly Owned Subsidiaries)**

Kopran Research Laboratories Limited

Kopran (H.K) Limited

Kopran Lifesciences Limited

**II) Key Managerial Personnels (KMP)**

Shri Surendra Somani - Executive Vice Chairman

Shri Ajit Jain -Director and Chief Operating Officer

**III) Relatives of Key Managerial Personnels (with whom there are transactions)**

Shri Ayush Jain

**IV) Enterprises significantly influenced by KMP or their relatives (with whom there are transactions)**

Oricon Enterprises Limited

Kopran Laboratories Limited

Shinrai Auto Services Limited

**V) Details of transactions with related parties are as follows :**

| Particulars | Year ended As on 31st March, 2015 ` | Year ended As on 31st March, 2014 ` |
|---|---|---|
| **I) Enterprises owned or controlled (Wholly Owned Subsidiaries)** | | |
| **a) Kopran Research Laboratories Ltd.** | | |
| Sale of materials | **-** | 28,933 |
| Advances repayment received | **6,86,00,000** | 65,80,000 |
| Advances given | **38,25,000** | 62,86,351 |
| Slump Sale- Mahad undertaking | **1,10,00,00,000** | - |
| **b) Kopran Life Science Ltd.** | | |
| Sale of shares | **10,00,000** | - |
| Loan given | **2,040** | - |
| **II) Key Managerial Personnels (KMP)** | | |
| Remuneration paid to personnels | **1,77,19,767** | 86,97,360 |
| Loan taken | **4,77,00,000** | - |
| **III) Relatives of Key Managerial Personnels (with whom there are transactions)** | | |
| Remuneration paid | **8,47,921** | - |
| **IV) Enterprises significantly influenced by KMP or their relatives (with whom there are transactions)** | | |
| **a) Oricon Enterprises Ltd** | | |
| Purchase of materials | **22,35,68,347** | 19,57,19,798 |
| Rent expenses | **2,40,00,000** | 1,95,00,000 |
| Interest expenses | **-** | 16,01,619 |
| Loan taken | **1,25,00,000** | - |
| Loan repayment | **1,41,01,619** | 3,20,15,544 |
| **b) Kopran Laboratories Limited** | | |
| Purchase of materials | **14,82,63,786** | 15,49,13,513 |
| Outsanding loan | **-** | 3,78,40,447 |
| Loan given | **6,18,61,600** | 7,16,76,839 |
| Loan tepayment | **9,97,02,047** | 3,38,36,392 |
| **c) Shinrai Auto Services Limited** | | |
| Repairs charges paid | **3,95,169** | 3,11,805 |
| Loan given | **5,20,00,000** | 4,20,00,000 |
| Loan repayment | **5,40,00,000** | 4,00,00,000 |
| Outstanding loan | **-** | 20,00,000 |
| Motor car purchase | **29,56,171** | - |
| **Outstanding Balances of Related party:** | | |
| **Receivable** | | |
| a) Kopran Research Laboratories Ltd. | **1,10,81,26,907** | 47,29,01,907 |
| b) Kopran Life Science Pvt Ltd | **2,040** | - |
| c) Shinrai Auto Services Limited | **3,17,219** | 13,04,281 |
| **Payable** | | |
| a) Oricon Enterprises Limited | **5,74,46,517** | 11,35,15,268 |
| b) Kopran Laboratories Limited | **52,01,600** | 4,59,40,028 |
| **Investments:** | | |
| a) In Subsidiaries | **45,95,66,750** | 6,05,66,750 |

**35)** In the opinion of the board, current assets and loans and advances are approximately of the value stated if realised in the ordinary course of business. The provision for all known and determined liabilities are adequate and not in excess of the amounts reasonably required. The Balance of few creditors are subject to their confirmation.

## 36) DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE:

(a) Particulars of derivatives as at Balance Sheet date:

| Purpose | | Particulars of derivative | |
|---|---|---|---|
| | | **2014-2015** | 2013-2014 |
| Forward exchange contracts (for export debtors) | USD | **1,15,00,000** | 68,19,288 |
| Forward contract value | ` | **75,48,20,000** | 43,86,82,911 |

(b) Particulars of unhedged foreign currency exposure as at balance sheet date

| Particulars of derivative | **2014-2015** | | 2013-2014 | |
|---|---|---|---|---|
| | **Amount (`)** | **Foreign Currency** | Amount (`) | Foreign Currency |
| Payables | **16,82,47,704**<br>**1,25,31,493**<br>**-** | **USD-26,91,963**<br>**EURO-1,86,481**<br>**-** | 42,18,50,260<br>-<br>7,80,602 | USD-70,43,751<br>-<br>GBP-7,841 |
| Receivables | **26,52,44,478**<br>**31,19,962**<br>**5,15,719** | **USD -42,43,912**<br>**EURO-46,428**<br>**GBP-5,577** | 31,52,52,443<br>16,58,037<br>9,30,642 | USD -52,64,155<br>EURO-20,161<br>GBP-9,348 |
| Foreign currency bank account | **78,163** | **USD - 1,251** | 12,45,879 | USD - 20,803 |
| Investments | **1,78,98,710** | **HKD-23,18,750** | 1,78,98,710 | HKD-23,18,750 |

**37) a)** The Company has taken certain office/factory premises on operating lease basis. Lease payments in respect of such leases recognised in statement of profit and loss account ` 2,51,77,676/- (Previous year ` 2,05,64,605/-)

**b)** Except for escalation contained in certain lease arrangements providing for increase in the lease payment by specified percentage / amounts after completion of specified period. Further the lease terms do not contain any exceptional / restrictive covenants other than prior approval of the leasee before the renewal of lease.

**c)** There are no restrictions such as those concerning dividend and additional debt other than in some cases where prior approval of lesser is required for further leasing. There is no contingent rent payment.

## 38) CONSUMPTION OF RAW MATERIALS AND STORES AND SPARES :

| **Items** | **Value** ` | **Percentage** |
|---|---|---|
| a) Raw materials | | |
| Imported (including purchase through canalising agencies and high seas) | **1,01,21,22,486**<br>(92,44,74,402) | **53.41**<br>(53.76) |
| Indigenous | **88,29,89,352**<br>(79,52,21,734) | **46.59**<br>(46.24) |
| b) Stores and spares | | |
| Indigenous | **4,14,02,011**<br>(3,47,53,773) | **100.00**<br>(100.00) |

## 39) CIF VALUE OF IMPORTS INCLUDING PURCHASES THROUGH CANALISING AND ON HIGH SEAS :

| **Items** | **Year ended 31st March, 2015** ` | Year ended 31st March, 2014 ` |
|---|---|---|
| a) Raw / Packing materials | **1,05,83,22,016** | 89,66,49,456 |
| b) Capital goods | **33,76,477** | 1,50,887 |

## 40) EARNINGS IN FOREIGN EXCHANGE :

| **Particulars** | **Year ended 31st March, 2015** ` | Year ended 31st March, 2014 ` |
|---|---|---|
| FOB value of exports | **2,32,35,65,700** | 2,05,60,47,199 |

**41) EXPENDITURE IN FOREIGN CURRENCY :**

| Particulars | Year ended 31st March, 2015 ` | Year ended 31st March, 2014 ` |
|---|---|---|
| Commission | **6,52,26,274** | 6,26,52,116 |
| Registration fees | **19,45,447** | 25,51,397 |
| Bank interest on buyers credit | **19,61,321** | 23,17,841 |
| Export promotion expenses | **90,990** | 7,64,783 |
| Travelling expenses | **46,45,955** | 93,02,522 |
| Plant inspection charges | **27,29,726** | 33,47,376 |
| Others | **1,77,198** | 29,49,616 |

**42)** Disclosures pursuant to clause 32 of the equity listing agreement and section 186 of the companies Act, 2013

| Particulars | Year ended 31st March, 2015 ` | Year ended 31st March, 2014 ` |
|---|---|---|
| **(a) Loans and advances in the nature of loans to subsidiaries** | | |
| **Loan to subsidiary: Kopran Research Laboratories Ltd.** | | |
| Balance as at the year end | **81,26,907** | 47,29,01,907 |
| Maximum amount outstanding at any time during the year | **47,31,01,907** | 47,93,91,907 |
| **(b) Investment in the shares of the Subsidairy Company** | | |
| Investment in subsidiary: Kopran Research Laboratories Ltd. (Conversion of loan) | **40,00,00,000** | - |

**43)** The Company has made an investment of ` 4490.61 lacs and has also advanced a sum of ` 81.27 lacs to Kopran Research Laboratories Ltd (KRLL), a wholly owned subsidiary of the Company, the accumulated losses of KRLL as on 31 March, 2015 are `5216.04 lacs. During the year, Company has transferred, on slump sale basis a running business unit of API (bulk drugs), which is a profitable business. The investment in the said subsidiary is strategic & long term. In view of the above, the management believes that sufficient profit will be generated in future with API business and hence is of the opinion that no provision is required in respect of the said investment and advance.

**44) PREVIOUS YEAR FIGURES**

Previous year figures have been regrouped/ reclassified wherever necessary.

The notes referred to above form an integral part of the financial statements
Per our report attached

For **BATLIBOI & PUROHIT**
*Chartered Accountants*
Firm Registration No. 101048W

**Kaushal Mehta**
*Partner*
Membership No. 111749

Place : Mumbai
Date : 28th May, 2015

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

**SURENDRA SOMANI**
**Executive Vice Chairman**

**V. N. KHANNA**
**Director**

**B. K. SONI**
**Chief Financial Officer**

**SUNIL SODHANI**
**Company Secretary**

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Kopran Limited**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Kopran 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 31st March, 2015, 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 judgements 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. While conducting the 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 there under.

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 judgement, 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 '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, 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 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

**Other Matters**

We did not audit the financial statements / financial information of 3 subsidiaries whose financial statements / financial information reflect total assets of ` 19,300.12 lakhs as at 31st March, 2015, total revenues of `19.50 lakhs and net cash out flows amounting to ` 6.43 lakhs for the year ended on that date, as considered in the consolidated financial statements.

These financial statements / financial information 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 sub-sections (3) and (11) 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 this matter with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary

companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 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 incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
   (f) 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, 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 – refer Note 29 to the consolidated financial statements.
      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.

For **BATLIBOI & PUROHIT**
*Chartered Accountants*
ICAI Firm Registration No. 101048W

**Kaushal Mehta**
*Partner*
*Membership No.111749*

Place : Mumbai
Date : 28th May, 2015

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KOPRAN LIMITED

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

Our reporting on the Order includes two subsidiary companies incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

(i) In respect of the fixed assets of the Holding Company and subsidiary companies incorporated in India to which clause 3(i) is applicable:
   (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   (b) Fixed assets are physically verified by the management of respective entities in a phased periodical manner which, in our opinion and the opinion of other auditors, is reasonable having regard to the size of the respective entities and the nature of their assets. No material discrepancies were noticed on such verification. According to the information and explanations given to us and the other auditors, no material discrepancies were noticed on such verification.

(ii) In respect of the inventories of the Holding Company and subsidiary companies incorporated in India to which clause 3(ii) of the Order is applicable:
   (a) As explained to us and the other auditors, physical verification of inventory has been conducted at reasonable intervals by the management of the respective entities.
   (b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
   (c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of their inventory and no material discrepancies were noticed on physical verification.

(iii) The Holding Company and subsidiary companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties outside the Group, covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.

(iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company and subsidiary companies incorporated in India commensurate with the size of the respective entities and the nature of their business with regard to purchases of inventory and fixed assets and for the sale of services. During the course of our and the other auditors audit, no major weakness in such internal control system has been observed.

(v) According to the information and explanations given to us, the Holding Company and subsidiary companies incorporated in India have not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) We have broadly reviewed the books of account maintained by the Holding Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that, *prima-facie*, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same. According to information and explanations given to other auditors, the maintenance of cost records under section 148(1) of the Companies Act, 2013 have not been prescribed for the respective entities.

(vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company and subsidiary companies incorporated in India:

(a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.

(b) According to the information and explanations given to us and other auditors, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) Details of dues of Excise duty and service tax and other statutory dues which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities are given below:

| Name of the Statute | Nature of dues | Amount ( ` in Lakhs) | For the Period | Forum where the Dispute is pending |
|---|---|---|---|---|
| Central Excise Act | Excise Duty | 14.06 | 1998-2002, 2002-2003, 2004-2005 | Central Excise and Service Tax Appellate Tribunal |
| Central Excise Act | Excise Duty | 1.46 | 2011-2012 | Commissioner of Central Excise (Appeal) |
| Central Excise Act | Excise Duty | 5.05 | 2012-2013 | Joint Secretary of Government of India Ministry of Finance |
| Central Excise Act | Excise Duty | 6.48 | 2012-2013,1990-1991 | Commissioner of Central Excise |
| Finance Act, 1994 | Service Tax | 507.95 | 2001-2002 | High Court (Mumbai) |
| Drug Price Control Order – 95 | Difference in pricing | 591.34 | 2000-2003 | High Court (Mumbai) |

(d) There are no amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

(viii) The Group's consolidated accumulated losses at the end of the financial year are more than fifty percent of its consolidated net-worth. The Group has incurred cash losses on a consolidated basis during the financial year covered by our audit. The Group had not incurred cash losses on a consolidated basis in the immediately preceding financial year.

(ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company and subsidiary companies incorporated in India have not defaulted in the repayment of dues to financial institutions and banks. The Holding Company and subsidiary companies incorporated in India have not issued any debentures.

(x) According to the information and explanations given to us, the Holding Company and subsidiary companies incorporated in India have not given guarantees for loans taken by others outside of the Group from banks and financial institutions.

(xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company and subsidiary companies incorporated in India, where applicable, during the year for the purposes for which they were obtained.

(xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no material fraud on or by the Holding Company and/or its subsidiary companies incorporated in India has been noticed or reported during the year.

For **BATLIBOI & PUROHIT**
*Chartered Accountants*
ICAI Firm Registration No. 101048W

**Kaushal Mehta**
*Partner*
*Membership No.111749*

Place : Mumbai
Date : 28th May, 2015

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2015

| | | Notes | As at 31st March, 2015 ` | As at 31st March, 2014 ` |
|---|---|---|---|---|
| **I** | **EQUITY AND LIABILITIES** | | | |
| | **1. Shareholders' funds** | | | |
| | a Share Capital | 2 | **49,67,89,080** | 47,62,89,080 |
| | b Reserves and Surplus | 3 | **34,65,00,795** | 66,92,68,795 |
| | c Share Warrant | | **141,900,000** | - |
| | | | **98,51,89,875** | 1,14,55,57,875 |
| | **2. Non-current liabilities** | | | |
| | a Long-term borrowings | 4 | **14,00,53,743** | 63,22,69,942 |
| | b Deferred tax liabilities (Net) | 5 | **-** | - |
| | c Other long term liabilities | 6 | **-** | 25,00,000 |
| | d Long-term provisions | 7 | **4,30,80,000** | 3,54,69,000 |
| | | | **18,31,33,743** | 67,02,38,942 |
| | **3. Current liabilities** | | | |
| | a Short-term borrowings | 8 | **51,38,30,052** | 52,26,59,664 |
| | b Trade payables | 9 | **69,21,99,585** | 35,70,85,092 |
| | c Other current liabilities | 10 | **36,70,25,178** | 29,32,95,899 |
| | d Short-term provisions | 11 | **90,30,000** | 14,35,000 |
| | | | **1,58,20,84,815** | 1,17,44,75,655 |
| | | **Total** | **2,75,04,08,433** | 2,99,02,72,472 |
| **II** | **ASSETS** | | | |
| | **1. Non-current assets** | | | |
| | a Fixed Assets | | | |
| | (i) Tangible assets | 12 | **1,01,55,00,368** | 1,04,88,30,967 |
| | (ii) Intangible assets | 12 | **57,600** | 57,600 |
| | (iii) Capital work-in-progress | | **1,23,32,009** | 19,76,33,758 |
| | b Non-current investment | 13 | **11,43,244** | 81,43,244 |
| | c Long-term loans and advances | 14 | **2,15,35,699** | 13,86,29,881 |
| | | | **1,05,05,68,920** | 1,39,32,95,450 |
| | **2. Current assets** | | | |
| | a Inventories | 15 | **45,30,20,932** | 53,02,26,225 |
| | b Trade receivables | 16 | **81,16,65,307** | 56,03,11,882 |
| | c Cash and Bank balances | 17 | **3,73,23,236** | 4,71,31,311 |
| | d Short-term loans and advances | 18 | **39,78,30,038** | 45,93,07,604 |
| | | | **1,69,98,39,513** | 1,59,69,77,022 |
| | | **Total** | **2,75,04,08,433** | 2,99,02,72,472 |
| **Significant accounting policies** | | 1 | | |

The notes referred to above form an integral part of the financial statements
Per our report attached

For **BATLIBOI & PUROHIT**
*Chartered Accountants*
Firm Registration No. 101048W

**Kaushal Mehta**
*Partner*
Membership No. 111749

Place : Mumbai
Date : 28th May, 2015

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

**SURENDRA SOMANI**
**Executive Vice Chairman**

**V. N. KHANNA**
**Director**

**B. K. SONI**
**Chief Financial Officer**

**SUNIL SODHANI**
**Company Secretary**

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

| | Notes | For the year ended 31st March, 2015 ` | For the year ended 31st March, 2014 ` |
|---|---|---|---|
| **I INCOME** | | | |
| Revenue from operation (gross) | 19 | **3,34,76,77,109** | 3,12,14,33,640 |
| Less: Excise duty | | **9,04,07,961** | 9,29,63,319 |
| Revenue from operation (net) | | **3,25,72,69,148** | 3,02,84,70,321 |
| Other income | 20 | **6,53,95,799** | 1,96,00,916 |
| **Total Revenue** | | **3,32,26,64,947** | 3,04,80,71,237 |
| **II EXPENSES** | | | |
| Cost of materials consumed | 21 | **2,07,20,43,291** | 1,88,32,31,054 |
| Purchase of traded goods | | **1,31,41,193** | 5,78,06,756 |
| Changes in inventories of finished goods and work in progress | 22 | **3,37,06,215** | (6,36,28,266) |
| Employee benefit expense | 23 | **28,82,64,192** | 23,01,00,739 |
| Other expenses | 24 | **53,57,68,622** | 49,49,69,970 |
| Finance cost | 25 | **12,96,95,762** | 14,46,02,203 |
| Depreciation and amortisation expense | 26 | **9,64,26,629** | 12,92,07,400 |
| **Total Expenses** | | **3,16,90,45,904** | 2,87,62,89,856 |
| **Profit before exceptional items, extraordinary items and tax** | | **15,36,19,043** | 17,17,81,381 |
| Exceptional items (Expenses) | 27 | **54,48,63,487** | - |
| **Profit / (Loss) before extraordinary items and tax** | | **(39,12,44,444)** | 17,17,81,381 |
| Extraordinary items | | **-** | - |
| **Profit / (Loss) before tax** | | **(39,12,44,444)** | 17,17,81,381 |
| Tax expense | | **-** | - |
| **Profit / (Loss) for the period** | | **(39,12,44,444)** | 17,17,81,381 |
| **Earnings per equity share (`)** | 28 | | |
| Basic and Diluted-Par value of ` 10/- per share | | **(9.84)** | 4.40 |
| **Significant accounting policies** | 1 | | |

The notes referred to above form an integral part of the financial statements
Per our report attached

For **BATLIBOI & PUROHIT**
*Chartered Accountants*
Firm Registration No. 101048W

**Kaushal Mehta**
*Partner*
Membership No. 111749

Place : Mumbai
Date : 28th May, 2015

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

**SURENDRA SOMANI**
**Executive Vice Chairman**

**V. N. KHANNA**
**Director**

**B. K. SONI**
**Chief Financial Officer**

**SUNIL SODHANI**
**Company Secretary**

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

| PARTICULARS | For the year ended 31st March, 2015 ` | For the year ended 31st March, 2014 ` |
|---|---|---|
| **NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS** | **(39,12,44,444)** | 17,17,81,381 |
| Adjusted for : | | |
| Depreciation (including write back) | **9,64,26,629** | 12,92,07,400 |
| Dividend income | **(5,487)** | (5,437) |
| Finance cost | **12,96,95,762** | 14,46,02,203 |
| Interest income | **(19,69,697)** | (71,88,333) |
| Profit on sale of fixed assets | **(61,201)** | (2,674) |
| Capital work in progress charged off | **18,92,40,572** | - |
| Balances written off on slump sale (net) | **28,21,39,615** | - |
| Advances/liabilties - written off / (written back) | **7,34,83,300** | (70,52,465) |
| Sundry balances written off / back (net) | **(2,66,836)** | 1,11,313 |
| | **37,74,38,213** | 43,14,53,388 |
| **OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS** | | |
| Adjustments for : | | |
| Trade receivables | **(25,13,53,425)** | (4,85,59,315) |
| Inventories | **7,72,05,293** | (16,28,20,628) |
| Loans and advances | **(17,65,70,517)** | (17,24,37,732) |
| Trade payables | **33,51,14,493** | (11,27,46,700) |
| Other liabilities and provisions | **10,05,00,392** | 9,17,52,644 |
| Effect of change in exchange fluctuation reserve | **8,82,793** | 16,08,318 |
| Cash generated from operations | **46,32,17,242** | 2,82,49,975 |
| Direct Taxes (paid) / refund (net) | **(2,13,813)** | (3,73,881) |
| **(a) NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITES** | **46,30,03,429** | 2,78,76,094 |
| **Cash flow from investing activities:** | | |
| Purchase of fixed assets (including capital work in progress) | **(11,28,16,202)** | (9,17,47,325) |
| Sale of fixed assets | **61,201** | 90,000 |
| Withdrawal of margin deposits | **75,65,883** | (78,39,229) |
| Sales of investments | **70,00,000** | - |
| Interest received | **19,69,697** | 61,42,803 |
| Dividend received | **5,487** | 5,437 |
| **(b) NET CASH FLOW FROM /(USED) IN INVESTING ACTIVITIES** | **(9,62,13,935)** | (9,33,48,314) |
| **Cash flow from financing activities** | | |
| Proceeds from issue of share capital | **-** | - |
| Share issue expenses paid | **(14,25,000)** | - |
| Proceeds / (repayment) of borrowings (net) | **(23,76,46,006)** | 21,10,76,993 |
| Finance cost | **(12,99,60,680)** | (14,42,20,908) |
| **(c) NET CASH FLOW FROM/ (USED) IN FINANCING ACTIVITIES** | **(36,90,31,686)** | 6,68,56,085 |
| **Net increase in cash and cash equivalents (a+b+c)** | **(22,42,192)** | 13,83,865 |
| **Cash and cash equivalents as at the commencement of the year, comprising :** | | |
| Cash | **15,49,035** | 9,15,912 |
| Balances with scheduled banks on current accounts | **63,28,775** | 55,78,033 |
| | **78,77,810** | 64,93,945 |
| **Cash and cash equivalents as at the end of the year, comprising :** | | |
| Cash | **18,04,360** | 15,49,035 |
| Balances with scheduled banks on current accounts | **38,31,258** | 63,28,775 |
| | **56,35,618** | 78,77,810 |
| **NET INCREASE /(DECREASE) AS DISCLOSED ABOVE** | **(22,42,192)** | 13,83,865 |

Per our report attached

For **BATLIBOI & PUROHIT**
*Chartered Accountants*
Firm Registration No. 101048W

**Kaushal Mehta**
*Partner*
Membership No. 111749

Place : Mumbai
Date : 28th May, 2015

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

**SURENDRA SOMANI**
**Executive Vice Chairman**

**V. N. KHANNA**
**Director**

**B. K. SONI**
**Chief Financial Officer**

**SUNIL SODHANI**
**Company Secretary**

## NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2015

### 1) OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

**A OVERVIEW**

The Subsidiaries (which along with Kopran Ltd, the parent Company 'Kopram Limited', constitute the group) considered in the preparation of these consolidated financial statements are:

| Name of Subsidiaries | Financial year ending | Country | Ownership interest |
|---|---|---|---|
| Kopran (H.K) Limited (KHKL) | 31st March, 2015 | Hong Kong | 100% |
| Kopran Lifesciences Limited (KLL) | 31st March, 2015 | India | 100% |
| Kopran Research Laboratories Limited (KRLL) | 31st March, 2015 | India | 100% (1.11% through Kopran Lifesciences Limited) |

**B SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation of financial statement.**

These consolidated financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable and in particular Accounting Standard 21 (AS 21) - 'Consolidated Financial Statements'.

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. Intra group balances and intra group transactions and resulting unrealised profits are eliminated in full. Unrealised losses resulting from intra group transactions are also eliminated unless cost cannot be recovered.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for change in the accounting policy for depreciation by Kopran Limited and Kopran Research Laboratories Limited (KRLL) in respect of tangible assets other than factory building and plant and machinery as mentioned in Note No 12 and Note No 36.

The difference between the cost of investment in the subsidiaries, and the Company's share of net assets at the time of acquisition of share in the subsidiaries is recognised in the financial statement as Goodwill or Capital Reserve as the case may be.

**(b) Uses of estimates**

The presentation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

**(c) Fixed assets and depreciation**

**i) Fixed assets :**

1. Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost is inclusive of borrowing cost, pilot plant batch expenses and other incidental charges incurred upto the date of installation /put to use.
2. Cenvat credit availed on purchase of fixed assets is reduced from the cost of respective assets.
3. Adjustments arising from foreign exchange rate fluctuation relating to liabilities attributable to fixed assets are taken to the profit and loss account.
4. In respect of Kopran Research Laboratories Limited (KRLL), intellectual property rights acquired/developed in-house are shown as fixed assets. All revenue expenses incurred for the projects in progress with respect to process and product development are shown as capital work- in- progress. The same are to be capitalized on the completion of the project.

**ii) Depreciation :**

1. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the plant and machinery, in whose case the estimated useful life has been assessed to be 20 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, etc.
2. Depreciation on fixed assets added / disposed off during the year is provided on pro - rata basis with reference to the month of addition /disposal.
3. In respect of subsidiary Company KHKL, depreciation is provided on written down value method at following rate: Furniture and Fixtures - 20% p.a., Medical Equipments -20%

**(d) Investments**

1. Investments intended to be held for not more than a year are classified as current investments. These are valued at lower of cost or fair value.
2. Long term investments are stated at cost. Provision for diminution in value is made only if, in the opinion of management such a decline is other than temporary.

**(e) Inventories**

Items of inventories are measured at lower of cost or net realisable value. Cost of raw materials, stores & spares and packing materials is determined using first in first out (FIFO) method. Cost of work-in-process and finished goods is determined on absorption costing method.

**(f) Research and development expenses**

1. Revenue expenditure on research and development is charged to profit and loss account under respective heads of account in the year in which it is incurred.
2. Capital expenditure is included in fixed assets under the respective heads.

**(g) Foreign exchange transactions**

1. Transactions in foreign currency are recorded at the exchange rate prevailing as on the date of transaction.
2. Foreign currency assets / liabilities as on the balance sheet date are translated at the exchange rate prevailing on the date of balance sheet.
3. The exchange difference arising out of settlement and restatement of foreign currency monetary items including those arising on repayment and translation of liabilities relating to fixed assets are taken to statement of profit and loss account.

**(h) Revenue recognition**

1. **Sales of products and services**
   Sales comprise of sale of goods and services, net of trade discounts and include excise duty.
2. **Export benefits**
   The unutilised export benefits under DEPB Scheme / Advance License against export as on the balance sheet date are recognised as income on accrual basis.
3. **Dividend**
   Dividend is recognised when the company's right to receive the payment is established .
4. **Other income**
   Other income is accounted on accrual basis except where the receipt of income is uncertain, it is accounted on receipt basis.

**(i) Employee benefits :**

1. **Defined contribution plan :** Contributions paid/payable during the year to ESIC and labour welfare fund are charged to statement of profit and loss account. Provident fund contribution, in respect of employees, is made to a government administered fund and charged as an expense to the statement of profit and loss. The above benefits are classified as 'Defined Contribution Schemes' as the Company has no further defined obligations beyond the monthly contributions.
2. **Defined benefit plan :** The Group's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the statement of profit and loss account as income or expense. obligation is measured at the present value of estimated future cash flow using a discounted rate that is determined by the reference to market yields at the balance sheet date on government bonds where the currency and terms of government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

**(j) Excise and customs duty**

1. Excise and customs duty payable in respect of finished goods lying at factory / bonded premises are provided for and included in the valuation of inventory.
2. CENVAT credit of excise duty availed during the year is accounted for by reducing purchase cost of the materials and is adjusted against excise duty payable on clearance of goods produced.

**(k) Borrowing costs**

Borrowing costs directly attributable to the acquisition or construction of fixed assets are capitalised as part of the cost of the assets, upto the date the asset is put to use. Other costs are charged to the statement of profit and loss account in the year in which they are incurred.

**(l) Prior period items**

Prior period expenses / income is accounted under the respective head of expenses / income account, material items, if any, are disclosed separately by way of a note.

**(m) Earning per share**

In accordance with the Accounting Standard -20 (AS-20) "Earning Per Share" issued by the Institute of Chartered Accountants of India, earning per share is computed by dividing the profit after tax with the weighted average number of shares outstanding at the year end. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**(n) Income Tax**

Tax expense comprises of current tax, deferred tax charge or credit. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. The deferred tax charged or credit is recognised using prevailing enacted or substantatively annexed tax rate where there is unabsorbed depreciation or carried forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred of tax assets / liabilities are reviewed as at each balance sheet date based on developments during the period.

**(o) Intangible assets**

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of such assets can be measured reliably. Intangible assets are stated at cost less accumulated amortization and impairment loss, if any. All costs relating to the acquisition are capitalized. Intangible assets are amortized over the useful life of the asset.

**(p) Impairment of assets**

An Asset is treated as impaired as and when the carrying cost of the asset exceeds its recoverable value. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cashflows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties , less cost of disposal. An impairment loss is charged off to the statement of profit and loss account in the year in which the asset is identified and impaired. The impaired loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable value.

**(q) Contingencies and provisions**

A provision is recognised when the Company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefit will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

**(r) Cash and cash equivalents**

All highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, are considered to be cash equivalents.

**(s) Operating lease**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under such leases are charged to the statement of profit and loss on a straight line basis over the primary period of the lease.

**(t) Other accounting policies**

These are consistent with the generally accepted accounting practices.

## NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

### 2) SHARE CAPITAL

| | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| | Number of Shares | ` | Number of Shares | ` |
| **Authorised** | | | | |
| (i) Equity shares of ` 10 each | **5,62,50,000** | **56,25,00,000** | 5,62,50,000 | 56,25,00,000 |
| (ii) 10% Non Convertible Non Cumulative Redeemable Preference Shares of ` 10/- each | **1,37,50,000** | **13,75,00,000** | 1,37,50,000 | 13,75,00,000 |
| **Total** | **7,00,00,000** | **70,00,00,000** | 7,00,00,000 | 70,00,00,000 |
| **Issued** | | | | |
| **(i) Equity shares of ` 10 each fully paid up** | | | | |
| At the beginning of the year | **3,90,52,602** | **39,05,26,020** | 3,90,52,602 | 39,05,26,020 |
| Add: Issued during the year | **20,50,000** | **2,05,00,000** | - | - |
| Less: Bought back during the year | **-** | **-** | - | - |
| **At the end of the year** | **4,11,02,602** | **41,10,26,020** | 3,90,52,602 | 39,05,26,020 |
| **(ii) 10% Non Convertible Non Cumulative Redeemable Preference Shares of ` 10 each** | | | | |
| At the beginning of the year | **85,80,000** | **8,58,00,000** | 85,80,000 | 8,58,00,000 |
| Add: Issued during the year | **-** | **-** | - | - |
| Less: Bought back during the year | **-** | **-** | - | - |
| At the end of the year | **85,80,000** | **8,58,00,000** | 85,80,000 | 8,58,00,000 |
| **Total** | **4,96,82,602** | **49,68,26,020** | 4,76,32,602 | 47,63,26,020 |
| **Subscribed and paid up** | | | | |
| **(i) Equity shares of ` 10 each fully paid up** | | | | |
| At the beginning of the year | **3,90,52,602** | **39,05,26,020** | 3,90,52,602 | 39,05,26,020 |
| Add: Issued during the year | **20,50,000** | **2,05,00,000** | - | - |
| Less: Bought back during the year | **-** | **-** | - | - |
| Less: Calls in-Arrears (Other than Director's) | **-** | **36,940** | - | 36,940 |
| **At the end of the year** | **4,11,02,602** | **41,09,89,080** | 3,90,52,602 | 39,04,89,080 |
| **(ii) 10% Non Convertible Non Cumulative Redeemable Preference Shares of ` 10 each** | | | | |
| At the beginning of the year | **85,80,000** | **8,58,00,000** | 85,80,000 | 8,58,00,000 |
| Add: Issued during the year | **-** | **-** | - | - |
| Less: Bought back during the year | **-** | **-** | - | - |
| **At the end of the year** | **85,80,000** | **8,58,00,000** | 85,80,000 | 8,58,00,000 |
| **Total** | **4,96,82,602** | **49,67,89,080** | 4,76,32,602 | 47,62,89,080 |

**a) Terms / Rights attached to equity shares**

The Company has only one class of equity shares having a par value of `10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

**b) Terms of redemption of preference shares**

55,80,000 10% Non Convertible Non Cumulative Redeemable Preference Shares of ` 10/- each are redeemable at par on 15th March, 2025 or at any time after one year from 31st March, 2012 at the option of the company.

10,00,000 10% Non Convertible Non Cumulative Redeemable Preference Shares of ` 10/- each are redeemable at par on 28th June, 2019 or at any time after one year from 31st March, 2012 at the option of the company.

20,00,000 10% Non Convertible Non Cumulative Redeemable Preference Shares of ` 10/- each are redeemable at par on 22nd June, 2019 or at any time after one year from 31st March, 2012 at the option of the company.

**c) Shares held by holding/ultimate holding company and/or their subsidiaries/associates**

None of the shares of the Company are held by the subsidiaries, associates or joint ventures of the Company.

**d) Details of shareholders holding more than 5% shares in the company**

| | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| | **Number of Shares** | **% holding** | Number of Shares | % holding |
| **Equity Shares of ` 10/- each fully paid** | | | | |
| Panorama Finvest Pvt Ltd | **38,00,000** | **9.25%** | 38,00,000 | 9.73% |
| Sarvamangal Mercantile co. Ltd | **29,02,951** | **7.06%** | 29,02,951 | 7.43% |
| Oricon Properties Ltd | **38,11,758** | **9.27%** | - | - |
| **10% Non Convertible Non Cumulative Redeemable Preference Shares of ` 10 each** | | | | |
| Sarvamangal Mercantile co. Ltd | **-** | **-** | 63,80,000 | 74.00% |
| Kopran Laboratories Ltd | **-** | **-** | 10,00,000 | 12.00% |
| Susheel G. Somani and Mridula Somani | **12,00,000** | **14.00%** | 12,00,000 | 14.00% |
| Rajendra Somani and Surendra Somani | **73,80,000** | **86.00%** | - | - |

## 3) RESERVES AND SURPLUS

| | | As at 31st March, 2015 ` | As at 31st March, 2014 ` |
|---|---|---|---|
| **(a)** | **Capital reserve** | | |
| | Opening balance | **14,84,74,390** | 14,84,74,390 |
| | Add: Additions during the year | **-** | - |
| | Less: Utilised / transferred during the year | **-** | - |
| | Closing balance | **14,84,74,390** | 14,84,74,390 |
| **(b)** | **Securities premium account** | | |
| | Opening balance | **99,52,42,754** | 99,52,42,754 |
| | Less : Calls in -arrears (other than Directors's) | **(1,10,820)** | (1,10,820) |
| | | **99,51,31,934** | 99,51,31,934 |
| | Add : Premium on shares issued during the year | **11,48,00,000** | - |
| | Less : Share issue expenses written off | **(14,25,000)** | - |
| | Closing balance | **1,10,85,06,934** | 99,51,31,934 |
| **(c)** | **General reserve** | | |
| | Opening balance | **8,14,20,684** | 8,14,20,684 |
| | Add: Transferred from surplus in the statement of profit and loss | **-** | - |
| | Closing balance | **8,14,20,684** | 8,14,20,684 |
| **(d)** | **Export allowance reserve** | | |
| | Opening balance | **40,000** | 40,000 |
| | Add: Additions / transfers during the year | **-** | - |
| | Less: Utilisations / transfers during the year | **-** | - |
| | Closing balance | **40,000** | 40,000 |
| **(e)** | **Foreign exchange fluctuation reserve** | **87,61,606** | 78,78,813 |
| **(f)** | **Surplus / (Deficit) in statement of profit and loss** | | |
| | Opening balance | **(56,36,77,026)** | (73,54,58,407) |
| | Add: Depreciation on transition to schedule II of the Companies Act, 2013 -refer note no 12 | **(4,57,81,349)** | - |
| | Add: Profit / (Loss) for the year | **(39,12,44,444)** | 17,17,81,381 |
| | Closing balance | **(1,00,07,02,819)** | (56,36,77,026) |
| | **Total** | **34,65,00,795** | 66,92,68,795 |

## 4) LONG-TERM BORROWINGS

| | As at 31st March, 2015 ` | As at 31st March, 2014 ` |
|---|---|---|
| **Rupee loans from Banks (Secured)** | | |
| Term loans | **15,87,503** | 66,45,713 |
| Vehicles finance loans | **46,65,928** | 1,76,445 |
| Corporate loan from financial institution (Unsecured)* | **-** | 8,00,00,000 |
| **Loan from related parties** | | |
| Mr. Surendra Somani | **4,84,00,000** | - |
| Mrs. Vandana Somani | **6,41,00,000** | **-** |
| **Inter Corporate Deposits (Unsecured)** | | |
| Others | **2,13,00,312** | 54,54,47,784 |
| **Total** | **14,00,53,743** | 63,22,69,942 |

a) Term loans from banks include term loan of ` 66,45,713/- (Balance outstanding) which carries interest base rate +3.50% p.a. and is repayable in 10 equal quarterly installments of ` 50 lacs from June, 2013. Current maturities of ` 66,45,713/- have been shown under current liabilities. The loan is secured by first mortgage charge on the company's entire fixed assets on pari-passu basis with other working capital consortium banks and second charge on current assets of the company on pari-passu basis.

b) Term loans from banks include term loan of ` 3,15,87,503/-(Balance outstanding) which carries interest base rate +3.50% p.a. and is repayable in 8 equal quarterly installments of ` 75 lacs from june, 2014, and last Installment of ` 50 lacs. Current maturities of ` 3,00,00,000/- have been shown under current liabilities. The loan is secured by first mortgage charge on the company's entire fixed assets on pari-passu basis with other working capital consortium banks and second charge on current assets of the company on pari-passu basis.

c) Vehicle finance loans carry interest @ 10.73 to 12.40 % p.a. and is repayable in 35 to 40 equal monthly installments. The loans are secured by hypothecation of vehicles.

d) * Loans from others carries Interest @ 13.50% p.a. and is repayable in 10 equal quarterly installments from December, 2013. The loan is secured by personal guarantee and mortgage/ pledge of certain assets of promoters and directors

## 5) DEFERRED TAX LIABILITIES (NET)

| | As at 31st March, 2015 ` | As at 31st March, 2014 ` |
|---|---|---|
| Deferred tax liabilities: | | |
| Depreciation | **34,16,893** | 58,97,276 |
| | **34,16,893** | 58,97,276 |
| Deferred tax assets: | | |
| Unabsorbed depreciation and carried forward losses | **2,98,09,539** | 2,98,09,539 |
| Disallowances under Income Tax Act | **54,57,434** | - |
| | **35,266,973** | 29,809,539 |
| Deferred tax assets recognised to the extent of deferred tax liabilities | **3,416,893** | 5,897,276 |
| **Total** | **-** | **-** |

## 6) OTHER LONG TERM LIABILITIES

| | | |
|---|---|---|
| Trade deposits | - | 25,00,000 |
| **Total** | **-** | 25,00,000 |

## 7) LONG TERM PROVISIONS

| | | |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (ref. note no. 31 Part A) | **3,35,30,000** | 2,70,36,000 |
| Leave encashment ( ref. note no. 31 Part B) | **95,50,000** | 84,33,000 |
| **Total** | **4,30,80,000** | 3,54,69,000 |

## 8) SHORT-TERM BORROWINGS

| | As at 31st March, 2015 ` | As at 31st March, 2014 ` |
|---|---|---|
| **From Banks:** | | |
| Cash credit / packing credit * | **31,86,24,000** | 34,05,21,726 |
| Buyers credit | **19,52,06,052** | 18,21,37,938 |
| **Total** | **51,38,30,052** | 52,26,59,664 |

* Cash credit / packing credit facilities availed from banks are secured by hypothecation of inventories and book debts (present and future) also second charge by way of mortgage on all immoveable properties and by way of hypothecation on all the moveable fixed assets of the company both present and future and guaranteed by director / promoter jointly and severally. The said facility is repayable on demand.

## 9) TRADE PAYABLES

| | As at 31st March, 2015 ` | As at 31st March, 2014 ` |
|---|---|---|
| **Trade payables (including acceptances)** | | |
| Others | **69,21,99,585** | 35,70,85,092 |
| **Total** | **69,21,99,585** | 35,70,85,092 |

## 10) OTHER CURRENT LIABILITIES

| | | |
|---|---|---|
| Current maturities of long-term borrowings | **11,87,46,782** | 13,25,46,978 |
| Interest accrued but not due on borrowings | **1,16,377** | 3,81,295 |
| Interest free trade deposits | **37,18,804** | 44,68,804 |
| Advance from customers | **2,19,81,666** | 2,90,21,500 |
| Statutory liabilities | **67,10,876** | 1,16,29,785 |
| **Other payables:** | | |
| Creditors for capital goods | **3,32,45,356** | 97,14,762 |
| Employees related | **5,03,77,639** | 4,61,12,205 |
| Others | **13,21,27,678** | 5,94,20,570 |
| **Total** | **36,70,25,178** | 29,32,95,899 |

## 11) SHORT TERM PROVISIONS

| | | |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (ref. note no. 31 Part A) | **61,63,000** | 10,07,000 |
| Leave encashment ( ref. note no. 31 Part B) | **28,67,000** | 4,28,000 |
| **Total** | **90,30,000** | 14,35,000 |

## 12) FIXED ASSETS

| DESCRIPTION | GROSS BLOCK | | | | DEPRECIATION | | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2014 (₹) | Additions during the year (₹) | Deductions during the year (₹) | **As at 31st March 2015 (₹)** | Upto 1st April 2014 (₹) | Charge to Reserves (₹) | Depreciation written back (₹) | For the year (₹) | Deductions during year (₹) | **Upto 31st March, 2015 (₹)** | **As at 31st March, 2015 (₹)** | As at 31st March, 2014 (₹) |
| **Tangible assets** | | | | | | | | | | | | |
| 1. Lease hold land | 43,75,252 | - | - | 43,75,252 | 9,67,160 | - | - | 46,056 | - | 10,13,216 | 33,62,036 | 34,08,092 |
| 2. Free hold land | 5,60,240 | - | - | 5,60,240 | - | - | - | - | - | - | 5,60,240 | 5,60,240 |
| 3. Buildings | 31,19,12,102 | 1,29,04,150 | - | 32,48,16,252 | 12,16,25,380 | - | - | 1,01,59,600 | - | 13,17,84,980 | 19,30,31,272 | 19,02,86,722 |
| 4. Plant & equipments | 2,39,96,28,712 | 8,33,05,710 | - | 2,48,29,34,442 | 1,56,11,46,826 | 4,21,52,666 | 2,29,78,022 | 10,73,22,594 | - | 1,68,76,44,064 | 79,52,90,358 | 83,84,81,886 |
| 5. Furniture and fixtures | 3,78,99,746 | 18,58,733 | - | 3,97,58,479 | 3,10,76,487 | 6,58,093 | 11,67,675 | 9,57,291 | - | 3,15,24,196 | 82,34,283 | 68,23,259 |
| 6. Tube well | 1,66,658 | - | - | 1,66,658 | 61,708 | 1,04,950 | - | - | - | 1,66,658 | - | 1,04,950 |
| 7. Office equipments | 1,09,72,983 | 7,42,228 | - | 1,17,15,211 | 86,82,562 | 8,12,267 | 4,04,165 | 11,36,433 | - | 1,02,27,097 | 14,88,114 | 22,90,421 |
| 8. Computers | 3,25,34,379 | 24,94,421 | - | 3,50,28,800 | 2,95,21,329 | 3,85,998 | 5,29,832 | 21,50,872 | - | 3,15,28,367 | 35,00,434 | 30,13,050 |
| 9. Vehicles | 1,85,74,809 | 75,72,137 | 10,43,500 | 2,51,03,446 | 1,47,12,462 | 16,67,374 | 12,24,672 | 9,58,150 | 10,43,500 | 1,50,69,814 | 1,00,33,632 | 38,62,347 |
| **Tangible assets total** | **2,81,66,24,881** | **10,88,77,379** | **10,43,500** | **2,92,44,58,760** | **1,76,77,93,914** | **4,57,81,349** | **2,63,04,366** | **12,27,30,995** | **10,43,500** | **1,90,89,58,392** | **1,01,55,00,368** | **1,04,88,30,967** |
| **Intangible assets** | | | | | | | | | | | | |
| 1. Intellectual property | 14,28,00,000 | - | - | 14,28,00,000 | 14,28,00,000 | - | - | - | - | 14,28,00,000 | - | - |
| 2. Goodwill on consolidation | 57,600 | - | | 57,600 | - | - | - | - | - | - | 57,600 | 57,600 |
| **Intangible assets total** | **14,28,00,000** | **-** | **-** | **14,28,00,000** | **14,28,00,000** | **-** | **-** | **-** | **-** | **14,28,00,000** | **57,600** | **57,600** |

*Refer note no.36

## 13) INVESTMENTS (AT COST)

| Face Value ` | | As at 31st March, 2015 Nos. | ` | As at 31st March, 2014 Nos. | ` |
|---|---|---|---|---|---|
| | **Long Term Investments (At Cost)** | | | | |
| | **I. In government securities (non-trade) :** | | | | |
| | 7 years national savings certificate ( lodged with collector of central excise and sales tax authority- Mumbai) | - | **40,250** | - | 40,250 |
| | **II. In equity shares (fully paid-up)** | | | | |
| | **A. Quoted shares (non-trade)** | | | | |
| 10 | DSQ Software Limited | **400** | **1,99,608** | 400 | 1,99,608 |
| 1 | Himachal Futuristic Communication Ltd | **200** | **48,235** | 200 | 48,235 |
| 10 | IMP Power Ltd | **2,874** | **7,92,334** | 2,874 | 7,92,334 |
| 10 | Advent Computers Ltd | **30** | **24,060** | 30 | 24,060 |
| | | | **10,64,237** | | 10,64,237 |
| | Less: Provision for diminution in value of investments | | **4,26,243** | | 4,26,243 |
| | | | **6,37,994** | | 6,37,994 |
| | | | **6,37,994** | | 6,37,994 |
| | **B. Unquoted shares** | | | | |
| | **Trade investments:** | | | | |
| 10 | Kapol Co-Op Bank Ltd | **20,000** | **2,00,000** | 20,000 | 2,00,000 |
| 10 | The Saraswat Co-Op Bank Ltd | **1,000** | **10,000** | 1,000 | 10,000 |
| 10 | The New India Co-Op Bank Ltd | **500** | **5,000** | 500 | 5,000 |
| 10 | Mandvi Co-Op Bank Ltd. | **25,000** | **2,50,000** | 25,000 | 2,50,000 |
| | | | **4,65,000** | | 4,65,000 |
| | **Non trade investments:** | | | | |
| 10 | Parijat Shipping & Finale Ltd | - | - | 7,00,000 | 70,00,000 |
| | | - | - | | 70,00,000 |
| | **TOTAL( A+B+C)** | | **11,02,994** | | 81,02,994 |
| | **TOTAL(I+II)** | | **11,43,244** | | 81,43,244 |
| | Aggregate cost of quoted investment | | **1 0,64,237** | | 10,64,237 |
| | Aggregate market value of quoted investment | | **2,19,762** | | 67,886 |
| | Aggregate cost of unquoted investment | | **4,65,000** | | 74,65,000 |
| | Aggregate provision for diminution | | **4,26,243** | | 4,26,243 |

## 14) LONG TERM LOANS AND ADVANCES

*(Unsecured considered good, unless stated otherwise)*

| | As at 31st March, 2015 ` | As at 31st March, 2014 ` |
|---|---|---|
| Capital advances | **56,87,511** | 54,23,213 |
| Deposits | **1,23,97,996** | 6,75,55,443 |
| Loans to others | **-** | 6,04,83,300 |
| **Other loans and advances** | | |
| Loans to employees | **25,59,612** | 38,21,512 |
| Prepaid expenses | **6,16,680** | 9,89,180 |
| Advance income-tax (Net of provision of taxation) | **2,73,900** | 3,57,233 |
| **Total** | **2,15,35,699** | 13,86,29,881 |

## 15) INVENTORIES

*(As taken, valued and certified by management)*

| | | |
|---|---|---|
| Stores & spares | **1,64,47,372** | 1,33,88,840 |
| Raw materials | **22,46,03,981** | 27,05,29,350 |
| Packing materials | **3,13,55,332** | 3,19,87,573 |
| Work-in-process | **16,49,98,234** | 17,47,67,508 |
| Traded goods | **7,91,635** | 35,48,930 |
| Finished goods | **1,48,24,378** | 3,60,04,024 |
| **Total** | **45,30,20,932** | 53,02,26,225 |

## 16) TRADE RECEIVABLES

*(Unsecured, considered good unless other wise stated)*

| | | |
|---|---|---|
| **Debts outstanding for a period exceeding six months from the date they are due for payment** | | |
| Considered good | **3,23,07,601** | 1,34,63,100 |
| Considered doubtful | **2,03,91,542** | 2,46,59,838 |
| | **5,26,99,143** | 3,81,22,938 |
| Less: Provision for doubtful debts | **2,03,91,542** | 2,46,59,838 |
| | **3,23,07,601** | 1,34,63,100 |
| **Other debts** | | |
| Others | **77,93,57,706** | 54,68,48,782 |
| **Total** | **81,16,65,307** | 56,03,11,882 |

## 17) CASH AND BANK BALANCES

| | | |
|---|---|---|
| Balance with Banks in current accounts | **38,31,258** | 63,28,775 |
| Cash on hand | **18,04,360** | 15,49,035 |
| Margin money deposits (with original maturity up to 12 months) | **3,16,87,618** | 3,92,53,501 |
| **Total** | **3,73,23,236** | 4,71,31,311 |

## 18) SHORT TERM LOANS AND ADVANCES

*(Unsecured considered good, unless stated otherwise)*

| | | |
|---|---|---|
| Loans to employees | **18,86,906** | 10,86,406 |
| Balance with statutory/ government authorities | **33,24,50,032** | 29,60,67,346 |
| Prepaid expenses | **1,54,80,577** | 90,91,810 |
| Advance income-tax (Net of provision of taxation) | **22,77,570** | 19,80,424 |
| Advances recoverable in cash or kind: | **4,57,34,953** | 15,10,81,618 |
| **Total** | **39,78,30,038** | 45,93,07,604 |

## NOTES FORMING PART OF THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT

### 19) REVENUE FROM OPERATION

| | | As at 31st March, 2015 ` | As at 31st March, 2014 ` |
|---|---|---|---|
| Sale of products | | **3,27,53,11,129** | 3,04,35,05,117 |
| **Other operating income** | | | |
| Scrap sales | | **21,27,898** | 19,71,347 |
| Other | | **7,02,38,082** | 7,59,57,176 |
| | **Total** | **3,34,76,77,109** | 3,12,14,33,640 |

### 20) OTHER INCOME

| | | | |
|---|---|---|---|
| Dividend Income | | | |
| Long-term investments | | **5,487** | 5,437 |
| Interest Income | | | |
| On fixed deposit | | **19,05,755** | 23,00,168 |
| Others | | **63,942** | 48,88,165 |
| Recovery from bad debts | | **40,00,000** | - |
| Net profit on sale of assets | | **61,201** | 2,674 |
| Liabilities written back | | **13,86,411** | 70,52,465 |
| Foreign exchange gain (net) | | **5,72,46,763** | 44,37,045 |
| Insurance claim | | **1,47,552** | 14,962 |
| Miscellaneous income | | **5,78,688** | 9,00,000 |
| | **Total** | **6,53,95,799** | 1,96,00,916 |

### 21) COST OF MATERIALS CONSUMED

| | | | |
|---|---|---|---|
| **Raw material consumption** | | | |
| Opening stock | | **27,05,29,350** | 17,45,06,625 |
| Add: Purchases | | **1,84,99,28,387** | 1,82,39,88,165 |
| | | **2,12,04,57,737** | 1,99,84,94,790 |
| Less : Closing stock | | **22,46,03,981** | 27,05,29,350 |
| | | **1,89,58,53,756** | 1,72,79,65,440 |
| **Packing materials consumption:** | | | |
| Opening stock | | **3,19,87,573** | 3,12,03,296 |
| Add: Purchases | | **17,55,57,294** | 15,60,49,891 |
| | | **20,75,44,867** | 18,72,53,187 |
| Less : Closing stock | | **3,13,55,332** | 3,19,87,573 |
| | | **17,61,89,535** | 15,52,65,614 |
| | **Total** | **2,07,20,43,291** | 1,88,32,31,054 |

### 22) CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

| | | | |
|---|---|---|---|
| Opening stock | | | |
| Finished goods | | **3,60,04,024** | 4,30,19,413 |
| Traded goods | | **35,48,930** | - |
| Work in progress | | **17,47,67,508** | 10,76,72,783 |
| | | **21,43,20,462** | 15,06,92,196 |
| Less : Closing stock | | | |
| Finished goods | | **1,48,24,378** | 3,60,04,024 |
| Traded goods | | **7,91,635** | 35,48,930 |
| Work in progress | | **16,49,98,234** | 17,47,67,508 |
| | | **18,06,14,247** | 21,43,20,462 |
| Net( increase)/ decrease | **Total** | **3,37,06,215** | (6,36,28,266) |

## 23) EMPLOYEE BENEFIT EXPENSE

| | As at 31st March, 2015 ` | As at 31st March, 2014 ` |
|---|---|---|
| Salaries, wages and bonus | **25,19,92,016** | 19,59,04,826 |
| Contribution to provident and other fund | **1,43,51,873** | 1,16,34,766 |
| Staff welfare expense | **2,19,20,303** | 2,25,61,147 |
| **Total** | **28,82,64,192** | 23,01,00,739 |

## 24) OTHER EXPENSES

| | | |
|---|---|---|
| Stores and spares consumed | **4,14,02,011** | 3,47,53,773 |
| Power and fuel | **12,92,78,400** | 11,70,58,435 |
| Rent | **2,56,54,076** | 2,07,94,910 |
| **Repairs and maintenance** | | |
| Building | **77,54,704** | 62,55,959 |
| Machinery | **90,16,185** | 97,36,168 |
| Others | **30,33,864** | 15,67,586 |
| Insurance | **63,65,301** | 63,17,397 |
| Commission on sales | **7,21,71,029** | 6,57,35,233 |
| Selling and distribution expenses | **94,03,804** | 2,27,55,532 |
| Packing, freight and forwarding | **5,17,53,103** | 4,68,82,280 |
| Payment to auditors (refer details below) | **8,78,670** | 7,68,256 |
| Printing and stationery | **67,65,599** | 58,79,014 |
| Postage, telegram and telephone | **43,76,091** | 46,83,485 |
| Travelling and conveyance | **1,92,41,566** | 2,35,87,294 |
| Legal and professional fees | **3,37,62,118** | 2,81,62,151 |
| Rates and taxes | **47,49,200** | 74,68,645 |
| Labour charges | **1,81,87,556** | 1,68,52,240 |
| Directors' sitting fees | **2,68,000** | 58,000 |
| Sundry balances written off | **11,19,575** | 1,11,313 |
| Miscellaneous expenses | **9,05,87,770** | 7,55,42,299 |
| **Total** | **53,57,68,622** | 49,49,69,970 |

| | | |
|---|---|---|
| **Payment to auditors** | | |
| As auditor | | |
| Audit fee | **7,28,670** | 6,18,256 |
| Tax audit fee | **1,50,000** | 1,50,000 |
| **Total** | **8,78,670** | 7,68,256 |

## 25) FINANCE COST

| | | |
|---|---|---|
| Interest expense | **7,20,61,597** | 7,85,80,365 |
| Other borrowing cost | **5,76,34,165** | 6,60,21,838 |
| **Total** | **12,96,95,762** | 14,46,02,203 |

## 26) DEPRECIATION AND AMORTISATION

| | | |
|---|---|---|
| Depreciation on tangible assets | **12,27,30,995** | 12,92,07,400 |
| Depreciation on intangible assets | **-** | - |
| Less: Written back on change in policy | **(2,63,04,366)** | - |
| **Total** | **9,64,26,629** | 12,92,07,400 |

## 27) EXCEPTIONAL ITEMS

| | | |
|---|---|---|
| Capital work in progress charged off | **18,92,40,572** | - |
| Loss/expense on intragroup slump sale charged to revenue | **28,21,39,615** | - |
| Advances written off | **7,34,83,300** | - |
| **Total** | **54,48,63,487** | - |

## 28) EARNINGS PER EQUITY SHARE

| | As at 31st March, 2015 ` | As at 31st March, 2014 ` |
|---|---|---|
| Number of equity shares | **4,11,02,602** | 3,90,52,602 |
| Weighted average number of equity shares | **3,97,60,273** | 3,90,52,602 |
| Face value per share | **10** | 10 |
| Profit after tax | **(39,12,44,444)** | 17,17,81,381 |
| Less: Dividend on preference shares | **-** | - |
| Profit after tax available to equity shareholders | **(39,12,44,444)** | 17,17,81,381 |
| Basic and diluted earning per share | **(9.84)** | 4.40 |

## 29) CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :

| | As on 31st March, 2015 ` | As on 31st March, 2014 ` |
|---|---|---|
| i) Guarantees given by the company's bankers on behalf of the company | **1,02,17,238** | 1,69,59,099 |
| ii) Bills discounted with banks | **51,58,80,825** | 43,28,85,659 |
| iii) Disputed tax matters:- | | |
| a) Service tax demand disputed in appeal | **40,08,819** | 34,04,819 |
| b) Excise duty demand disputed in appeal | **46,60,949** | 38,69,299 |
| c) Demand under drug price control order - 95 ( DPCO - 95 ) demand disputed in appeal | **5,91,34,474** | 5,91,34,474 |

**30)** Estimated amount of contracts remaining to be executed on capital account not provided for ` 62,38,140/- ( Previous year ` 1,09,17,451/-)

## 31) EMPLOYEE BENEFITS :

Consequent upon adoption of Accounting Standard on "Employee Benefits" (AS-15) (Revised 2005) issued by the Institute of Chartered Accountants of India, as required by the Standard, the following disclosures are made :

**Part A : Gratuity Benefits**

| | Gratuity benefit Unfunded | |
|---|---|---|
| | **As on 31st March, 2015 ` ** | As on 31st March, 2014 ` |
| **i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation** | | |
| Obligation at the beginning of the year | **2,80,43,000** | 2,86,99,000 |
| Obligation of subsidiary company reversed | - | (2,45,000) |
| Interest cost | **22,43,440** | 21,85,782 |
| Service cost | **28,14,897** | 26,66,871 |
| Actuarial (gain)/ loss | **83,58,768** | (30,00,195) |
| Benefits paid | **(17,67,105)** | (22,63,458) |
| **Obligation at the year end** | **3,96,93,000** | 2,80,43,000 |
| **ii) Change in plan assets** | | |
| Fair value of plan assets at the beginning of the year | **-** | - |
| Expected return on plan assets | **-** | - |
| Contribution | **3,96,93,000** | 22,63,458 |
| Actuarial (gain)/ loss | **-** | - |
| Benefits paid | **(3,96,93,000)** | (22,63,458) |
| **Fair value of plan assets at the end of the year** | **-** | - |
| **Unfunded status** | **(3,96,93,000)** | (2,80,43,000) |
| **iii) Limits of Corridor not considered since total actuarial gain/loss is being recognised as on 31st March, 2015** | | |
| Actuarial gain / (loss) for the year- obligation | **83,58,768** | 30,00,195 |
| Actuarial gain/(loss) for the year- plan assets | **-** | - |
| Sub- Total | **83,58,768** | 30,00,195 |
| **Actuarial loss recognised** | **(83,58,768)** | (30,00,195) |

| | | |
|---|---|---|
| **iv) Unrecognised actuarial gains (losses) at the end of the year** | | |
| **Reconciliation of present value of the obligation and the fair value of plan assets** | | |
| Present value of the defined benefit obligations at the end of the year | **(3,96,93,000)** | 2,80,43,000 |
| Fair value of plan assets at the end of the year | **-** | - |
| **Liability/(Asset) recognised in the balance sheet** | **(3,96,93,000)** | 2,80,43,000 |
| **v) Cost for the year** | | |
| Service cost | **28,14,897** | 26,66,871 |
| Interest cost | **22,43,440** | 21,85,782 |
| Expected return on plan assets | **-** | - |
| Actuarial (gain)/loss | **83,58,768** | (30,00,195) |
| **Net cost recognised in the profit & loss account** | **1,34,17,105** | 18,52,458 |
| **vi) Movement in the liability recognised in the balance sheet** | | |
| Opening net liability | **2,80,43,000** | 2,86,99,000 |
| Obligation of subsidiary company reversed | **-** | (2,45,000) |
| Expenses as above | **1,34,17,105** | 18,52,458 |
| Contribution paid | **(17,67,105)** | (22,63,458) |
| **Closing net liability** | **3,96,93,000** | 2,80,43,000 |
| **vii) Assumptions used to determine the benefit obligations:** | | |
| Discount rate | **8.00%** | 8.00% |
| Rate of increase in compensation levels | **6.00%** | 6.00% |

**Part B : Leave Encashment**

| | Leave Encashment benefit Unfunded | |
|---|---|---|
| | **As on 31st March, 2015** ` | As on 31st March, 2014 ` |
| **i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation** | | |
| Obligation at the beginning of the year | **88,61,000** | 85,29,000 |
| Obligation of subsidiary company reversed | - | (1,39,000) |
| Interest cost | **7,08,880** | 6,25,144 |
| Service cost | **10,50,323** | 10,52,763 |
| Actuarial (gain)/ loss | **34,14,223** | (55,515) |
| Benefits paid | **(16,17,426)** | (11,51,392) |
| **Obligation at the year end** | **1,24,17,000** | 88,61,000 |
| **ii) Change in plan assets** | | |
| Fair value of plan assets at the beginning of the year | **-** | - |
| Expected return on plan assets | **-** | - |
| Contribution | **1,24,17,000** | 11,51,392 |
| Actuarial (gain)/ loss | **-** | - |
| Benefits paid | **(1,24,17,000)** | (11,51,392) |
| **Fair value of plan assets at the end of the year** | **-** | - |
| **Unfunded status** | **(1,24,17,000)** | (88,61,000) |
| **iii) Limits of corridor not considered since total actuarial gain/loss is being recognised as on 31st March, 2015** | | |
| Actuarial (loss) for the year- obligation | **34,14,223** | 55,515 |
| Actuarial gain/(loss) for the year- plan assets | - | - |
| Sub- Total | **34,14,223** | 55,515 |
| **Actuarial loss recognised** | **(34,14,223)** | (55,515) |
| **iv) Unrecognised actuarial gains (losses) at the end of the year** | | |
| **Reconciliation of present value of the obligation and the fair value of plan assets** | | |
| Present value of the defined benefit obligations at the end of the year | **1,24,17,000** | 88,61,000 |
| Fair value of plan assets at the end of the year | - | - |
| **Liability/(asset) recognised in the balance sheet** | **1,24,17,000** | 88,61,000 |

| | | |
|---|---|---|
| **v) Cost for the year** | | |
| Service cost | **10,50,323** | 10,52,763 |
| Interest cost | **7,08,880** | 6,25,144 |
| Expected return on plan assets | - | - |
| Actuarial (gain)/loss | **34,14,223** | (55,515) |
| **Net cost recognised in the profit & loss account** | **51,73,426** | 16,22,392 |
| **vi) Movement in the liability recognised in the balance sheet** | | |
| Opening net liability | **88,61,000** | 85,29,000 |
| Obligation of subsidiary company reversed | **-** | (1,39,000) |
| Expenses as above | **51,73,426** | 16,22,392 |
| Contribution paid | **(16,17,426)** | (11,51,392) |
| **Closing net liability** | **1,24,17,000** | 88,61,000 |
| **vii) Assumptions used to determine the benefit obligations:** | | |
| Discount rate | **8.00%** | 8.00% |
| Rate of increase in compensation levels | **6.00%** | 6.00% |

**32)** The disclosure as per Accounting Standard 17 (AS-17) "Segment Reporting" issued by the Institute of Chartered Accountants of India:

**(a) Business segment:**

| Particulars | Pharmaceutical | Consumer Care Division | Total |
|---|---|---|---|
| (a) Revenue from operation | 3,23,18,55,601 | 2,54,13,547 | **3,25,72,69,148** |
| (b) Less: Operating and other expenses | 2,98,58,04,085 | 5,35,46,057 | **3,03,93,50,142** |
| (c) Segment result | 24,60,51,516 | (2,81,32,510) | **21,79,19,006** |
| (d) Less: Unallocated expenses | | | **(12,96,95,762)** |
| (e) Add: Other income | | | **6,53,95,799** |
| (f) Less: Exceptional items - expenses (net) | | | **54,48,63,487** |
| (g) Profit for the year | | | **(39,12,44,444)** |

Fixed Assets used in the business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilites are made.

**(b) Geographical segment:**

| Particulars | Year ended 31st March, 2015 ` | Year ended 31st March, 2014 ` |
|---|---|---|
| Revenue from operation (net) | | |
| In India | **82,92,12,875** | 79,38,30,904 |
| Outside India | **2,42,80,56,273** | 2,23,46,39,417 |
| **Total** | **3,25,72,69,148** | 3,02,84,70,321 |

**33)** Disclosure as per Accounting Standard 18 (AS-18) "Related Party Disclosure" issued by the Institute of Chartered Accountants of India

**i) Key management personnel**
Shri Ajit Jain - Director and Chief Operating Officer

**ii)** The company has entered into transactions with related parties as listed below during the period under consideration. Full disclosure has been made and the board considers such transactions to be in normal course of business and at rates agreed between the parties. Details of transactions, with related parties are as follows :

| Particulars | Year ended 31st March, 2015 ` | Year ended 31st March, 2014 ` |
|---|---|---|
| **Key Management Personnel :** | | |
| Remuneration paid to personnels | **1,77,19,767** | 86,97,360 |

**34)** In the opinion of the Board, current assets and loans and advances are approximately of the value stated if realised in the ordinary course of business. The provision for all known and determined liabilities are adequate and not in excess of the amounts reasonably required. The balances of few creditors are subject to their confirmation.

**35)** a The Company has taken certain office/factory premises on operating lease basis. Lease payments in respect of such leases recognised in statement of profit and loss account ` 2,56,54,076/- ( Previous year ` 2,05,64,605/-).

b Except for escalation contained in certain lease arrangements providing for increase in the lease payment by specified percentage / amounts after completion of specified period. Further the lease terms do not contain any exceptional / restrictive covenants other than prior approval of the leasee before the renewal of lease.

c There are no restrictions such as those concerning dividend and additional debt other than in some cases where prior approval of lesser is required for further leasing. There is no contingent rent payment.

**36)** During the current year, the Parent Company and the subsidiary company KRLL have revised their accounting policy in respect of depreciation method on tangible assets, other than factory building and plant and machinery, from 'written down value method' to 'straight line method' over the expected useful life of the assets. The management is of the opinion that this change in accounting policy would result in a more appropriate presentation of the financial statements. As a result of this change, depreciation has been calculated retrospectively on straight line method and accordingly the Company has recorded reversal of depreciation expense amounting to ` 4,57,81,348 /- pertaining to previous years in the current year's statement of profit & loss (also refer note no 12).

The Company has also revised the estimate useful life of assets, except plant and machinery, as prescribed in Schedule II of the Companies Act, 2013. The carrying value of assets where the remaining useful life was determined to be nil as on April 1, 2014 has been fully depreciated during the year and an amount of ` 4,57,81,348/- has been adjusted against the opening balance of profit and loss account in the balance sheet under reserves and surplus.

Consequent to the above changes, the depreciation expense in the statement of profit and loss for the year is lower by ` 85,87,580/- (excluding depreciation written back in respect of previous year).

**37)** The subsidiary company 'KRLL' had developed two New Chemical Entities – KNC-6 and KNC-1206, over the earlier years, which was carried at cumulative value of `18,92,40,572/- as Capital WIP. Company's operations would now have a focus on product/process development of Active Pharmaceutical Ingredients. Therefore the company has now decided not to invest further in the new chemical entities in the near future. In view of the above, the management has decided to write off the Capital WIP of ` 18,92,40,572 /-invested over the years in the research of the new chemical entities.

**38)** In the absence of information regarding the status under Micro, Small and Medium Enterprises Development Act, 2006 amounts due to such enterprises have not been disclosed separately under sundry creditors. Kopran Research Laboratories Ltd. is in the process of compiling the additional information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The management does not envisage any material impact on the financial statement in this regard, which has been relied upon by the auditors.

**39)** The balances of unsecured loans, loans & advances and sundry creditors of Kopran Research Laboratories Ltd. are subject to the confirmation and consequential reconciliation/adjustments arising there from, if any. The management, however, does not expect any material variation.

**40)** The financial statements of the subsidiary company 'KRLL' have been prepared on the basis that the company is going concern. However having regard to the fact there are significant accumulated losses, the ability of company to continue as going concern is significantly dependent on the improvement of company's future operation and financial support from the holding company. Holding company has confirmed that necessary financial support will be provided as required.

**41)** Previous years' figures have been regrouped wherever necessary.

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The notes referred to above form an integral part of the financial statements
Per our report attached

For **BATLIBOI & PUROHIT**
*Chartered Accountants*
Firm Registration No. 101048W

**Kaushal Mehta**
*Partner*
Membership No. 111749

Place : Mumbai
Date : 28th May, 2015

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

**SURENDRA SOMANI**
**Executive Vice Chairman**

**V. N. KHANNA**
**Director**

**B. K. SONI**
**Chief Financial Officer**

**SUNIL SODHANI**
**Company Secretary**