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ENTERPRISES

Kopran

# KOPRAN LIMITED

## ANNUAL REPORT
## 2015-2016

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**BOARD OF DIRECTORS :**

| | |
|---|---|
| Mr. Vishnu N. Khanna | Chairman |
| Mr. Surendra Somani | Executive Vice Chairman |
| Dr. Arvind K Mehta | Director |
| Mr. Ajit Jain | Executive Director and Chief Operating Officer (Term ended as on 31st January, 2016) |
| Mr. Amit Rajan | Director (Resigned w.e.f. 28th April, 2016) |
| Mr. Vijay K. Bhandari | Director |
| Dr. Siddhan Subramanian | Director |
| Dr. Sunita Banerji | Director |

**CHIEF FINANCIAL OFFICER :**

Mr. Basant K Soni

**COMPANY SECRETARY:**

Mr. Sunil Sodhani

**AUDITORS :**

M/s. Batliboi & Purohit
Chartered Accountants

**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.

**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

**Kopran Research Laboratories Ltd.** **(Subsidiary Company)**

**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

## Directors Report

Dear Members,

Your Directors have pleasure in presenting their 57th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2016.

### 1. FINANCIAL PERFORMANCE

### A) Standalone

The company achieved total revenue of ₹ 18,814 Lacs in the current year as against total revenue of ₹ 33,207 Lacs in the previous year.

During the year, the company earned net profit of ₹ 1,143 Lacs (Previous Year: ₹ 1,548 Lacs).

**Financial Summary and Highlights**

(₹ in Lacs)

| **Particulars** | **Standalone Basis** | |
|---|---|---|
| **For the period ended** | **F. Y. 2015-16** | F. Y. 2014-15 |
| Total Revenue | **18,814** | 33,207 |
| Less Expenses | **17,551** | 31,652 |
| Profit Before exceptional items & Tax | **1,263** | 1,555 |
| Less Exceptional items | **119** | 7 |
| Net Profit / ( Loss ) for the Period | **1,144** | 1,548 |

### B) Consolidated

Consolidated revenue for the year was ₹ 29,869 Lacs as against consolidated revenue of ₹ 33,227 Lacs in the previous year. Consolidated net profit for the year was ₹ 1,072 Lacs as against a loss of ₹ 3,912 Lacs in Previous Year.

(₹ in Lacs)

| **Particulars** | **Consolidated Basis** | |
|---|---|---|
| **For the period ended** | **F. Y. 2015-16** | F. Y. 2014-15 |
| Total Revenue | **29,869** | 33,227 |
| Less Expenses | **28,677** | 31,690 |
| Profit Before exceptional items & Tax | **1,191** | 1,536 |
| Less Exceptional items | **119** | 5,449 |
| Net Profit / ( Loss ) for the Period | **1,072** | (3,912) |

The Figures however are not comparable due to transfer of Active Pharmaceuticals Ingredients (API) business to Kopran Research Laboratories Limited, a Subsidiary Company on 31st March 2015 and the Consumer Care Division was sold w.e.f 1st April 2015.

**2. Operations of the Company**

(₹ in Lacs)

| Divisions | F.Y. 2015-16 | F.Y. 2014-15 |
|---|---|---|
| **Formulations ((Finished Dosage form)** | | |
| Export | 16,558 | 18,415 |
| Local Sales | 2,173 | 51 |
| **Active Pharmaceuticals Ingredients ( API )** | | |
| Local | - | 7,296 |
| Export | - | 6,542 |
| **Consumer Care Division** | | |
| Local | - | 243 |
| Export | - | 11 |

The Active Pharmaceuticals Ingredients business was transferred to Kopran Research Laboratories Limited on 31st March 2015.The Consumer Care Division was sold w.e.f 1st April 2015, hence, the previous year figures are not comparable.

**3. Dividend**

In view of the carried forward losses, the Board does not recommend any dividend on Equity shares or Preference shares.

**4. Management Discussion and Analysis Report**

The Report on Management Discussion and Analysis as required under SEBI (LODR) Regulations, 2015 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 ₹110 Crores.

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

**7. Share Capital**

During the Financial year, the Company has allotted 2150000 Equity shares F.V Rs10/- at a premium of ₹ 56/- upon Conversion of Warrants issued on Preferential basis to a Promoter Group Company under SEBI (ICDR) Regulations, 2009. Accordingly the paid up Equity capital of the Company has increased from ₹ 41.10 Cr. to ₹ 43.25 Cr.

**8. Directors & Key Managerial Persons(KMP)**

During the Financial Year, Mr. Ajit Jain's term as Executive Director(KMP)ended on 31st January, 2016,but he continues to work as Chief Operating Officer. Mr. Amit Rajan, Director of the Company resigned from the Board w.e.f. 28th April, 2016. The Directors wish to place on record, appreciation of contribution made by Mr. Ajit Jain and Mr. Amit Rajan during their tenure as Director of the Company.

**9. Declaration by Independent Directors**

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Regulation 16 (1) (b) of the SEBI (LODR) Regulations, 2015. In the opinion of the Board they fulfill the conditions of independence as specified in the Act and the Rules made thereunder and are independent of the management.

**10. Meetings of the Board**

Five Board Meetings were held during the Financial Year ended 31st March, 2016. 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.

**11. Performance Evaluation**

Pursuant to the provision of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, 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, Achievements in the Key responsibility areas, 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, oversees major capital expenditure etc., Succession planning, Financial integrity, appropriate systems of control in relation of financial operation and compliances of various laws.

   The Directors have expressed their satisfaction with the evaluation process.

**12. Audit Committee**

The members of Audit Committee comprises of two Independent Directors, Dr. Arvind K. Mehta and Mr. Vishnu N. Khanna and Executive Vice Chairman Mr. Surendra Somani. 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. During the year, there are no instances where the Board had not accepted the recommendations of the Audit Committee.

**13. Vigil Mechanism**

Pursuant to the provisions of Section 177(9) and (10) of the Companies Act,2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has adopted a Vigil Mechanism or 'Whistle Blower Policy' for directors, employees and all stakeholders to report any concerns within the framework of the policy. The same is also disclosed on the website of the Company www.kopran.com

**14. Internal Control Systems and their adequacy**

The Company has in place internal financial control systems, commensurate with the size and complexity of its operations to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances.

**15. 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.

**16. Corporate Social Responsibility (CSR)**

In view of past carried forward losses, the Company has not done CSR spending.

**17. Policy on Nomination and Remuneration**

The contents of Nomination and Remuneration Policy of the Company are prepared in accordance with the provisions of Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The summary of the same is provided in the Corporate Governance Report.

**18. Related Party Transactions**

All Related Party Transactions that were entered into during the financial year were in ordinary course of business and on arm's length basis. There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company and hence, enclosing of Form AOC-2 is not required. Suitable disclosure as required by the accounting standard (AS-18) has been made in the notes to the Financial Statements.

The policy for related party transactions as approved by the Board has been uploaded on the Company's website.

**19. Corporate Governance**

The Report on Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015 forms part of the Annual Report which is 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 SEBI (LODR) Regulations is attached to the Report on Corporate Governance.

**20. Loans, Guarantee or Investments**

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient are provided in the Standalone Financial Statements Note 42 & 43.

**21. Rating**

The Rating issued by CRISIL for long term is CRISIL BBB-/stable and short term rating is CRISIL A3

**22. Auditors**

**a) Statutory Auditors**

In compliance with the Companies (Audit and Auditors) Rules 2014, M/s. Batliboi & Purohit, Chartered Accountants (Firm Regn. No.101048W) 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. 2016-17. M/s. Batliboi & Purohit have submitted a Certificate confirming that their appointment, if ratified, will be in accordance with Section 139 read with Section 141 of the Act.

There is no qualification, reservation, adverse remark or disclaimer by Statutory Auditors in their report for the financial year ended 31st March, 2016 except for emphasis of matter in Note 43 of Financial Statement for which management is of the opinion that no provision is required in respect of investment made in subsidiary company, Kopran Research Laboratories Limited as it is strategic and long term.

**b) Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act, the Board of Directors of the Company had appointed M/s. GMJ & Associates, Practicing Company Secretaries (Firm Regn. No.1432) to conduct the Secretarial Audit of the Company for the F.Y. 2016- 2017. M/s. GMJ & Associates has issued the Secretarial Audit Report for F.Y. 2015-16, given in **Annexure D**.

Secretarial Audit Report for the financial year ended 31st March, 2016 do not contain any qualification, reservation, adverse remark or disclaimer.

**c) Internal Auditors**

The Board of Directors has appointed M/s. NGS & Co. LLP, Chartered Accountants (Firm Regn. No.119850W) as Internal Auditor of the Company for the F.Y. 2016-17.

**23. Directors' Responsibility Statement**

Pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

i. In preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. They 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 true and fair view of the state of affairs of the Company at the end of the financial year as on 31st March, 2016 and of the profit of the Company for that period;

iii. They 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. They have prepared the annual accounts on a going concern basis;

v. They 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. They 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, 2016. 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**

Pursuant to Section 92 (3) of the Companies Act,2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014,the extract of Annual Return in Form MGT-9 is attached as **Annexure E**.

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

The information on Conservation of energy, Technology absorption and Foreign exchange earnings and outgo stipulated under Section 134 (3) (m) of the Companies Act,2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached as **Annexure F**.

**27. Details of Unclaimed Suspense Account**

Disclosure pertaining to Unclaimed Suspense Account as required under Schedule V of the SEBI (LODR) Regulations, 2015 is annexed herewith as **Annexure G**.

**28. 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, 2016 is annexed herewith as **Annexure H.**

On behalf of the Board of Directors

Surendra Somani
Executive Vice Chairman
30th May, 2016

## Annexure A

*(TO THE DIRECTOR'S REPORT)*

**Management Discussion and Analysis**

**(A) Global Outlook:**

The global pharmaceutical market has reached a milestone of $1 trillion in 2014 .It is estimated to reach US$ 1.3 trillion by 2018, growing at a CAGR of 4-7% between 2014 and 2018.

The global generics market was valued at US $ 168 billion in 2013 and expected to reach US$283 billion by 2018, growing at a CAGR of 11%. Generics will account for over 50% of the incremental growth between 2013 and 2018. Generic drugs take a much bigger market share in China, Russia, Brazil, India and other emerging markets, while branded drugs will continue to form almost two-thirds of global spending in the developed markets like US, Japan and five major European Markets (Germany, France, Italy, Spain and UK) .

Pharmaceutical spending in the developed markets stood at approximately US$ 620 billion in 2013. It is estimated to grow at a Compound Annual Growth Rate (CAGR) of 3-6% during 2014-2018 to reach US$ 766-796 billion by 2018. Among the developed markets, the US will see the largest per capita spending increase from 2013 to 2018.Pharmaceutical spending in the emerging markets stood at approximately US$ 243 billion in 2013. It is estimated to grow at a CAGR of 8-11% during 2014-2018 to reach US$ 358-388 billion by 2018.

The Company perceives opportunities arising out of aging population and rising life expectancy, rising per capita income in emerging economies, access to modern healthcare system, increase penetration of generics in emerging markets, expires of Patent in developed markets etc.

However, the threats remain for continuous Price erosion of generic drugs and Stringent regulatory requirements.

**(B) Company strategy :**

The developed markets of US, Europe and emerging markets will remain the focus on the organizational dash board for generics. Company is striving to create an impact in all these key markets. Company is planning to file 10 ANDAs by 2017 and is working on partnership model with other Pharmaceutical companies to mitigate the risk for launch in US Market. Company has triggered the upgradation of the manufacturing site to comply the regulatory requirements of USFDA. Company is also developing 5 dossiers for EU Markets and would focus mainly on Licensing and Supply of the developed products. Company has also signed several contracting manufacturing projects with European partners. Company is also developing 20 new products to register and launch in several emerging markets from 2017 onwards.

- **Risks and concerns**

  The Pharmaceutical Industry normally faces risks and concerns pertaining to Regulatory Authorities.

  Our company has been duly audited by various Regulatory Authorities including UK Medicines and Healthcare Products Regulatory Agency (UK MHRA), South Africa Medicines Control Council (MCC), Australia Therapeutic Goods Administration (TGA) and various other countries from the Non-Regulated markets.

  Your Company is now under preparation for an US Therapeutic Goods Administration (US FDA) approval, for which various investments are being made.

- **Internal control systems and their adequacy.**
  - Dependence only on oral dosage forms
  - Narrow product portfolio
  - Limited manufacturing capacity
  - Delay in USFDA approval of manufacturing site
  - Delay in ANDA approvals

- **Segment–wise or product-wise performance**

  The company has two Plants – i.e. Penicillin based Formulations and General products. As such, the majority of the turnover comes from Antibiotics – both Penicillin based and Non-Penicillin based. Nearly, 40% of our sales are to South Africa.

- **Discussion on financial performance with respect to operational performance.**

  The turnover of the company was ₹18,814 lacs with a profit of ₹ 1,143 lacs.

  Investments made in New Product development is still to yield results, since registration of products in various countries takes 2 to 5 years.

  The production capacities have been optimally utilized and require de-bottle necking and expansion of capacities have been undertaken.

- **Material developments in Human Resources / Industrial Relations front.**

  The industrial relations of the company have been satisfactory with no significant labour problems. The company continues to strengthen its organization by recruiting experienced Senior Management Personnel in various departments.

## Annexure B

*(TO THE DIRECTOR'S REPORT)*

**FORM AOC-1**

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 ₹**

| | | Name of Subsidiary & CIN | | |
|---|---|---|---|---|
| | | Kopran (H.K.) Ltd. | Kopran Research Laboratories Ltd. U24230MH1986PLC040601 | Kopran Lifesciences Ltd. U74120MH2010PLC21112 |
| 1. | Reporting period for the Subsidiary Concerned, if different from holding company's reporting period | 01-04-2015 to 31-03-16 | 01-04-2015 to 31-03-16 | 01-04-2015 to 31-03-16 |
| 2. | Reporting currency and Exchange as on the last date of the relevant financial year in the case of Foreign subsidiaries | HKD ₹ 8.6168 = 1HKD | NA | NA |
| 3. | Share Capital | 23,18,750 | 20,00,00,000 | 5,00,000 |
| 4. | Reserves & Surplus | (16,754) | 78,89,88,374 | (99,563) |
| 5. | Total assets | 2,30,19,965 | 1,74,77,22,554 | 11,27,749 |
| 6. | Total Liabilities | 2,30,19,965 | 1,74,77,22,554 | 11,27,749 |
| 7. | Investments | Nil | Nil | 10,00,000 |
| 8. | Turnover | 1,74,556 | 1,37,20,51,535 | Nil |
| 9. | Profit Before Taxation | (125) | (3,64,85,987) | (6,224) |
| 10. | Provision for Taxation | - | - | - |
| 11. | Profit After Taxation | (125) | (3,64,85,987) | (6,224) |
| 12. | Proposed Dividend | Nil | Nil | Nil |
| 13. | % 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. Company's Philosophy on the Code of Governance:**

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. Board of Directors:**

The composition of Board is in conformity with Regulation 17 of SEBI( LODR) Regulations, 2015. The Company has a non-executive Chairman and over half of the total numbers of Directors are comprised of Independent Directors. The Company has Five Non-Executive Directors and One Executive Director.

The Non-executive Directors of the Company are Independent Directors and draws remuneration only by the way of sitting fees for attending the meeting of the Board and the committees thereof. 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. None of the Directors are related to each other.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee, as per Regulation 26 (1) of SEBI( LODR) Regulations, 2015) across all the Companies in which he/ she is a Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

None of the Directors holds office in more than 20 companies and in more than 10 public companies. All Directors are also in compliance of the limit on Independent Directorships of listed companies as prescribed in Regulation 25 (1) of SEBI( LODR) Regulations, 2015.

**a. 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) |
| 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 | Independent Director |
| Dr. Sunita Banerji | Non-Executive Director | Independent Director |

*Mr. Ajit Jain's Term ended as Executive Director on 31st January 2016 but retains office as Chief Operating Officer of the Company

** Mr. Amit Rajan resigned w.e.f 28th April 2016

**b. Familiarization Programme of Independent Directors**

Training of Independent Directors was held on 11th February 2016. The training programme covered subjects on Internal Financial Control, Process Controls, Revenue Booking, Expenses, Purchase of Fixed Assets, Payroll, Bank Reconciliation Statement, Inventory, Information Technology, General Controls, Financial Closure Process, including various Risk involved in these process. The Familiarisation Programmes imparted to Independent Directors is available on the Company's website at the weblink:-

http://www.kopran.com/pdf/Familiarization%20programe%20of%20Independent%20Directors.pdf

**c. Separate Meeting of Independent Directors**

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management was held on 11th February 2016, as required under Schedule IV to the Companies Act, 2013 (Code for Independent

Directors) and Regulation 25 (3) of SEBI ( LODR) Regulations, 2015. The Independent Directors at the Meeting:

i. Reviewed the performance of Non-Independent Directors and the Board as a whole;

ii. Reviewed the performance of the Chairman of the Company, taking into account the views of the Managing Director and Non-Executive Directors and

iii. Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

**d. Category and Attendance of Directors**

The names and categories of the directors on the Board, their attendance at Board meetings during the financial year 2015-16 and at the last Annual General Meeting and the number of Directorships and Committee positions held by them in other companies are given below:

| Director | No. of Board Meeting attended during 2015-16 | Attendance at AGM held on 19th Sept 2015 | No. of Directorships held in other Public Companies (as on 31.03.2016) | No. of Committee Memberships | | No. of Committee Chairmanships | |
|---|---|---|---|---|---|---|---|
| | | | | All Committees | Only Audit & Stakeholders Relationship Committee | All Committees | Only Audit & Stakeholders Relationship Committee |
| Mr. Vishnu N. Khanna | 5 | Yes | 4 | 8 | 3 | 2 | 1 |
| Mr. Surendra Somani | 5 | Yes | 2 | 0 | 0 | 0 | 0 |
| Dr. Arvind K. Mehta | 5 | Yes | 1 | 2 | 1 | 1 | 1 |
| Mr. Vijay K. Bhandari | 5 | Yes | 8 | 14 | 9 | 4 | 4 |
| Dr. Siddan Subramanian | 5 | No | 0 | 0 | 0 | 0 | 0 |
| Dr. Sunita Banerji | 5 | Yes | 2 | 2 | 1 | 1 | 0 |
| Mr. Ajit Jain (Term ended as Director on 31st January 2016) | 3 | Yes | 0 | 0 | 0 | 0 | 0 |
| Mr. Amit Rajan (Resigned w.e.f 28th April 2016) | 4 | No | 0 | 0 | 0 | 0 | 0 |

Notes:

The information as required under Schedule II Part A of SEBI (LODR) Regulations, 2015 is being made available to the board. The gap between two board meetings did not exceed 120 days.

Total Number of Board Meetings held in F.Y. 2015-16 : Five

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

28th May 2015, 14th July 2015, 12th August 2015, 6th November 2015 and 11th February 2016.

**e. Remuneration to Directors and their Shareholding during the financial year 2015-16**

**i) Details of remuneration to Executive Directors**

| Name of Director | No. of Equity Shares | Remuneration (in ₹) |
|---|---|---|
| Mr. Surendra Somani | 503075 | 79,98,000 |
| Mr. Ajit Jain | Nil | 62,42,000 |

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

| Name of the Director | No. of Equity Shares | Details of sitting Fees (in ₹) | | Professional Fees (in ₹) |
|---|---|---|---|---|
| | | Board | Committee | |
| Mr. Vishnu N. Khanna | 52200 | 72,000 | 30,000 | |
| Dr. Arvind K. Mehta | Nil | 72,000 | 30,000 | |
| Mr. Amit Rajan | Nil | 48,000 | - | 10,00,000 |
| Mr. Vijay K. Bhandari | Nil | 72,000 | 5,000 | |
| Dr. Siddhan Subramanian | Nil | 72,000 | - | |
| Dr. Sunita Banerji | Nil | 72,000 | - | |

Professional fees is paid to Mr. Amit Rajan for the technical & professional services rendered to the Company.

**f. Audit Committee**

**i. 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 Regulation 18 of SEBI (LODR) Regulations, 2015 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. The terms of reference of the Audit Committee, inter alia, are as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for the appointment, remuneration and terms of appointment of the auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
   b. Changes, if any, in accounting policies and practices and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgment by management.
   d. Significant adjustments made in the financial statements arising out of audit findings.
   e. Compliance with listing and other legal requirements relating to financial statements.
   f. Disclosure of any related party transactions.
   g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statements of funds utilized for purposes other than those stated in the offer documents/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of the public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance and effectiveness of the audit process.
8. Approval or any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of the statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up there on.

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. Reviewing the company's financial and risk management policies.
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
19. To review the functioning of the Whistle Blower mechanism.
20. Approval of appointment of Chief Financial Officer(CFO i.e, the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

    The Audit Committee shall mandatorily review the following information;

    a. Management discussion and analysis of financial condition and results of operations.
    b. Statement of significant related party transactions(as defined by the Audit Committee),submitted by the management.
    c. Management letters/letters of internal control weaknesses issued by the statutory auditors.
    d. Inter audit reports relating to internal control weaknesses.
    e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

**ii. Audit Committee Members, its Composition & Attendance during the year**

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

**g. Stakeholders Relationship Committee**

The Composition of the Stakeholders Relationship Committee and the details of the Meetings attended by the Directors during the year are given below:

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

**Status of Shareholder's Complaints (For FY 2015-16)**

| Outstanding Complains at the beginning of the year | Received during the year | Resolved during the year | Outstanding Complains at the end of the year |
|---|---|---|---|
| 0 | 5 | 5 | 0 |

**h. Nomination & Remuneration Committee**

**i. Terms of reference**

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 Regulation 18 of SEBI (LODR) Regulations, 2015 and it is as follows:

1. Devising the criteria for the appointment, evaluation, policy matters for remuneration and performance appraisal as per the roles laid down by the Board.

2. Identifying and recommending the Appointment of Key Managerial Personnel(s)(KMP's), Directors, Independent Directors and also Directors who are to be put forward for retirement by rotation.
3. Determining the appropriate size, diversity and composition of the Board as per the provisions of Companies Act, 2013.
4. There should be meeting conducted at regular intervals to carry out the functions as assigned by the Board.
5. The Chairman of the Nomination & Remuneration Committee could be present at the Annual General Meeting to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.
6. Working with the Board on the leadership succession plan and prepare contingency plans for succession in case of any exigencies.
7. The terms of reference will be disclosed in the Annual Report of the Company.
8. To consider any other matters as may be requested by the Board.

**ii. Committee Members, its Composition & Attendance during the year**

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

**i. Corporate Affairs Committee**

The Composition of the Corporate Affairs Committee and the details of the Meetings attended by the Directors during the year are given below:

Committee Meetings held during the year: Four.

| Name | Designation | Category | Committee Meetings attended |
|---|---|---|---|
| Mr. Surendra Somani | Chairman | Executive Director | 4 |
| Dr. Arvind K. Mehta | Member | Independent Director | 4 |
| Mr. Ajit Jain | Member | Executive Director (Term ended on 31.01.2016) | 4 |
| Mr. Vishnu N. Khanna | Member | Independent Director (Appointed w.e.f 11.02.2016) | NA |

**j. Corporate Social Responsibility Committee**

Composition of Corporate Social Responsibility Committee are Dr. Sunita Banerji Chairman, Mr. Surendra Somani - Member, Mr. Vishnu N. Khanna – Member. No meeting was held during the Financial Year.

**3. General Meetings:**

Location, date and time of Annual General Meetings held during the last 3 years and No. of special resolutions passed

| AGM * | Date | Day | Time | Location of the Meeting | No. of Special Resolutions passed |
|---|---|---|---|---|---|
| 54th | 14th September, 2013 | Saturday | 12.00 Noon | Shri S.K. Somani Memorial Hall, HVB Academy, 79, Marine Drive, Mumbai 400 020 | None |
| 55th | 11th September, 2014 | Thursday | 11.30 a.m. | As above | Two** |
| 56th | 19th September, 2015 | Saturday | 3.00 p.m. | As above | None |

*Details of voting pattern is available on company website.

**1. Variation in terms of appointment of Mr. Ajit Jain, Executive Director & COO.

2. Appointment of Mr. Surendra Somani as Executive Vice Chairman.

**4. Shareholders' Information:**

- Details of 57th Annual General Meeting

| | |
|---|---|
| Date | 10th September, 2016 |
| Venue | Shri S.K. Somani Memorial Hall, Gr. Floor, 79, Marine Drive, Mumbai – 400 020. |
| Time | 3.00 p.m. |

- Book Closure

  The Register of Members and Share Transfer Books will remain closed from 8th September, 2016 to 10th September, 2016 (both days inclusive)

- Registered Office Address

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

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

The Equity Shares of the Company are compulsorily 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 31.03.2016, 42916474 shares representing 99.22% of Equity shares are held in demat mode. ISIN for the equity shares is INE082A01010.

| Holdings | No. of Shares | % of Shares |
|---|---|---|
| No. of Shares in Physical Mode | 336128 | 0.78 |
| No. of Shares in Electronic Mode | 42916474 | 99.22 |
| Total | 43252602 | 100.00 |

**6. Share Transfer System:**

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

**7. Subsidiary Monetary Framework:**

The Company has one Material Subsidiary incorporated in India and one of the Independent Director of the Company is on the Board of Subsidiary Company. The Company monitors performance of subsidiary companies, inter alia, by following means:

a) The Company's Audit Committee reviews the Financial Statement of the Subsidiary Companies also, including the investment made by subsidiaries.

b) The minutes of Board Meeting of the subsidiary companies are placed before the Board of Directors at regular interval.

c) All significant transaction of subsidiary company are reviewed periodically by the Company and placed before Board of Directors.

**8. Code of Conduct:**

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 is signed by Directors and Senior Management within one week of the start of financial year. The Code of Conduct adopted by Board is available on the Website of the Company.

**9. CFO & CEO Certification:**

The Executive Vice Chairman have certified to the Board in accordance with Part B of Schedule II of SEBI (LODR) Regulations, 2015 pertaining to CEO/CFO Certification for the Financial Year ended 31st March 2016. (Attached to Corporate Governance Report)

**10. Means of communication:**

The Quarterly Financial Results of the Company for 1st quarter, 2nd quarter and 3rd quarter was published in Free Press Journal (English) & Navshakti (Marathi) newspaper and for the 4th quarter in Business standard (English) & Mahananayak (Marathi).The Financial Results / office news releases are also made available on the Company's website www.kopran.com and also on nseindia.com & bseindia.com .

**11. Listing:**

**Financial Calendar:** 1st April 2015 to 31st March 2016

**Listing on Stock Exchange:** The Company's equity shares are listed on the following Stock Exchanges

Bombay Stock Exchange Limited
Corporate Relationship Department
P. J. Towers, Dalal Street,
Mumbai – 400 001.

National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051.

The Company has paid listing fees for the Financial Year 2015-16 to both Stock Exchanges.

Stock Code on BSE Ltd. : 524280

Stock Code on the National Stock Exchange of India Ltd. : KOPRAN

Demat International Security Identification Number (ISIN) in NSDL and CDSL for Equity Share : INE082A01010

The Company has also paid custodial fees for the Financial Year 2015-16 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**Market Price 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-15 | 60.80 | 45.30 | 34,44,841 | 60.70 | 45.20 | 91,09,943 |
| May-15 | 55.55 | 46.35 | 15,45,055 | 55.50 | 46.25 | 57,24,189 |
| June-15 | 53.90 | 45.00 | 18,04,094 | 53.90 | 45.00 | 61,85,350 |
| July-15 | 63.00 | 48.20 | 53,17,310 | 63.00 | 47.95 | 1,49,05,792 |
| August-15 | 67.40 | 40.30 | 56,00,192 | 67.40 | 40.30 | 1,59,11,833 |
| September-15 | 53.45 | 42.15 | 14,93,730 | 53.45 | 42.20 | 34,10,603 |
| October-15 | 62.45 | 50.60 | 42,67,294 | 62.50 | 50.25 | 97,74,161 |
| November-15 | 73.70 | 52.10 | 63,81,303 | 73.50 | 52.00 | 2,01,69,033 |
| December-15 | 83.00 | 69.55 | 1,03,14,259 | 83.00 | 69.35 | 3,76,89,927 |
| January-16 | 78.90 | 49.75 | 41,94,888 | 78.90 | 49.55 | 1,18,45,344 |
| February-16 | 61.50 | 40.65 | 22,31,778 | 61.45 | 40.30 | 61,80,917 |
| March-16 | 55.75 | 42.40 | 24,16,514 | 55.80 | 42.10 | 62,03,763 |

**Yearly Stock Performance vs Benchmark Index**

| NSE exchange | As on 1st April, 2015 | As on 31st March, 2016 | Change in % |
|---|---|---|---|
| Nifty (Closing Index) | 8491 | 7738.40 | (-)8.86 |
| Kopran Ltd. (Closing Price) | 45.15 | 49.20 | (+)9.09 |

**Distribution of Shareholding as on 31st March, 2016**

**By size of shareholdings**

Face Value of Equity:- ₹ 10/-

| Range | No. of Shareholders | % of Shareholders | Holdings | % to Capital |
|---|---|---|---|---|
| 01 to 5000 | 28188 | 81.30 | 47,87,506 | 11.06 |
| 5001 to10000 | 3303 | 9.53 | 27,95,153 | 6.46 |
| 10001 to 20000 | 1548 | 4.46 | 24,25,760 | 5.61 |
| 20001 to 30000 | 509 | 1.47 | 13,39,053 | 3.10 |
| 30001 to 50000 | 509 | 1.47 | 21,17,507 | 4.90 |
| 50001 to 100000 | 362 | 1.04 | 27,35,074 | 6.32 |
| 100001 and above | 254 | 0.73 | 2,70,52,549 | 62.55 |
| Grand Total | 34,673 | 100.00 | 4,32,52,602 | 100.00 |

**By Category of Shareholders:**

| | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shares held |
|---|---|---|---|---|
| Indian Promoters | 22 | 0.07 | 5574900 | 12.89 |
| Banks | 6 | 0.02 | 81662 | 0.19 |
| Financial Institutions | 7 | 0.02 | 1112872 | 2.57 |
| Mutual Funds | 3 | 0.01 | 500 | 0.00 |
| FII/NRI | 377 | 1.09 | 700503 | 1.63 |
| Trust | 3 | 0.01 | 4250 | 0.01 |
| Resident Individuals | 33499 | 96.61 | 18668434 | 43.16 |
| Body Corporate (Others) | 627 | 1.80 | 16800042 | 38.84 |
| Clearing Member | 129 | 0.37 | 309439 | 0.71 |
| Total | 34673 | 100.00 | 43252602 | 100.00 |

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

The Company has no Outstanding GDR / ADR/ Warrant or any convertible instruments as on 31st March, 2016.

**13. Foreign Exchange Risk and hedging activities:**

The Company's Sales is mainly in exports and it is exposed to fluctuations in foreign exchange rates. The Management however takes appropriate hedging strategies which limits the risk.

**14. 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.

**15. Registrar & Share Transfer Agent and Investor Correspondence:**

Bigshare Services Pvt. Ltd. E- 2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East),Mumbai-400072,

Tel. No.022-40430200, Fax No. 022-28475207 Email :- bhagwan@bigshareonline.com

Or

Secretarial Department, Kopran Ltd. Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018.

Tel. No. 022-43661111 : Fax No.022-24950363 Email id : investors@kopran.com Website : www.kopran.com

**16. Disclosures:**

1) There were no related party transactions that may have potential conflict with the interests of the Company at large. The Company has formulated a Related Party Transactions Policy and the same is displayed on the Company's website at the following weblink: http://kopran.com/pdf/Policy%20on%20related%20party%20transaction.pdf

2) The Company has adopted a Policy on Material Subsidiaries and the same is displayed on the Company's website at the following weblink: http://kopran.com/pdf/material%20subsidiary%20policy.pdf

3) 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. No penalties or strictures were imposed on the Company by these authorities.

4) The Company has complied with all mandatory requirement of Listing Regulations with the Stock Exchanges as on 31st March, 2016.

5) Adoption / non adoption of non–mandatory requirements listed in Part E of Schedule II of the SEBI (LODR) Regulations, 2015 as at 31st March, 2016 is as under:

   (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, 2016.

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

   (e) The internal Auditor reports to Audit Committee.

**CEO & CFO Certificate**

**The Board of Directors**
**Kopran Limited**

Dear members of the Board,

We, Surendra Somani, Executive Vice Chairman and Mr. Basant Kumar Soni, Chief Financial Officer of Kopran Limited, to the best of our knowledge and belief, certify that :

1. We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of the Company and all the notes on accounts and the Board's report.

2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.

4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct, except as disclosed to the Company's auditors and the Company's Audit Committee of the Board of Directors.

5. We 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. We have disclosed, based on our 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. We 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.

8. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistle blowers from unfair termination and other unfair or prejudicial employment practices.

9. We further declare that all Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year covered by this report.

Mumbai
Date: 30th May, 2016

| Mr. Surendra Somani | Mr. Basant Kumar Soni |
|---|---|
| Executive Vice Chairman | Chief Financial Officer |

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**TO**
**THE MEMBERS OF KOPRAN LIMITED**

We have examined the compliance of conditions of Corporate Governance by KOPRAN LIMITED ("the Company"), for the year ended 31st March, 2016 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements), 2015 as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Company's 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 the above mentioned Listing Agreement/ Listing Regulations, as applicable.

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: 30th May, 2016

## Annexure D

*(TO THE DIRECTOR'S REPORT)*

**FORM NO. MR - 3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016**

(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 of Kopran Limited**

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, 2016 complied with the statutory provisions of the applicable acts 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, 2016 according to the provisions of:

i. The Companies Act, 2013 (the Act) 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 and Overseas Direct Investment.

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

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
   f. 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;
   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

   We further report that the Company has a compliance system in place and we have examined the relevant documents and records with respect to other Acts as applicable which are as under:

vi. Other applicable acts:

   a) The Factories Act, 1948.
   b) The Industrial Dispute Act, 1947. (ID Act)
   c) The Equal Remuneration Act, 1976.
   d) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

e) The Payment of Bonus Act, 1965.
f) The Payment of Gratuity Act, 1972.
g) The Payment of Wages Act, 1936.
h) The Child Labour (Prohibition and Regulation) Act, 1986.
i) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
j) The Environment (Protection) Act, 1986.
k) The Water (Prevention and Control of Pollution) Act, 1974.
l) The Air (Prevention and Control of Pollution) Act, 1981.
m) The Bombay Shops & Establishment Act, 1948.
n) The Drugs and Cosmetics Act, 1940
o) The Food Safety and Standards Act 2006
p) The Central Sales Tax Act, 1956.
q) The Professional Tax Act, 1975.
r) The Income Tax Act, 1961.
s) The Service Tax (Finance Act, 1994).
t) The Water Cess Act, 1977.
u) The Maharashtra Value Added Tax, 2002.
v) The Sale of Goods Act, 1930.
w) The Customs Act, 1962.
x) The Negotiable Instrument Act, 1881
y) The Information Technology Act, 2000
z) The Indian Contract Act, 1872

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards with respect to Board and General Meetings (SS-1 and SS-2) specified by The Institute of Company Secretaries of India;
ii. The Listing Agreement entered into by the Company with Stock Exchanges;
iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

The Board of Directors of the Company is duly constituted with respect to proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions are carried out unanimously at Board Meetings and Committee Meetings and recorded in the minutes of the meeting of the Board of Directors or Committees of the Board, as the case may be.

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

We further report that during the year under report, the company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above.

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

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

**Place: Mumbai**
**Date: 30th May, 2016**

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 of Kopran Limited**

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: 30th MAY, 2016**

## Annexure E

*(TO THE DIRECTOR'S REPORT)*

**Form No. MGT-9**

**Extract of annual return as on the financial year ended on 31.03.2016**

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 | : | Public Company limited by shares |
| v) Address of the registered office and contact details | : | Parijat House, 1076, Dr. E Moses Road,<br>Worli, Mumbai-400 018<br>Tel. No.: 022-43661111; Fax No.: 022-24950363 |
| 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,<br>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:

| Sr.No. | Name and Description of main Products/ Services | NIC Code of the Product/ Services | % to total turn over of the company |
|---|---|---|---|
| 1 | Formulations | 21001 | 99.5% |

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

| Sr. No. | Name and Address of the Company | CIN/GLN Subsidiary/ Associate | Holding/ held | % of Shares Section | Applicable |
|---|---|---|---|---|---|
| 1. | Kopran Research Laboratories Ltd | U24230MH1986PLC040601 | Subsidiary | 99.50% | 2(87) |
| 2. | Kopran Lifesciences Ltd. | U74120MH2010PLC21112 | Subsidiary | 100% | 2(87) |
| 3. | Kopran (H.K.) Ltd. | Not Applicable | Subsidiary | 100% | 2(87) |

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i. Category-wise Shareholding**

| 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 | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual/HUF | 5522700 | 0 | 5522700 | 13.44 | 5522700 | 0 | 5522700 | 12.77 | 0 |
| b) Central Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| c) State Govt(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| d) Bodies Corp. | 11770813 | 0 | 11770813 | 28.64 | 13920813 | 0 | 13920813 | 32.18 | 18.27% |
| e) Banks/ FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| f) Any Other…. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| Sub-total (A)(1):- | 17293513 | 0 | 17293513 | 42.08 | 19443513 | 0 | 19443513 | 44.95 | 12.43% |
| **(2) Foreign** | | | | | | | | | |
| a) NRIs-Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| 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)** | 17293513 | 0 | 17293513 | 42.08 | 19443513 | 0 | 19443513 | 44.95 | 12.43% |
| **B. Public shareholding 1. Institutions** | | | | | | | | | |
| a) Mutual Funds | 0 | 500 | 500 | 0.00 | 0 | 500 | 500 | 0.00 | 0.00 |
| b) Banks/FI | 1141443 | 300 | 1141743 | 2.78 | 1194389 | 145 | 1194534 | 2.76 | 4.62% |
| 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 | 0.00 |
| 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):-** | **1141443** | **1100** | **1142543** | **2.78** | **1195189** | **145** | **1195334** | **2.76** | **4.62%** |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **2. Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | 33380531 | 19801 | 3400332 | 8.27 | 2879229 | 0 | 2879229 | 6.66 | -15.33% |
| b) Individual | | | | | | | | | |
| i)Individual Shareholders holding nominal Share Capital upto ₹ 1 lakh | 13242493 | 321127 | 13563620 | 33.00 | 15865822 | 2981 | 15868803 | 36.69 | 17% |
| ii)Individual Shareholders holding nominal Share Capital in excess of ₹ 1 lakh | 4744992 | 0 | 4744992 | 11.54 | 2799631 | 0 | 2799631 | 6.47 | -41.00% |
| c) Others (Specify) | | | | | | | | | |
| i) Trusts | 5700 | 0 | 5700 | 0.01 | 4250 | 0 | 4250 | 0.01 | -25.44% |
| ii) Clearing Member | 210972 | 0 | 210972 | 0.51 | 309439 | 0 | 309439 | 0.72 | 46.67% |
| iii) Directors Relatives | 52200 | 0 | 52200 | 0.13 | 52200 | 0 | 52200 | 0.12 | 0.00 |
| iv)Non Resident Indians (NRIs) | 688580 | 150 | 688730 | 1.68 | 700203 | 0 | 700203 | 1.62 | 1.67% |
| **Sub-total (B)(2):-** | 22325468 | 341078 | 22666546 | 55.15 | 22610774 | 2981 | 22613755 | 52.28 | -0.23% |
| Total Public Shareholding (B)=(B) (1)+(B)(2) | 23466911 | 342178 | 23809089 | 57.93 | 23805963 | 3126 | 23809089 | 55.05 | 0.00 |
| C. Shares held by custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Grand Total (A+B+C) | 40760424 | 342178 | 41102602 | 100.00 | 43249476 | 3126 | 43252602 | 100.00 | 5.23% |

**(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 | % of total Shares of the Company | % of Shares Pledged/ Encumbered to total Shares | % of change in Shares holding during the year |
| 1 | Debonair Publication Pvt Ltd. | 1000 | 0.0023 | 0.0000 | 1000 | 0.0023 | 0.0000 | 0.00 |
| 2 | Kopran Lifestyle Ltd. | 3950 | 0.0091 | 0.0000 | 3950 | 0.0091 | 0.0000 | 0.00 |
| 3 | Sarla Sevantilal Parekh | 6290 | 0.0145 | 0.0000 | 6290 | 0.0145 | 0.0000 | 0.00 |
| 4 | Renuka Vinubhai Bhansali | 8500 | 0.0197 | 0.0000 | 8500 | 0.0197 | 0.0000 | 0.00 |
| 5 | Pravina Rameshchandra Virvadi | 8500 | 0.0197 | 0.0000 | 8500 | 0.0197 | 0.0000 | 0.00 |
| 6 | Anushree Somani | 9000 | 0.0208 | 0.0000 | 9000 | 0.0208 | 0.0000 | 0.00 |
| 7 | Vrinda Somani | 9000 | 0.0208 | 0.0000 | 9000 | 0.0208 | 0.0000 | 0.00 |
| 8 | G. Claridge& Company Ltd. | 342500 | 0.7919 | 0.0000 | 342500 | 0.7919 | 0.0000 | 0.00 |
| 9 | Somani Kumkum | 35635 | 0.0824 | 0.0000 | 35635 | 0.0824 | 0.0000 | 0.00 |
| 10 | Suhrid Somani | 93300 | 0.2157 | 0.0000 | 93300 | 0.2157 | 0.0000 | 0.00 |
| 11 | Practical Financial Services Pvt Ltd. | 96900 | 0.2240 | 0.0000 | 96900 | 0.2240 | 0.0000 | 0.00 |
| 12 | Hridai Susheel Somani | 116900 | 0.2703 | 0.0000 | 116900 | 0.2703 | 0.0000 | 0.00 |
| 13 | Morganite Trading Company Pvt. Ltd. | 161150 | 0.3726 | 0.0000 | 161150 | 0.3726 | 0.0000 | 0.00 |
| 14 | Mr. Adarsh Somani | 181250 | 0.4190 | 0.0000 | 181250 | 0.4190 | 0.0000 | 0.00 |
| 15 | Surendra Somani | 503075 | 1.1631 | 0.0000 | 503075 | 1.1631 | 0.0000 | 0.00 |
| 16 | Mridula Somani | 228900 | 0.5292 | 0.0000 | 228900 | 0.5292 | 0.0000 | 0.00 |
| 17 | Jaya Somani | 258500 | 0.5977 | 0.0000 | 258500 | 0.5977 | 0.0000 | 0.00 |
| 18 | Uni Recyclers Pvt. Ltd. | 265395 | 0.6136 | 0.0000 | 265395 | 0.6136 | 0.0000 | 0.00 |
| 19 | Nupur Somani | 270000 | 0.6242 | 0.0000 | 270000 | 0.6242 | 0.0000 | 0.00 |
| 20 | Rajendra Somani | 2324250 | 5.3737 | 0.0000 | 2324250 | 5.3737 | 0.0000 | 0.00 |
| 21 | Susheel G. Somani | 871900 | 2.0158 | 0.0000 | 871900 | 2.0158 | 0.0000 | 0.00 |
| 22 | Varun Somani | 272500 | 0.6300 | 0.0000 | 272500 | 0.6300 | 0.0000 | 0.00 |
| 23 | Vandana Somani | 325200 | 0.7519 | 0.0000 | 325200 | 0.7519 | 0.0000 | 0.00 |
| 24 | Parijat Shipping and Finale Ltd. | 385209 | 0.8906 | 0.0000 | 385209 | 0.8906 | 0.0000 | 0.00 |
| 25 | Oricon Properties Pvt. Ltd. | 3811758 | 9.27 | 0.0000 | 5961758 | 13.7836 | 0.0000 | 56.40% |
| 26 | Sarvamangal Mercantile Co. Ltd. | 2902951 | 7.0627 | 0.0000 | 2902951 | 6.7116 | 0.0000 | 0.00 |
| 27 | Panorama Finvest Pvt. Ltd. | 3800000 | 9.2452 | 3300000 | 3800000 | 8.7856 | 3300000 | 0.00 |
| | **Total** | **17293513** | **42.0743** | **3300000** | **19443513** | **44.9534** | **3300000** | **12.43%** |

**(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 | 17293513 | 42.08 | 17293513 | 42.08 |
| | DECREASE | - | - | - | - |
| | INCREASE 11/02/2016 (Conversion of Warrants) | 2150000 | 4.97 | 19443513 | 44.95 |
| | At the End of the year | 19443513 | 44.95 | 19443513 | 44.95 |

**(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 Shareholding | Reason | Number of Shares | Percentage of total Shares of the Company |
|---|---|---|---|---|---|---|---|
| 1 | LIFE INSURANCE CORPORATION OF INDIA | 400000 | 31-Mar-15 | 0 | Transfer | 400000 | 0.92 |
| | | 400000 | 31-Mar-16 | 0 | Transfer | 400000 | 0.922 |
| | DIGVIJAY COMMERCE AND TRADING PVT LTD | 36225 | 31-Mar-15 | 0 | Transfer | 36225 | 0.08 |
| | | | 15-May-15 | 293775 | Transfer | 330000 | 0.76 |
| | | | 10-Jul-15 | 20000 | Transfer | 350000 | 0.81 |
| | | | 14-Aug-15 | -10000 | Transfer | 340000 | 0.79 |
| | | | 20-Nov-15 | 50000 | Transfer | 390000 | 0.90 |
| | | | 27-Nov-15 | -10000 | Transfer | 380000 | 0.88 |
| | | | 4-Dec-15 | -5000 | Transfer | 375000 | 0.87 |
| | | | 11-Mar-16 | 10000 | Transfer | 385000 | 0.89 |
| | | 385000 | 31-Mar-16 | 0 | Transfer | 385000 | 0.89 |
| 3 | KOTAK MAHINDRA INVESTMENTS LTD | 307210 | 31-Mar-15 | 0 | Transfer | 307210 | 0.71 |
| | | | 3-Apr-15 | -1000 | Transfer | 306210 | 0.71 |
| | | | 24-Apr-15 | -1821 | Transfer | 304389 | 0.70 |
| | | | 15-May-15 | -293775 | Transfer | 10614 | 0.02 |
| | | | 22-May-15 | -10614 | Transfer | 0 | 0.00 |
| | | | 31-Mar-16 | 0 | Transfer | 0 | 0.00 |
| 4 | UNITED INDIA INSURANCE COMPANY LIMITED | 253744 | 31-Mar-15 | 0 | Transfer | 253744 | 0.59 |
| | | 253,744 | 31-Mar-16 | 0 | Transfer | 253,744 | 0.59 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 5 | SURESH PAHARIA | 246,920 | 31-Mar-15 | 0 | Transfer | 246,920 | 0.57 |
| | | | 22-May-15 | -90 | Transfer | 246,830 | 0.57 |
| | | | 10-Jul-15 | -69725 | Transfer | 177,105 | 0.41 |
| | | | 17-Jul-15 | -177104 | Transfer | 1 | 0.00 |
| | | | 18-Mar-16 | 3221 | Transfer | 3,222 | 0.01 |
| | | 3,222 | 31-Mar-16 | 0 | Transfer | 3,222 | 0.01 |
| 6 | HANDANAKERE SRINIVASAMURTHY SHAMASUNDARA | 223,681 | 31-Mar-15 | 0 | Transfer | 223,681 | 0.52 |
| | | 17-Apr-15 | -32968 | Transfer | 190,713 | 0.44 | |
| | | | 10-Jul-15 | -10000 | Transfer | 180,713 | 0.42 |
| | | | 17-Jul-15 | -20713 | Transfer | 160,000 | 0.37 |
| | | | 31-Jul-15 | -1500 | Transfer | 158,500 | 0.37 |
| | | | 14-Aug-15 | -13000 | Transfer | 145,500 | 0.34 |
| | | | 21-Aug-15 | 11000 | Transfer | 156,500 | 0.36 |
| | | | 9-Oct-15 | 34500 | Transfer | 191,000 | 0.44 |
| | | | 16-Oct-15 | -700 | Transfer | 190,300 | 0.44 |
| | | | 23-Oct-15 | -4247 | Transfer | 186,053 | 0.43 |
| | | | 6-Nov-15 | 3499 | Transfer | 189,552 | 0.44 |
| | | | 13-Nov-15 | -43052 | Transfer | 146,500 | 0.34 |
| | | | 27-Nov-15 | -76500 | Transfer | 70,000 | 0.16 |
| | | | 4-Dec-15 | -70000 | Transfer | 0 | 0.00 |
| | | | 1-Jan-16 | 24900 | Transfer | 24,900 | 0.06 |
| | | | 8-Jan-16 | 11343 | Transfer | 36,243 | 0.08 |
| | | | 19-Feb-16 | -36243 | Transfer | 0 | 0.00 |
| | | | 31-Mar-16 | 0 | Transfer | 0 | 0.00 |
| 7 | UMESH NATH KAPUR | 202,850 | 31-Mar-15 | 0 | Transfer | 202,850 | 0.47 |
| | | | 4-Dec-15 | -10000 | Transfer | 192,850 | 0.45 |
| | | | 25-Dec-15 | -10000 | Transfer | 182,850 | 0.42 |
| | | 182,850 | 31-Mar-16 | 0 | Transfer | 182,850 | 0.42 |
| 8 | YOGESH MANUBHAI DESAI | 193,000 | 31-Mar-15 | 0 | Transfer | 193,000 | 0.45 |
| | | | 8-Jan-16 | -23581 | Transfer | 169,419 | 0.39 |
| | | | 22-Jan-16 | -39324 | Transfer | 130,095 | 0.30 |
| | | | 26-Feb-16 | -52063 | Transfer | 78,032 | 0.18 |
| | | | 25-Mar-16 | -28032 | Transfer | 50,000 | 0.12 |
| | | | 31-Mar-16 | -50000 | Transfer | 0 | 0.00 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 9 | NIRMAL BANG FINANCIAL SERVICES PRIVATE LIMITED | 173,222 | 31-Mar-15 | 0 | Transfer | 173,222 | 0.40 |
| | | | 8-May-15 | 2000 | Transfer | 175,222 | 0.41 |
| | | | 29-May-15 | -24123 | Transfer | 151,099 | 0.35 |
| | | | 26-Jun-15 | -5000 | Transfer | 146,099 | 0.34 |
| | | | 30-Jun-15 | 5000 | Transfer | 151,099 | 0.35 |
| | | | 10-Jul-15 | 400 | Transfer | 151,499 | 0.35 |
| | | | 17-Jul-15 | 100 | Transfer | 151,599 | 0.35 |
| | | | 24-Jul-15 | 3000 | Transfer | 154,599 | 0.36 |
| | | | 7-Aug-15 | -25000 | Transfer | 129,599 | 0.30 |
| | | | 14-Aug-15 | 34123 | Transfer | 163,722 | 0.38 |
| | | | 21-Aug-15 | -500 | Transfer | 163,222 | 0.38 |
| | | | 28-Aug-15 | -80678 | Transfer | 82,544 | 0.19 |
| | | | 9-Oct-15 | 60534 | Transfer | 143,078 | 0.33 |
| | | | 16-Oct-15 | -300 | Transfer | 142,778 | 0.33 |
| | | | 23-Oct-15 | -2200 | Transfer | 140,578 | 0.33 |
| | | | 30-Oct-15 | -33594 | Transfer | 106,984 | 0.25 |
| | | | 6-Nov-15 | -40 | Transfer | 106,944 | 0.25 |
| | | | 13-Nov-15 | 11100 | Transfer | 118,044 | 0.27 |
| | | | 20-Nov-15 | 35800 | Transfer | 153,844 | 0.36 |
| | | | 27-Nov-15 | -6950 | Transfer | 146,894 | 0.34 |
| | | | 4-Dec-15 | -13345 | Transfer | 133,549 | 0.31 |
| | | | 11-Dec-15 | -38455 | Transfer | 95,094 | 0.22 |
| | | | 18-Dec-15 | 1000 | Transfer | 96,094 | 0.22 |
| | | | 25-Dec-15 | -14000 | Transfer | 82,094 | 0.19 |
| | | | 31-Dec-15 | 1000 | Transfer | 83,094 | 0.19 |
| | | | 8-Jan-16 | 1000 | Transfer | 84,094 | 0.19 |
| | | | 22-Jan-16 | 2200 | Transfer | 86,294 | 0.20 |
| | | | 12-Feb-16 | 2083 | Transfer | 88,377 | 0.20 |
| | | | 19-Feb-16 | 2817 | Transfer | 91,194 | 0.21 |
| | | | 11-Mar-16 | -4500 | Transfer | 86,694 | 0.20 |
| | | | 18-Mar-16 | -1000 | Transfer | 85,694 | 0.20 |
| | | | 25-Mar-16 | -2000 | Transfer | 83,694 | 0.19 |
| | | | 31-Mar-16 | 2000 | Transfer | 85,694 | 0.20 |
| | | 85,694 | 31-Mar-16 | 0 | Transfer | 85,694 | 0.20 |
| 10 | ARUNDHATI SUNIL PAREKH | 158,780 | 31-Mar-15 | 0 | Transfer | 158,780 | 0.37 |
| | | 158,780 | 31-Mar-16 | 0 | Transfer | 158,780 | 0.37 |

**(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 | | | | |
| Mr. Vishnu N. Khanna | 52200 | 0.13% | 52200 | 0.13% |
| Mr. Surendra Somani | 503075 | 1.23% | 503075 | 1.23% |
| Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc) | | | | No change |
| At the end of the year | | | | |
| Mr. Vishnu N. Khanna | 52200 | 0.12% | 52200 | 0.12% |
| Mr. Surendra Somani | 503075 | 1.16% | 503075 | 1.16% |

Note : None of the Directors or KMP other than the above holds Equity Shares in the Company.

**(V) INDEBTNESS**

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

₹ in lacs

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year.** | | | | |
| i) Principal Amount | 2,291.17 | 1,490.00 | - | 3,781.17 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 0.45 | - | - | 0.45 |
| **Total (i + ii + iii)** | 2,291.62 | 1,490.00 | - | 3,781.62 |
| **Change in Indebtedness during the financial year** | | | | |
| Addition | 3,366.24 | 3,209.91 | - | 6,576.15 |
| Reduction | 4,813.44 | 2,217.00 | - | 7,030.44 |
| **Net Change** | (1,447.20) | 992.91 | - | (454.29) |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 843.97 | 2,482.91 | - | 3,326.88 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 1.83 | - | - | 1.83 |
| **Total (i + ii + iii)** | 845.80 | 2,482.91 | - | 3,328.71 |

**(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 | |
| 1. | Gross salary | | | |
| | • Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 | 79,98,000 | 62,42,000 | 1,42,40,000 |
| | • Value of perquisites u/s 17(2) of the Income tax Act, 1961 | 3,39,600 | 33,000 | 3,72,600 |
| | • Profits in lieu of salary under section 17(3) of the Income tax Act, 1961 | - | - | |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission | | | |
| | - As % of profit | - | - | - |
| | - Others, specify | - | - | - |
| 5. | Others, please specify | - | - | - |
| | Total (A) | 83,37,600 | 62,75,000 | 1,46,12,600 |
| | Ceiling as per the Act | The Remuneration paid to the Managerial personnel is in compliance with 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 | Dr. Arvind K. Mehta | Vishnu N. Khanna | Dr. Sunita Banerji | Dr. Siddhan Subramanian | Amit Rajan | |
| 1. | Independent Directors | | | | | | | |
| | • Fee for attending | | | | | | | |
| | i) board meetings | 72,000 | 72,000 | 72,000 | 72,000 | 72,000 | - | 3,60,000 |
| | ii) committee meetings | 5000 | 30,000 | 30,000 | - | - | - | 65,000 |
| | • Commission | - | - | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - | - | - |
| | Total (1) | 77,000 | 1,02,000 | 1,02,000 | 72,000 | 72,000 | | 4,25,000 |
| 2. | Other Non-Executive Directors | | | | | | | |
| | • Fee for attending | | | | | | | |
| | i) board meetings | - | - | - | - | - | 48000 | 48000 |
| | ii) committee meetings | - | - | - | - | - | - | - |
| | • Commission | - | - | - | - | - | - | - |
| | • Others, please specify Professional fees | - | - | - | - | - | 1000000 | 1000000 |
| | Total (2) | - | - | - | - | - | 10,48,000 | 10,48,000 |
| | Total (B)=(1+2) | 77,000 | 1,02,000 | 1,02,000 | 72,000 | 72,000 | 10,48,000 | 14,73,000 |
| | Total Managerial Remuneration | | | | | | | 1,71,33,600 |
| | Overall Ceiling as per the Act * | | | | | | | |

*The company is paying Remuneration to Managerial Personnel within the limits and in compliances of conditions prescribed in Schedule V of the Companies Act, 2013

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

| Sr. No. | Particulars of Remuneration | Mr. Sunil Sodhani (Company Secretary) | Mr. Basant Kumar Soni (Chief Financial Officer) | Total ₹ |
|---|---|---|---|---|
| 1. | Gross salary<br>a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 | 11,91,532 | 17,26,810 | 29,18,342 |
| | b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | - | 21,600 | 21,600 |
| | c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission<br>- As % of profit<br>- Others, specify | <br>-<br>- | <br>-<br>- | <br>-<br>- |
| 5. | Others, please specify | - | - | - |
| | Total | 11,91,532 | 17,48,410 | 29,39,942 |

**(VII) PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES :** None

## Annexure F

*(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:

**A. CONSERVATION OF ENERGY:**

1) ( LED Tube light installation 500 nos in Plant I production areas) Energy saving per year ₹3.6 Lac.

2) Installed the new Kirloskar screw chiller for better efficiency and to save the energy

Total estimate on electricity bill per year ₹ 24 Lacs. Capital Investment on Energy Conservation Equipment's is ₹ 33.42 lacs.

**B. TECHNOLOGY ABSORPTION:**

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.

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

Earnings: ₹ 14,965 lacs (Previous Year: ₹ 23,236 Lacs) Outgo: ₹ 781 lacs (Previous Year: ₹ 768 Lacs)

## Annexure G

*(TO THE DIRECTOR'S REPORT)*

Details of Unclaimed Suspense Account as per the provisions of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

| | |
|---|---|
| Aggregate number of Shareholders and the outstanding shares in the suspense account lying at the beginning of the year | None |
| Number of shareholders who approached the Company for transfer of shares from suspense account during the year | None |
| Number of Shareholders to whom shares were transferred from suspense account during the year | None |
| Aggregate number of Shareholders and the outstanding shares in the suspense account lying at the end of the year | None |

## Annexure H

*(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, 2016, every listed company are required to disclose following information in Board Report.

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

| Name | Ratio to employees |
|---|---|
| Surendra Somani – Executive Vice Chairman | 1:0.0315 |
| Ajit Jain – Director & Chief Operating Officer | 1:0.0369 |

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

| Name | % increase |
|---|---|
| Surendra Somani – Executive Vice Chairman | No Change |
| Ajit Jain – Director & Chief Operating Officer | No Change |
| Basant Kumar Soni – Chief Financial Officer | 10% |
| Sunil Sodhani – Company Secretary | No Change |

| | |
|---|---|
| Percentage increase in the median remuneration of employee in the financial year | 25.68% |
| Number of permanent employees on the Roll of the Company | 349 |
| 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 5% and Average increase in Non-managerial Remuneration is 6% | |

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

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

The operation of Active Pharmaceuticals Ingredients Business has been transferred to Kopran Research Laboratories Ltd and hence the data is not comparable with previous year.

**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, 2016, 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 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 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 judgment, 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. 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, 2016, and its profits 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 the matter.

**Report on Other Legal and Regulatory Requirements**

1 As required by Companies (Auditors Report) Order, 2016 ('the Order') issued by Central Government of India in terms of sub section 11 of section 143 of the Act, we give in the Annexure –A 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal Financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in 'Annexure B' and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 : 30th May, 2016

**Annexure – A 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, however the register is not completely updated.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased periodical manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year. 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 not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, paragraph 3 (iii) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.The Company has not given any guarantee or provided any security in connection with loans to any other body corporate or person during the year.

(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 sub–section (1) of section 148 of the Act in respect of its products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the accounts and records with a view to determine whether these are accurate or complete.

(vii) a. The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities,though there have been delays in a few cases.

According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, 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 sales tax, value added tax, service tax and duty of excise that have not been deposited on account of any dispute are as follows:

| Name of the Statute | Nature of Dues | Amount (₹ in Lakhs) | For the Period | Forum where dispute is pending |
|---|---|---|---|---|
| Central Excise Act | Excise Duty | 14.06 | 1998-2002, 2002-2003, 2004-2005 | Central Excise and Service Tax Appellate Tribunal |
| | | 2.16 | 2011-2012 | Commissioner of Central Excise (Appeal) |
| | | 5.05 | 2012-2013 | Joint Secretary of Govt. of India, Ministry of Finance |
| | | 6.48 | 2012-2013, 1990-1991 | Commissioner of Central Excise |
| | | 0.44 | 2014-2015 | Commissioner of Central Excise |
| Finance Act, 1994 | Service Tax | 38.99 | 2001-2002 | High Court (Mumbai) |
| Drug Price Control Order – 95 | Difference in pricing | 591.34 | 2000-2003 | High Court (Mumbai) |

(viii) 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 loans to banks and financial institution. There were no outstanding dues to any debenture holders anytime during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, term loans were applied by the Company for the purpose for which those were raised.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us the Company is not a Nidhi Company. Accordingly the paragraph 3 (xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment/private placement of shares during the year and the company has complied with the requirements of section 42 of the Companies Act, 2013 and the amount raised has been used for the purpose for which the funds were raised.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934.

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

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

Place : Mumbai
Date : 30th May, 2016

**Annexure - B to the Auditors' Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Kopran Limited ("the Company") as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : Mumbai
Date : 30th May, 2016

## BALANCE SHEET AS AT 31st MARCH, 2016

| | | Notes | As at 31st March, 2016 ₹ | As at 31st March, 2015 ₹ |
|---|---|---|---|---|
| **I** | **EQUITY AND LIABILITIES** | | | |
| | **1. Shareholders' funds** | | | |
| | a Share Capital | 2 | **51,82,89,080** | 49,67,89,080 |
| | b Reserves and Surplus | 3 | **1,44,81,88,907** | 1,21,81,23,391 |
| | c Money received against share warrants | | **-** | 14,19,00,000 |
| | | | **1,96,64,77,987** | 1,85,68,12,471 |
| | **2. Non-current liabilities** | | | |
| | a Long-term borrowings | 4 | **21,97,57,511** | 7,52,53,743 |
| | b Long-term provisions | 5 | **2,55,41,702** | 2,72,97,000 |
| | | | **24,52,99,213** | 10,25,50,743 |
| | **3. Current liabilities** | | | |
| | a Short-term borrowings | 6 | **6,88,98,562** | 18,41,16,350 |
| | b Trade payables | 7 | **35,63,75,393** | 36,34,25,723 |
| | c Other current liabilities | 8 | **14,66,47,374** | 23,04,52,282 |
| | d Short-term provisions | 9 | **37,83,218** | 87,57,000 |
| | | | **57,57,04,547** | 78,67,51,355 |
| | | **Total** | **2,78,74,81,747** | 2,74,61,14,569 |
| **II** | **ASSETS** | | | |
| | **1. Non-current assets** | | | |
| | a Fixed Assets | | | |
| | (i) Tangible assets | 10 | **34,97,80,403** | 33,45,92,665 |
| | (ii) Capital work-in-progress | | **19,25,115** | 19,00,000 |
| | b Non-current investment | 11 | **1,56,07,09,994** | 46,07,09,994 |
| | c Long-term loans and advances | 12 | **4,75,96,544** | 1,74,59,513 |
| | | | **1,96,00,12,056** | 81,46,62,172 |
| | **2. Current assets** | | | |
| | a Inventories | 13 | **28,12,72,902** | 14,05,56,441 |
| | b Trade receivables | 14 | **19,62,67,732** | 29,05,72,685 |
| | c Cash and Bank balances | 15 | **4,34,99,030** | 3,61,95,846 |
| | d Short-term loans and advances | 16 | **30,64,30,027** | 1,46,41,27,425 |
| | | | **82,74,69,691** | 1,93,14,52,397 |
| | | **Total** | **2,78,74,81,747** | 2,74,61,14,569 |
| **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 : 30th May, 2016

**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, 2016

| | | Notes | For the year ended 31st March, 2016 ₹ | For the year ended 31st March, 2015 ₹ |
|---|---|---|---|---|
| I | **INCOME** | | | |
| | Revenue from operation (gross) | 17 | **1,87,38,58,316** | 3,34,62,57,589 |
| | Less: Excise duty | | **7,25,555** | 9,04,07,961 |
| | Revenue from operation (net) | | **1,87,31,32,761** | 3,25,58,49,628 |
| | Other income | 18 | **82,87,163** | 6,48,65,304 |
| | **Total Income** | | **1,88,14,19,924** | 3,32,07,14,932 |
| II | **EXPENSES** | | | |
| | Cost of materials consumed | 19 | **86,24,67,586** | 2,07,13,01,373 |
| | Purchase of traded goods | | **28,30,08,013** | 1,31,41,193 |
| | Changes in inventories of finished goods and work in progress | 20 | **(75,76,006)** | 3,37,06,215 |
| | Employee benefit expense | 21 | **16,05,17,596** | 28,82,57,185 |
| | Other expenses | 22 | **32,52,89,000** | 53,33,19,100 |
| | Finance cost | 23 | **9,99,45,654** | 12,96,93,836 |
| | Depreciation and amortisation expense | 24 | **3,14,42,010** | 9,57,88,989 |
| | **Total Expenses** | | **1,75,50,93,853** | 3,16,52,07,891 |
| | **Profit before exceptional items, extraordinary items and tax** | | **12,63,26,071** | 15,55,07,041 |
| | Exceptional items net income / (Net expense) | 25 | **(1,19,49,055)** | (7,02,865) |
| | **Profit before extraordinary items and tax** | | **11,43,77,016** | 15,48,04,176 |
| | Extraordinary items | | **-** | - |
| | **Profit before tax** | | **11,43,77,016** | 15,48,04,176 |
| | **Profit from continuing operations before Tax** | | **11,43,77,016** | 13,84,47,985 |
| | Tax expense | | **-** | - |
| | **Profit from continuing operations after Tax (A)** | | **11,43,77,016** | 13,84,47,985 |
| | **Profit from discontinuing operations before Tax** | | | |
| | API Division | | - | 4,44,88,701 |
| | Consumer care division | | **-** | (2,81,32,510) |
| | Tax expense | | **-** | - |
| | **Profit from discontinuing operations after Tax (B)** | | **-** | 1,63,56,191 |
| | **Profit/(Loss) for the period (A+B)** | | **11,43,77,016** | 15,48,04,176 |
| | **Earnings per equity share (₹)** | 26 | | |
| | Basic and Diluted-Par value of ₹ 10/- per share | | | |
| | From total operations | | **2.76** | 3.89 |
| | From continuing operations | | **2.76** | 3.48 |
| | **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 : 30th May, 2016

**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, 2016

| PARTICULARS | For the year ended 31st March, 2016 ₹ | For the year ended 31st March, 2015 ₹ |
|---|---|---|
| **NET PROFIT BEFORE TAX FROM CONTINUING OPERATIONS** | **11,43,77,016** | 13,84,47,985 |
| **NET PROFIT BEFORE TAX FROM DISCONTINUING OPERATIONS** | **-** | 1,63,56,191 |
| **NET PROFIT BEFORE TAX** | **11,43,77,016** | 15,48,04,176 |
| Adjusted for : | | |
| Depreciation | **3,14,42,010** | 9,57,88,989 |
| Dividend income | **(7287)** | (5,487) |
| Unclaimed balances/ excess provision written back | **(4,48,431)** | (13,85,859) |
| Finance cost | **9,99,45,654** | 12,96,93,835 |
| Interest income | **(46,10,658)** | (19,59,890) |
| Profit on sale of fixed assets | **(13,22,362)** | (61,201) |
| Profit on slump sale | **(2,06,081)** | (7,27,80,435) |
| Unrealised foreign exchange gain (net) | **30,73,930** | - |
| Advances/ balances written off | **4,232** | 7,46,02,739 |
| Provision for doubtful debts | **42,16,518** | - |
| | **24,64,64,542** | 37,86,96,867 |
| **OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS** | | |
| Adjustments for : | | |
| Trade receivables | **6,95,97,287** | (25,01,67,711) |
| Inventories | **(14,15,08,096)** | 7,72,05,293 |
| Loans and advances | **2,63,21,454** | (9,22,17,369) |
| Trade payables | **(1,02,21,041)** | 33,50,00,978 |
| Other liabilities and provisions | **(36,79,342)** | 7,76,58,504 |
| Cash generated from operations | **18,69,74,804** | 52,61,76,562 |
| Direct taxes (paid) / refund (net) | **(3,90,408)** | (2,97,146) |
| **(a) NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITES** | **18,65,84,396** | 52,58,79,416 |
| **Cash flow from investing activities:** | | |
| Purchase of fixed assets (including capital work in progress) | **(5,72,84,079)** | (11,26,46,998) |
| Proceeds from slump sale | **1,95,08,000** | - |
| Sale of fixed assets | **38,25,366** | 61,205 |
| Withdrawal / (investment) of margin deposits | **(90,39,240)** | 75,63,619 |
| Sale of shares of subsidiary | **-** | 10,00,000 |
| Sales of other non-current investments | **-** | 70,00,000 |
| Interest received | **65,07,580** | 19,59,890 |
| Dividend received | **7,287** | 5,487 |
| **(b) NET CASH FLOW FROM /(USED) IN INVESTING ACTIVITIES** | **(3,64,75,086)** | (9,50,56,797) |
| **Cash flow from financing activities** | | |
| Proceeds from issue of share capital (net of expenses) | **-** | - |
| Share issue expense paid (utilised against premium) | **(47,11,500)** | - |
| Proceeds / (Repayment) of borrowings (net) | **(4,54,29,369)** | (30,25,17,055) |
| Finance cost | **(9,98,07,576)** | (12,99,58,754) |
| Dividend paid | **-** | - |
| **(c) NET CASH FLOW FROM/ (USED) IN FINANCING ACTIVITIES** | **(14,99,48,445)** | (43,24,75,809) |
| **Net increase / (decrease) in cash and cash equivalents (a+b+c)** | **1,60,866** | (16,53,190) |
| **Cash and cash equivalents as at the commencement 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 |
| **Cash and cash equivalents as at the end of the year, comprising :** | | |
| Cash | **11,036** | 11,18,742 |
| Balances with scheduled banks on current accounts | **46,58,058** | 33,89,486 |
| | **46,69,094** | 45,08,228 |
| **NET INCREASE /(DECREASE) AS DISCLOSED ABOVE** | **1,60,866** | (16,53,190) |

Per our report attached

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

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

Place : Mumbai
Date : 30th May, 2016

**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, 2016

### 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 Comapnies (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.

**(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. Investment intended to be held for not more than a year are classified as current investment. 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 MEIS/FPS/FMS/ 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 Icome

**(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 gratutity 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 carry 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 managment reviews the carrying amount of assets in each cash generating units 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 /Cash flow statement**

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. Cash Flow Statement is prepared as per 'Indirect Method' specified under AS 3 Cash Flow Statements.

**(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, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| | 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 | **4,11,02,602** | **41,10,26,020** | 3,90,52,602 | 39,05,26,020 |
| Add: Issued during the year | **21,50,000** | **2,15,00,000** | 20,50,000 | 2,05,00,000 |
| Less: Bought back during the year | **-** | **-** | - | - |
| **At the end of the year** | **4,32,52,602** | **43,25,26,020** | 4,11,02,602 | 41,10,26,020 |
| **(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** | **5,18,32,602** | **51,83,26,020** | 4,96,82,602 | 49,68,26,020 |
| **Subscribed and paid up** | | | | |
| **(i) Equity Shares of ₹ 10 each fully paid up** | | | | |
| At the beginning of the year | **4,11,02,602** | **41,10,26,020** | 3,90,52,602 | 39,05,26,020 |
| Add: Issued during the year | **21,50,000** | **2,15,00,000** | 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** | **4,32,52,602** | **43,24,89,080** | 4,11,02,602 | 41,09,89,080 |
| **(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** | **5,18,32,602** | **51,82,89,080** | 4,96,82,602 | 49,67,89,080 |

**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 2016 | | As at 31st March 2015 | |
|---|---|---|---|---|
| | **Number of Shares** | **% Holding** | Number of Shares | % Holding |
| **Equity Shares of ₹ 10/- each fully paid** | | | | |
| Panorama Finvest Pvt Ltd | **38,00,000** | **8.79%** | 38,00,000 | 9.25% |
| Sarvamangal Mercantile co. Ltd | **29,02,951** | **6.71%** | 29,02,951 | 7.06% |
| Oricon Properties Pvt. Ltd | **59,61,758** | **13.78%** | 38,11,758 | 9.27% |
| Rajendra Somani | **23,24,250** | **5.37%** | 23,24,250 | 5.65% |
| **10% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each** | | | | |
| 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%** | 73,80,000 | 86.00% |

## 3) RESERVES AND SURPLUS

| | | As at 31st March, 2016 ₹ | As at 31st March, 2015 ₹ |
|---|---|---|---|
| **(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 | **1,11,00,42,754** | 99,52,42,754 |
| | Less : Calls in - arrears (other than directors's) | **(1,10,820)** | (1,10,820) |
| | | **1,10,99,31,934** | 99,51,31,934 |
| | Add: Issued during the year | **12,04,00,000** | 11,48,00,000 |
| | Less: Utilised against share issue expenses | **47,11,500** | - |
| | **Closing balance** | **1,22,56,20,434** | 1,10,99,31,934 |
| **(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 | **(12,17,43,617)** | (24,98,52,693) |
| | Add: Depreciation on transition to schedule II of the Companies Act, 2013 - refer note no.32 | **-** | (2,66,95,100) |
| | Add: Profit / (Loss) for the year | **11,43,77,016** | 15,48,04,176 |
| | **Closing balance** | **(73,66,601)** | (12,17,43,617) |
| | **Total** | **1,44,81,88,907** | 1,21,81,23,391 |

## 4) LONG-TERM BORROWINGS

| | As at 31st March, 2016 ₹ | As at 31st March, 2015 ₹ |
|---|---|---|
| **Rupee loans** | | |
| Term loans from banks (Secured) | **-** | 15,87,503 |
| Vehicles finance loans (Secured) | **32,66,543** | 46,65,928 |
| Other (Unsecured) * | **15,82,00,000** | - |
| **Loan from related party (Unsecured)** | | |
| Mr. Surendra Somani | **4,27,00,000** | 4,77,00,000 |
| **Inter corporate deposits (Unsecured)** | | |
| Others | **1,55,90,968** | 2,13,00,312 |
| **Total** | **21,97,57,511** | 7,52,53,743 |

(a) Term loans from banks include term loan of ₹ 96,23,575/-(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 ₹96,23,575/- 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) 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.

(c) * Loans from others carries Interest @ 13.75% p.a. and is repayable in 11 equal quarterly Installments of ₹159 Lacs from October, 2016 and last installment ₹ 151 Lacs. 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) | **1,89,15,837** | 2,08,90,000 |
| Leave encashment ( Ref. Note No. 29) | **66,25,865** | 64,07,000 |
| **Total** | **2,55,41,702** | 2,72,97,000 |

## 6) SHORT-TERM BORROWINGS

| | | |
|---|---|---|
| Cash credit / packing credit * | **65,86,170** | 6,86,24,000 |
| Buyers credit | **6,23,12,392** | 11,54,92,350 |
| **Total** | **6,88,98,562** | 18,41,16,350 |

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) | **35,63,75,393** | **36,34,25,723** |
| **Total** | **35,63,75,393** | **36,34,25,723** |

"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, 2016 ₹ | As at 31st March, 2015 ₹ |
|---|---|---|
| Current maturities of long-term borrowings | **4,40,31,434** | 11,87,46,782 |
| Interest accrued but not due | **1,83,406** | 45,328 |
| Interest free trade deposits | **9,68,804** | 9,68,804 |
| Advance from customers | **73,22,899** | 1,50,34,944 |
| Statutory liabilities | **40,05,824** | 60,51,714 |
| **Other payables** | | |
| Creditors for capital goods | **91,89,507** | 1,39,64,772 |
| Employees related | **2,75,92,747** | 3,00,57,465 |
| Others | **5,33,52,753** | 4,55,82,473 |
| **Total** | **14,66,47,374** | 23,04,52,282 |

## 9) SHORT TERM PROVISIONS

| | | |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (Ref. Note No. 29) | **15,21,919** | 59,45,000 |
| Leave encashment ( Ref. Note No. 29) | **22,61,299** | 28,12,000 |
| **Total** | **37,83,218** | 87,57,000 |

## 10) TANGIBLE ASSETS

| | GROSS BLOCK | | | | DEPRECIATION | | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **DESCRIPTION** | As at 1st April, 2015 (₹) | Additions during the year (₹) | Deductions during the year (₹) | **As at 31st March 2016** (₹) | Upto 1st April 2015 (₹) | Depreciation written back (₹) | Charge to Reserves (₹) | For the year (₹) | Deductions during year (₹) | **Upto 31st March, 2016** (₹) | **As at 31st March, 2016** (₹) | As at 31st March, 2015 (₹) |
| 1. Free hold land | 5,60,240 | - | - | 5,60,240 | - | - | - | - | - | - | 5,60,240 | 5,60,240 |
| 2. Buildings | 14,74,62,594 | 87,14,017 | - | 15,61,76,611 | 6,09,07,128 | - | - | 45,77,636 | - | 6,54,84,764 | 9,06,91,847 | 8,65,55,466 |
| 3. Plant & machinery | 54,64,75,004 | 3,60,12,857 | 36,58,770 | 57,88,29,091 | 31,94,26,115 | - | - | 2,24,63,354 | 11,55,766 | 34,07,33,703 | 23,80,95,388 | 22,70,48,889 |
| 4. Furniture and fixtures | 2,99,84,989 | 10,67,249 | - | 3,10,52,238 | 2,34,43,520 | - | - | 8,80,238 | - | 2,43,23,758 | 67,28,480 | 65,41,469 |
| 5. Tube well | 1,66,658 | - | - | 1,66,658 | 1,66,658 | - | - | - | - | 1,66,658 | - | - |
| 6. Office equipments | 89,21,860 | 2,32,936 | - | 91,54,796 | 79,00,666 | - | - | 3,08,388 | - | 82,09,054 | 9,45,742 | 10,21,194 |
| 7. Computers | 2,67,29,497 | 14,05,302 | - | 2,81,34,799 | 2,35,41,883 | - | - | 16,88,564 | - | 2,52,30,447 | 29,04,352 | 31,87,614 |
| 8. Vehicles | 2,00,52,587 | 17,00,391 | - | 2,17,52,978 | 1,03,74,794 | - | - | 15,23,830 | - | 1,18,98,624 | 98,54,354 | 96,77,793 |
| **T O T A L** | **78,03,53,429** | **4,91,32,752** | **36,58,770** | **82,58,27,411** | **44,57,60,764** | **-** | **-** | **3,14,42,010** | **11,55,766** | **47,60,47,008** | **34,97,80,403** | **33,45,92,665** |
| Previous year | 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 | - |

## 11) INVESTMENTS (AT COST)

| Face Value ₹ | | As at 31st March, 2016 Nos. | As at 31st March, 2016 ₹ | As at 31st March, 2015 Nos. | As at 31st March, 2015 ₹ |
|---|---|---|---|---|---|
| | **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 |
| | **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 |
| | **C. Investment in wholly owned subsidiary companies:(Unquoted)** | | | | |
| 1 HK$ | Kopran ( H.K.) Limited, Hong Kong | **23,18,750** | **1,00,06,000** | 23,18,750 | 1,00,06,000 |
| 10 | Kopran Lifesciences Ltd | **50,000** | **5,00,000** | 50,000 | 5,00,000 |
| 10 | Kopran Research Laboratories Ltd | **1,99,00,000** | **1,54,90,60,750** | 89,00,000 | 44,90,60,750 |
| | | | **1,55,95,66,750** | | 45,95,66,750 |
| | **TOTAL( A+B+C)** | | **1,56,06,69,744** | | 46,06,69,744 |
| | **TOTAL(I+II)** | | **1,56,07,09,994** | | 46,07,09,994 |
| | Aggregate cost of quoted investment | | **10,64,237** | | 10,64,237 |
| | Aggregate market value of quoted investment | | **2,51,689** | | 2,19,762 |
| | Aggregate cost of unquoted Investment | | **1,56,00,72,000** | | 46,00,72,000 |
| | 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 | **75,47,059** | 41,96,112 |
| Deposits | **1,17,54,244** | 1,06,99,604 |
| Balance with statutory/ government authorities | **2,62,92,512** | - |
| **Other loans and advances** | | |
| Loans to employees | **18,68,178** | 23,06,228 |
| Prepaid expenses | **1,34,551** | 2,57,569 |
| **Total** | **4,75,96,544** | 1,74,59,513 |

## 13) INVENTORIES

(Valued at lower of cost or net realisable value)

| | As at 31st March, 2016 ₹ | As at 31st March, 2015 ₹ ** |
|---|---|---|
| Stores & spares | **30,72,328** | 33,94,481 |
| Raw materials (includes stocks in transit ₹ 6,21,27,891/- (P.Y. ₹ Nil ) | **21,05,14,147** | 8,16,06,939 |
| Packing materials | **3,24,83,763** | 2,71,36,728 |
| Work-in-process | **2,17,57,888** | 1,87,34,734 |
| Traded goods | **-** | 7,91,635 |
| Finished goods | **1,34,44,776** | 88,91,924 |
| **Total** | **28,12,72,902** | 14,05,56,441 |

** 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 | **2,21,58,495** | 1,61,51,131 |
| Considered doubtful | **42,16,518** | - |
| | **2,63,75,013** | 1,61,51,131 |
| Less: Provision for doubtful debts | **42,16,518** | - |
| | **2,21,58,495** | 1,61,51,131 |
| **Other debts** | | |
| Others | **17,41,09,237** | 27,44,21,554 |
| **Total** | **19,62,67,732** | 29,05,72,685 |

## 15) CASH AND BANK BALANCES

| | | |
|---|---|---|
| **Cash and cash equivalent** | | |
| Balance with Banks in current accounts | **46,58,058** | 33,89,486 |
| Cash on hand | **11,036** | 11,18,742 |
| **Other Bank balances** | | |
| Margin money deposits (with original maturity up to 12 months) | **3,88,29,936** | 3,16,87,618 |
| **Total** | **4,34,99,030** | 3,61,95,846 |

## 16) SHORT TERM LOANS AND ADVANCES

| | | |
|---|---|---|
| (Unsecured considered good, unless stated otherwise) | | |
| Loans to employees | **11,76,900** | 7,73,850 |
| Balance with statutory/ government authorities | **25,11,43,853** | 29,74,83,852 |
| Prepaid expenses | **64,31,741** | 1,22,89,722 |
| Advance income-tax (Net of provision of taxation) | **26,67,978** | 22,77,570 |
| **Other advances recoverable in cash or kind :** | | |
| Advances to subsidiary | **-** | 81,26,907 |
| Receivable against slump sale (refer note no.33) | **-** | 1,10,00,00,000 |
| Others | **4,50,09,555** | 4,31,75,524 |
| **Total** | **30,64,30,027** | 1,46,41,27,425 |

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

### 17) REVENUE FROM OPERATION

| | Year ended 31st March, 2016 ₹ | Year ended 31st March, 2015 ₹ |
|---|---|---|
| Sale of products * | **1,81,07,05,831** | 3,27,48,66,609 |
| **Other operating income** | | |
| Scrap sales | **7,94,512** | 21,27,898 |
| Other | **6,23,57,973** | 6,92,63,082 |
| | **1,87,38,58,316** | 3,34,62,57,589 |
| ***Details of Sale of products** | | |
| Bulk drugs | **25,38,88,255** | 1,46,38,57,970 |
| Tablate / capsules / liquids | **1,55,68,17,576** | 1,78,55,99,263 |
| FMGC products | **-** | 2,54,09,376 |
| **Total** | **1,81,07,05,831** | 3,27,48,66,609 |

### 18) OTHER INCOME

| | | |
|---|---|---|
| Dividend income | | |
| Long-term investments | **7,287** | 5,487 |
| Interest Income | | |
| On fixed deposit | **34,92,155** | 18,95,948 |
| Others | **11,18,503** | 63,942 |
| Net profit on sale of assets | **13,22,362** | 61,201 |
| Recovery of bad debts | **-** | 40,00,000 |
| Liabilities written back | **4,48,431** | 13,85,859 |
| Foreign exchange gain (loss) (net) | **17,58,201** | 5,72,46,764 |
| Insurance claim | **21,188** | 1,47,552 |
| Miscellaneous income | **1,19,036** | 58,551 |
| **Total** | **82,87,163** | 6,48,65,304 |

### 19) COST OF MATERIALS CONSUMED

| | | |
|---|---|---|
| **Raw material consumption** | | |
| Opening stock | **8,16,06,939** | 27,05,29,350 |
| Add: Purchases | **87,86,37,841** | 1,84,91,86,469 |
| | **96,02,44,780** | 2,11,97,15,819 |
| Less : Closing stock** | **21,05,14,147** | 22,46,03,981 |
| | **74,97,30,633** | 1,89,51,11,838 |
| **Packing materials consumption:** | | |
| Opening stock | **2,71,36,728** | 3,19,87,573 |
| Add: Purchases | **11,80,83,988** | 17,55,57,294 |
| | **14,52,20,716** | 20,75,44,867 |
| Less : Closing stock** | **3,24,83,763** | 3,13,55,332 |
| ** Including the inventory of Mahad undertaking transferred on slump sales basis on closing date (31st March, 2015) | **11,27,36,953** | 17,61,89,535 |
| **Total** | **86,24,67,586** | 2,07,13,01,373 |
| **Raw Material Consumption** | | |
| 1) 7 A.C.A. | **-** | 11,21,80,472 |
| 2) Ceftriaxone sodium N.S. | **-** | 6,11,92,895 |
| 3) P.H.A.P | **-** | 9,29,10,368 |
| 4) CMMHA | **-** | 72,25,468 |
| 5) Amoxicillin trihydrate | **26,42,13,825** | 47,76,10,953 |
| 6) Erythromycin stearate | **24,60,738** | 38,70,311 |
| 7) Iburofen | **5,02,48,755** | 2,08,75,051 |
| 8) Fluloxacillin sodium | **5,41,83,028** | 1,59,79,776 |
| 9) Azithromycin diydrate | **1,86,86,213** | 3,30,04,554 |
| 10) Others | **35,99,38,074** | 1,07,02,61,991 |

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

| | | Year ended 31st March, 2016 ₹ | Year ended 31st March, 2015 ₹ |
|---|---|---|---|
| **Opening stock** | | | |
| Opening stock | | | |
| Finished goods | | **88,91,924** | 3,60,04,024 |
| Traded goods* | | **7,91,635** | 35,48,930 |
| Less: Transferred on slump sale (Refer Note 33) | | **(7,91,635)** | - |
| Work in progress | | **1,87,34,734** | 17,47,67,508 |
| | | **2,76,26,658** | 21,43,20,462 |
| Less : Closing stock** | | | |
| Finished goods | | **1,34,44,776** | 1,48,24,378 |
| Traded goods | | **-** | 7,91,635 |
| Work in progress | | **2,17,57,888** | 16,49,98,234 |
| | | **3,52,02,664** | 18,06,14,247 |
| Net( increase)/ decrease | **Total** | **(75,76,006)** | 3,37,06,215 |
| **Details of Inventory** | | | |
| **Finished goods** | | | |
| Bulk drugs | | **-** | 60,91,755 |
| Tablate /capsules/liquids | | **1,34,44,776** | 87,32,623 |
| | | **1,34,44,776** | 1,48,24,378 |
| Traded goods | | **-** | 7,91,635 |
| | | **1,34,44,776** | 1,56,16,013 |
| **Work in progress** | | | |
| Bulk drugs | | **-** | 14,62,63,500 |
| Tablate /capsules/liquids | | **2,17,57,888** | 1,87,34,734 |
| | | **2,17,57,888** | 16,49,98,234 |

* Opening balance of traded goods pertaining to Consumer Care division was transferred on slump sale on 1st April, 2015.
** Including the inventory of Mahad undertaking transferred on slump sale basis on clsoing date (31st Mrach, 2015).

## 21) EMPLOYEE BENEFIT EXPENSES

| | | | |
|---|---|---|---|
| Salaries, wages and bonus | | **13,77,88,057** | 25,19,92,016 |
| Contribution to provident and other fund | | **81,55,386** | 1,43,44,866 |
| Staff welfare expense | | **1,45,74,153** | 2,19,20,303 |
| | **Total** | **16,05,17,596** | 28,82,57,185 |

## 22) OTHER EXPENSES

| | | | |
|---|---|---|---|
| Stores and spares consumed | | **1,72,10,087** | 4,14,02,011 |
| Power and fuel | | **4,43,29,268** | 12,92,78,400 |
| Rent | | **2,45,64,840** | 2,56,54,076 |
| **Repairs and maintenance** | | | |
| Building | | **25,73,788** | 77,54,705 |
| Machinery | | **16,26,753** | 90,16,185 |
| Others | | **27,43,548** | 30,33,864 |
| Insurance | | **25,37,779** | 63,65,302 |
| Commission on sales | | **6,54,54,846** | 7,21,71,029 |
| Selling and distribution expenses | | **62,67,630** | 94,03,804 |
| Job work charges | | **3,73,45,461** | 4,55,55,885 |
| Packing, freight and forwarding | | **2,72,00,749** | 5,17,53,103 |
| Payment to auditors (refer details below) | | **5,00,000** | 7,00,000 |
| Printing and stationery | | **42,06,598** | 67,65,599 |
| Postage, telegram and telephone | | **46,42,487** | 43,76,091 |
| Travelling and conveyance | | **1,72,45,467** | 1,92,41,566 |
| Legal and professional fees | | **3,16,26,823** | 3,37,62,118 |
| Rates and taxes | | **46,64,547** | 25,22,565 |
| Labour charges | | **33,89,096** | 1,81,87,556 |
| Directors' sitting fees | | **4,73,000** | 2,68,000 |
| Sundry balances written off | | **4,232** | 11,19,439 |
| Provision for doubtful debts | | **42,16,518** | - |
| Corporate social responsibility expenses | | **39,200** | 1,32,000 |
| Miscellaneous expenses | | **2,24,26,283** | 4,48,55,802 |
| | **Total** | **32,52,89,000** | **53,33,19,100** |
| **Payment to auditors** | | | |
| As auditor | | | |
| Audit fee | | **4,00,000** | 5,50,000 |
| Tax audit fee | | **1,00,000** | 1,50,000 |
| | **Total** | **5,00,000** | 7,00,000 |

## 23) FINANCE COST

| | Year ended 31st March, 2016 ₹ | Year ended 31st March, 2015 ₹ |
|---|---|---|
| Interest expense | **4,98,16,217** | 7,20,61,193 |
| Other borrowing cost | **5,01,29,437** | 5,76,32,643 |
| **Total** | **9,99,45,654** | 12,96,93,836 |

## 24) DEPRECIATION AND AMORTISATION EXPENSE

| | | |
|---|---|---|
| Depreciation on tangible assets for the year | **3,14,42,010** | 12,20,93,355 |
| Less: Depreciation written back on change in policy (refer note no 32) | **-** | (2,63,04,366) |
| **Total** | **3,14,42,010** | 9,57,88,989 |

## 25) EXCEPTIONAL ITEMS

| | | |
|---|---|---|
| Gain on slump sale of Mahad undertaking (Refer Note No 33) | **-** | 7,27,80,435 |
| Gain on slump sale of Consumer Care Division (Refer Note No 33) | **2,06,081** | |
| Stamp duty demand | **(1,21,55,136)** | |
| Advances written off | **-** | (7,34,83,300) |
| **Total** | **(1,19,49,055)** | (7,02,865) |

## 26) EARNINGS PER EQUITY SHARE

| | | |
|---|---|---|
| Number of Equity Shares | **4,32,52,602** | 4,11,02,602 |
| Weighted average number of equity shares | **4,13,96,318** | 3,97,60,273 |
| Face Value per share | **10** | 10 |
| Profit after tax | **11,43,77,016** | 15,48,04,176 |
| Less: Dividend on preference shares | **-** | - |
| Profit after tax available to equity shareholders | **11,43,77,016** | 15,48,04,176 |
| Profit after tax available to equity shareholders from dis-continuing operations | **11,43,77,016** | 13,84,47,985 |
| Basic and diluted earning per share total operations | **2.76** | 3.89 |
| Basic and diluted earning per share continuing operations | **2.76** | 3.48 |

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

| | As on 31st March, 2016 ₹ | As on 31st March, 2015 ₹ |
|---|---|---|
| i) Guarantees given by the company's bankers on behalf of the company | **99,93,150** | 1,02,17,238 |
| ii) Bills discounted with banks | **33,14,65,324** | 51,58,80,825 |
| iii) Disputed tax matters | | |
| a) Service Tax demand disputed in appeal | **38,99,000** | 38,99,000 |
| b) Excise Duty demand disputed in appeal | **28,14,907** | 27,05,152 |
| iv) Other claims/demands against company not acknowledged as debts | | |
| a) Demand under Drug Price Control Order - 95 ( DPCO - 95 ) demand disputed in appeal | **5,91,34,474** | 5,91,34,474 |
| b) Others | **29,09,052** | 29,09,052 |

Note: Other Legal issues are either in ordinary coures of business or not of substantial nature and mangement is resonably confident of their positive outcome. Management shall deal with them judiciously and provide for appropriately,if any such need arises.

**28)** Estimated amount of contracts remaining to be executed on capital account not provided for ₹ **4,60,25,078/-** (Previous year ₹51,28,701/-)

**29) EMPLOYEE BENEFITS :**

The disclosures required under Accounting standard 15 " Employee Benefits" notified in the Companies ( Accounting Standards) Rules 2006, are given below :

**A) Defined Contribution Plan**

Contributions to defined Contribution plan, recognised are charged off for the year are as under:

| | **Year ended 31st March 2016** | Year ended 31st March 2015 |
|---|---|---|
| Employer's contribution to provident fund | **81,07,657** | 1,42,44,358 |

**B) Defined Benefit plan**

The employees' gratuity scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner.

**Part A : Gratuity benefits**

| | Gratuity benefit Unfunded | | |
|---|---|---|---|
| | Continuing Operations | Continuing Operations | Discontinuing Operations |
| | **As on 31st March, 2016 ₹** | As on 31st March, 2015 ₹ | As on 31st March, 2015 ₹ |
| **i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation** | | | |
| Obligation at the beginning of the year | **2,68,35,000** | 1,75,07,000 | 1,05,36,000 |
| Interest cost | **21,46,800** | 14,00,560 | 8,42,880 |
| Service cost | **23,79,804** | 17,56,702 | 10,58,195 |
| Liability Transferred out (on account of discountinuing business operations) | **(9,25,000)** | - | - |
| Actuarial (gain)/ loss | **(87,54,317)** | 72,97,730 | 10,61,038 |
| Benefits paid | **(12,44,531)** | (11,26,992) | (6,40,113) |
| **Obligation at the year end** | **2,04,37,756** | 2,68,35,000 | 1,28,58,000 |
| **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 |
| Actuarial (gain)/ loss | **-** | - | - |
| Benefits paid | **-** | (2,68,35,000) | (1,28,58,000) |
| **Fair value of plan assets at the end of the year** | **-** | - | - |
| **Unfunded status** | **(2,04,37,756)** | (2,68,35,000) | (1,28,58,000) |
| **iii) Limits of corridor not considered since total actuarial gain/loss is being recognised as on 31st March, 2016** | | | |
| Actuarial Gains for the year- obligation | **87,54,317** | 72,97,730 | 10,61,038 |
| Actuarial gain/(loss) for the year- plan assets | **-** | - | - |
| Sub - Total | **87,54,317** | 72,97,730 | 10,61,038 |
| **Actuarial Gains recognised** | **87,54,317** | (72,97,730) | (10,61,038) |
| **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 | **(2,04,37,756)** | (2,68,35,000) | (1,28,58,000) |
| Fair value of plan assets at the end of the year | **-** | - | - |
| **Liability/(Asset) recognised in the balance sheet** | **(2,04,37,756)** | (2,68,35,000) | (1,28,58,000) |
| **v) Cost for the year** | | | |
| Service cost | **23,79,804** | 17,56,702 | 10,58,195 |
| Interest cost | **21,46,800** | 14,00,560 | 8,42,880 |
| Expected return on plan assets | **-** | - | - |
| Actuarial (gain)/loss | **(87,54,317)** | 72,97,730 | 10,61,038 |
| **Net cost recognised in the profit & loss account** | **(42,27,713)** | 1,04,54,992 | 29,62,113 |

| | | | |
|---|---|---|---|
| **vi) Movement in the liability recognised in the balance sheet** | | | |
| Opening net liability | **2,68,35,000** | 1,75,07,000 | 1,05,36,000 |
| Expenses as above | **(42,27,713)** | 1,04,54,992 | 29,62,113 |
| Liability transferred out (on account of discontnuing business operations) | **(9,25,000)** | - | - |
| Contribution paid | **(12,44,531)** | (11,26,992) | (6,40,113) |
| **Closing net liability** | **2,04,37,756** | 2,68,35,000 | 1,28,58,000 |
| **vii) Assumptions used to determine the benefit obligations:** | | | |
| Discount rate | **7.96%** | 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 | Continuing Operations | Discontinuing Operations |
| | **As on 31st March, 2016 ₹** | As on 31st March, 2015 ₹ | As on 31st March, 2015 ₹ |
| **i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation** | | | |
| Obligation at the beginning of the year | **92,19,000** | 61,65,000 | 26,96,000 |
| Interest cost | **7,37,520** | 4,93,200 | 2,15,680 |
| Service cost | **8,00,362** | 6,53,940 | 3,96,383 |
| Liability transferred out (on account of discountinuing business operations) | **(7,16,000)** | - | - |
| Actuarial (gain)/ loss | **(5,33,997)** | 28,37,278 | 5,76,945 |
| Benefits paid | **(6,19,721)** | (9,30,418) | (6,87,008) |
| **Obligation at the year end** | **88,87,164** | 92,19,000 | 31,98,000 |
| **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 |
| Actuarial (gain)/ loss | **-** | - | - |
| Benefits paid | **-** | (92,19,000) | (31,98,000) |
| **Fair value of plan assets at the end of the year** | **-** | - | - |
| **Unfunded Status** | **(88,87,164)** | (92,19,000) | (31,98,000) |
| **iii) Limits of corridor not considered since total actuarial gain/loss is being recognised as on 31st March, 2016** | | | |
| Actuarial (loss) for the year- obligation | **(5,33,997)** | 28,37,278 | 5,76,945 |
| Actuarial gain/(loss) for the year- plan assets | **-** | - | - |
| Sub- total | **(5,33,997)** | 28,37,278 | 5,76,945 |
| **Actuarial Gains recognised** | **(5,33,997)** | (28,37,278) | (5,76,945) |
| **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 | **(88,87,164)** | 92,19,000 | 31,98,000 |
| Fair value of plan assets at the end of the year | **-** | - | - |
| **Liability/(Asset) recognised in the balance sheet** | **(88,87,164)** | 92,19,000 | 31,98,000 |
| **v) Cost for the year** | | | |
| Service cost | **8,00,362** | 6,53,940 | 3,96,383 |
| Interest cost | **7,37,520** | 4,93,200 | 2,15,680 |
| Expected return on plan assets | **-** | - | - |
| Actuarial (gain)/loss | **(5,33,997)** | 28,37,278 | 5,76,945 |
| **Net cost recognised in the profit & loss account** | **10,03,885** | 39,84,418 | 11,89,008 |
| **vi) Movement in the liability recognised in the balance sheet** | | | |
| Opening net liability | **92,19,000** | 61,65,000 | 26,96,000 |
| Expenses as above | **10,03,885** | 39,84,418 | 11,89,008 |
| Liability transferred out (on account of discontinuing business operations) | **(7,16,000)** | - | - |
| Contribution paid | **(6,19,721)** | (9,30,418) | (6,87,008) |
| **Closing net liability** | **88,87,164** | 92,19,000 | 31,98,000 |
| **vii) Assumptions used to determine the benefit obligations:** | | | |
| Discount rate | **7.96%** | 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:**

**For the year 2015-16:**

During the year, the Company was primarily engaged in Pharmaceutical business and there were no other reportable business segments.

For the year 2014-15:

| 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** |

Note 1: During the year, consumer care division was sold for a consideration of ₹ 2,00,00,000/- with effect from 1st April, 2015, carrying amount of net assets in respect of such division was ₹ 1,97,93,919/- (Refer Note 33 for details)

Note 2: 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, 2016 ₹ | For the year ended 31st March, 2015 ₹ |
|---|---|---|
| Revenue from operation (net) | | |
| In India | **21,72,80,118** | 84,72,54,856 |
| Outside India | **1,59,34,25,713** | 2,42,76,11,753 |
| **Total** | **1,81,07,05,831** | 3,27,48,66,609 |

**31)** The company has unabsorbed depreciation and carry forward of losses 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 previous year, the Company 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 was calculated retrospectively on straight line method and accordingly the Company recorded reversal of depreciation expense amounting to ₹ 2,63,04,366 /- pertaining to earlier years in the previous year's statement of profit & loss (also refer Note no 10).

**33) DISCONTINUING OPERATIONS**

During the year, pursuant to the agreement with Kopran Lifestyle Limited on 8th August, 2015, the Company transferred its Consumer Care Division for a consideration of ₹ 2 Crores, on a slump sale basis to Kopran Lifestyle Limited with effect from 1st April, 2015.

During the previous year, persuant to the agreement with Kopran Research Laboratories Limited ("the Subsidiary Company") on 25th March, 2015, the Company transferred its Mahad Undertaking ('Active Pharmaceutical Ingredients business'), which was a part of pharmaceutical segment, to the subsidiary company on a slump sale basis for a consideration of ₹110 Crores on closing date 31st 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** | Continuing Operations | Discontinuing Operations |
|---|---|---|---|---|
| Profit/(loss) from ordinary activities | **For the year 2015-2016** | **For the year 2015-2016** | For the year 2014-2015 | For the year 2014-2015 |
| Income | **1,88,14,19,924** | - | 1,88,91,67,410 | 1,43,21,91,166 |
| Less: Expenses | **1,75,50,93,853** | - | 1,75,00,16,559 | 1,41,58,34,976 |
| Profit before exceptional items, extraordinary items and tax | **12,63,26,071** | - | 13,91,50,850 | 1,63,56,191 |
| Less: Exceptional Items | **1,19,49,055** | - | (7,02,865) | - |
| Less: Tax expense | **-** | - | - | - |
| Profit after tax | **11,43,77,016** | - | 13,84,47,985 | 1,63,56,191 |

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

| | **As on 31st March, 2016** | As on 31st March, 2015 |
|---|---|---|
| Total assets | **2,84,94,071** | 1,80,76,88,444 |
| Total liabilities | **87,00,152** | 78,04,68,879 |
| Net assets transferred | **1,97,93,919** | 1,02,72,19,565 |
| Consideration | **2,00,00,000** | 1,10,00,00,000 |
| Gain on slump sale | **2,06,081** | 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 (upto 31st January, 2016)

**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, 2016 ₹ | Year ended As on 31st March, 2015 ₹ |
|---|---|---|
| **I) Enterprises owned or controlled (Wholly Owned Subsidiaries)** | | |
| **a) Kopran Research Laboratories Ltd.** | | |
| Sale of materials | **21,58,70,837** | - |
| Purchases of materials | **6,76,26,219** | - |
| Advances repayment received | **81,26,907** | 6,86,00,000 |
| Advances given | **-** | 38,25,000 |
| Sales of fixed assets | **40,43,683** | - |
| Purchase and sale of fixed assets on behalf of KRLL | **7,28,790** | - |
| Slump Sale- Mahad undertaking | **-** | 1,10,00,00,000 |
| **b) Kopran Life Science Ltd.** | | |
| Sale of shares | **-** | 10,00,000 |
| Loan given | **1,224** | 2,040 |
| Loan repayment | **3,264** | - |
| **c) Kopran Research Laboratories Ltd.** | | |
| Investments made during the year (conversion of loan) | **1,10,00,00,000** | 39,90,00,000 |
| **II) Key Managerial Personnels (KMP)** | | |
| Remuneration paid to personnels | **1,42,40,000** | 1,77,19,767 |
| Loan taken | **5,02,00,000** | 4,77,00,000 |
| Loan repayment | **5,52,00,000** | - |
| **III) Relatives of Key Managerial Personnels (with whom there are transactions)** | | |
| Remuneration paid | **1,28,600** | 8,47,921 |
| **IV) Enterprises significantly influenced by KMP or their relatives (with whom there are transactions)** | | |
| **a) Oricon Enterprises Ltd** | | |
| Purchase of materials | **6,19,99,113** | 22,35,68,347 |
| Rent expenses | **2,40,00,000** | 2,40,00,000 |
| Miscellanous expenses | **1,140** | - |
| Purchase of fixed assets | **60,33,912** | - |
| Loan taken | **-** | 1,25,00,000 |
| Loan repayment | **-** | 1,41,01,619 |
| **b) Kopran Laboratories Limited** | | |
| Purchase of materials | **4,66,68,774** | 14,82,63,786 |
| Loan given | **-** | 6,18,61,600 |
| Loan repayment | **-** | 9,97,02,047 |
| **c) Shinrai Auto Services Limited** | | |
| Repairs charges paid | **8,12,487** | 3,95,169 |
| Loan given | **11,00,00,000** | 5,20,00,000 |
| Loan repayment | **11,00,00,000** | 5,40,00,000 |
| Interest received | **10,06,652** | - |
| Motor car purchase | **18,84,216** | 29,56,171 |
| **Outstanding Balances of Related Party:** | | |
| **Receivable** | | |
| a) Kopran Research Laboratories Ltd. | **-** | 1,10,81,26,907 |
| b) Kopran Life Science Pvt Ltd | **-** | 2,040 |
| c) Shinrai Auto Services Limited | **-** | 3,17,219 |
| **Payable** | | |
| a) Oricon Enterprises Limited | **8,89,60,927** | 5,74,46,517 |
| b) Kopran Laboratories Limited | **24,35,599** | 52,01,600 |
| c) Shinrai Auto Services Limited | **4,84,927** | - |
| d) Kopran Research Laboratories Ltd. | **3,05,90,159** | - |
| **Outstanding Borrowings** | | |
| a) Surendra Somani | **4,27,00,000** | 4,77,00,000 |

**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 Balances 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 | |
|---|---|---|---|
| | | **2015-2016** | 2014-2015 |
| Forward exchange contracts (for export debtors) | USD | **1,15,63,764** | 1,15,00,000 |
| Forward contract value | ₹ | **76,70,24,486** | 75,48,20,000 |

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

| Particulars of derivative | **2015-2016** | | 2014-2015 | |
|---|---|---|---|---|
| | **Amount (₹)** | **Foreign Currency** | Amount (₹) | Foreign Currency |
| Payables (Including Borrowings) | **11,69,47,829** | **USD-17,63,121** | 16,82,47,704 | USD-26,91,963 |
| | **-** | **-** | 1,25,31,493 | EURO-1,86,481 |
| Receivables | **17,65,16,566** | **USD -26,61,187** | 26,52,44,478 | USD-42,43,912 |
| | **39,25,495** | **EURO-52,277** | 31,19,962 | EURO-46,428 |
| | **1,28,84,137** | **GBP-1,35,494** | 5,15,719 | GBP-5,577 |
| Foreign currency bank account | **26,20,172** | **USD - 39,502** | 78,163 | USD - 1,251 |
| Investments | **1,99,73,249** | **HKD-23,18,750** | 1,78,98,710 | HKD-23,18,750 |

**37) a)** The Company has taken office premises on operating lease basis. Lease payments in respect of such lease recognised in statement of profit and loss account is ₹ 2,40,00,000/- (Previous year ₹ 2,51,77,676/-)

**b)** Total of future minimum lease payments in respect of such non cancellable operating lease are as follows:

| **Particulars** | **2015-2016** | 2014-2015 |
|---|---|---|
| (i) Not later than one year | **2,40,00,000** | 2,40,00,000 |
| (ii) Later than one year and not later than five years | **6,60,00,000** | 9,00,00,000 |
| (iii) Later than five years | **-** | - |

**c)** There are no restrictions such as those concerning dividend, additional debt, and further leasing. There is contingent rent payment, esclation clause or specific renewal or purchase option.

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

| **Items** | **Value** ₹ | **Percentage** |
|---|---|---|
| a) Raw materials | | |
| Imported (including purchase through canalising agencies and high seas) | **15,87,83,039** | **21.19** |
| | (1,01,21,22,486) | (53.41) |
| Indigenous | **59,09,47,595** | **78.81** |
| | (88,29,89,352) | (46.59) |
| b) Stores and spares | | |
| Indigenous | **1,72,10,087** | **100.00** |
| | (4,14,02,011) | (100.00) |

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

| **Items** | **Year ended 31st March, 2016** ₹ | Year ended 31st March, 2015 ₹ |
|---|---|---|
| a) Raw / Packing materials | **37,16,78,298** | 1,05,83,22,016 |
| b) Capital goods | **60,33,912** | 33,76,477 |

## 40) EARNINGS IN FOREIGN EXCHANGE :

| Particulars | Year ended 31st March, 2016 ₹ | Year ended 31st March, 2015 ₹ |
|---|---|---|
| FOB value of exports | **1,49,65,28,176** | 2,32,35,65,700 |

## 41) EXPENDITURE IN FOREIGN CURRENCY :

| Particulars | Year ended 31st March, 2016 ₹ | Year ended 31st March, 2015 ₹ |
|---|---|---|
| Commission | **6,51,67,418** | 6,52,26,274 |
| Registration fees | **14,53,385** | 19,45,447 |
| Bank interest on buyers credit | **9,33,792** | 19,61,321 |
| Export promotion expenses | **14,16,247** | 90,990 |
| Travelling expenses | **61,20,603** | 46,45,955 |
| Plant inspection charges | **19,52,986** | 27,29,726 |
| Professional charges | **11,21,008** | - |
| Others | **6,260** | 1,77,198 |

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

| Particulars | Year ended 31st March, 2016 ₹ | Year ended 31st March, 2015 ₹ |
|---|---|---|
| **(a) Loans and advances in the nature of loans to subsidiaries** | | |
| **(i) Loan to subsidiary: Kopran Research Laboratories Ltd.** | | |
| Loans given during the year | - | - |
| Balance as at the year end | **-** | 81,26,907 |
| Maximum amount outstanding at any time during the year | **81,26,907** | 47,31,01,907 |
| Purpose: Working Capital | | |
| **(ii) Loan to subsidiary: Kopran Life Science Ltd.** | | |
| Loans given during the year | **1,224** | 2,040 |
| Balance as at the year end | **-** | 2,040 |
| Maximum amount outstanding at any time during the year | **3,264** | 2,040 |
| Purpose: | | |
| **(iii) Shinrai Auto Services Ltd.** | | |
| Loans given during the year | **11,00,00,000** | 5,40,00,000 |
| Balance as at the year end | **-** | - |
| Maximum amount outstanding at any time during the year | **4,02,76,164** | 1,00,00,000 |
| Purpose: Working Capital | | |
| **(iv) Siddhi Multi Trade Private Ltd.** | | |
| Loans given during the year | **50,00,000** | - |
| Balance as at the year end | **-** | - |
| Maximum amount outstanding at any time during the year | **50,00,000** | - |
| Purpose: Working Capital | | |
| **(b) Investment in the shares of the Subsidairy Company** | | |
| Investment made in subsidiary: Kopran Research Laboratories Ltd during the year | **1,10,00,00,000** | 40,00,00,000 |

**43)** The Company has investment of ₹ 15490.60 lacs in equity shares of Kopran Research Laboratories Ltd (KRLL), a wholly owned subsidiary of the Company, the accumulated losses of KRLL as on 31st March, 2016 are ₹5580.89 lacs. During the previous year, the Company 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 and long term. In view of the above, the management believes that suffiecient 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.

**44)** Payment of Bonus Act,1965 has been amended during the year,enhancing the limit of entitlement of employee to whom the act becomes applicable with retrospective amendment w.e.f 01/04/2014 , High Court of various states have stayed the retrospective application of the act w.e.f 01/04/2014. Accordingly, the company relying upon the said stay has implemented the revised Act, w.e.f 01/04/2015

Additional liability, if any, on the retrospective amendment will be provided in the year of final decision by the courts.

**45) Corporate Social Responsibility (CSR)**

Details of CSR Expenditure as per Section 135 of the Companies Act, 2013 :-

| **Particulars** | **2015-2016** | 2014-2015 |
|---|---|---|
| (a) Gross amount required to be spent by the Company during the year | **-** | - |
| (b) Amount spent during the year (In Cash) on :- | | |
| (i) Construction / Acquistion of any asset | **-** | - |
| (ii) On purposes other than (i) above | **39,200** | 1,32,000 |
| (c) Amount unspent | **-** | - |

**46) PREVIOUS YEAR FIGURES**

Previous year figures have been regrouped/ reclassified wherever necessary. Due to the two discontnuing business operations (refer note 33), previous year figures are not comparable.

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 : 30th May, 2016

**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 ("the Holding Company") and its subsidiaries (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31st March 2016, 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 the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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 Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for 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; 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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. 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 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 Company, as at 31st March 2016, and their consolidated profit 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 ₹17,693.61 lakhs as at 31st March, 2016, total revenues of ₹ 13,900.95 lakhs and net cash out flows amounting to ₹ 25.06 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, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

1. As required by sub-section 3 of Section 143 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.

(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 2016 taken on record by the Board of Directors of the Holding Company and the report 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 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Group.

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

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

Place : Mumbai
Date : 30th May, 2016

## Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2016, we have audited the internal financial controls over financial reporting of **Kopran Limited** ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

**Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**Other matters**

Our aforesaid reports under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

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

Place : Mumbai
Date : 30th May, 2016

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016

| | | Notes | As at 31st March, 2016 ₹ | As at 31st March, 2015 ₹ |
|---|---|---|---|---|
| **I** | **EQUITY AND LIABILITIES** | | | |
| | **1. Shareholders' funds** | | | |
| | a Share Capital | 2 | **51,82,89,080** | 49,67,89,080 |
| | b Reserves and Surplus | 3 | **56,88,65,293** | 34,65,00,795 |
| | c Money received against Share Warrant | | **-** | 14,19,00,000 |
| | | | **1,08,71,54,373** | 98,51,89,875 |
| | **2. Non-current liabilities** | | | |
| | a Long-term borrowings | 4 | **28,68,57,511** | 14,00,53,743 |
| | b Deferred tax liabilities (Net) | 5 | **-** | - |
| | c Other long term liabilities | 6 | **-** | - |
| | d Long-term provisions | 7 | **4,31,13,576** | 4,30,80,000 |
| | | | **32,99,71,087** | 18,31,33,743 |
| | **3. Current liabilities** | | | |
| | a Short-term borrowings | 8 | **37,99,55,459** | 51,38,30,052 |
| | b Trade payables | 9 | **57,03,54,300** | 69,21,99,585 |
| | c Other current liabilities | 10 | **26,64,18,479** | 36,70,25,178 |
| | d Short-term provisions | 11 | **40,71,831** | 90,30,000 |
| | | | **1,22,08,00,069** | 1,58,20,84,815 |
| | | **Total** | **2,63,79,25,529** | 2,75,04,08,433 |
| **II** | **ASSETS** | | | |
| | **1. Non-current assets** | | | |
| | a Fixed Assets | | | |
| | (i) Tangible assets | 12 | **1,00,87,84,363** | 1,01,55,00,368 |
| | (ii) Intangible assets | 12 | **57,600** | 57,600 |
| | (iii) Capital work-in-progress | | **3,13,41,634** | 1,23,32,009 |
| | b Non-current investment | 13 | **11,43,244** | 11,43,244 |
| | c Long-term loans and advances | 14 | **5,64,55,826** | 2,15,35,699 |
| | | | **1,09,77,82,667** | 1,05,05,68,920 |
| | **2. Current assets** | | | |
| | a Inventories | 15 | **58,84,02,515** | 45,30,20,932 |
| | b Trade receivables | 16 | **56,88,60,805** | 81,16,65,307 |
| | c Cash and Bank balances | 17 | **4,71,32,551** | 3,73,23,236 |
| | d Short-term loans and advances | 18 | **33,57,46,991** | 39,78,30,038 |
| | | | **1,54,01,42,862** | 1,69,98,39,513 |
| | | **Total** | **2,63,79,25,529** | 2,75,04,08,433 |
| **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 : 30th May, 2016

**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, 2016

| | Notes | For the year ended 31st March, 2016 ₹ | For the year ended 31st March, 2015 ₹ |
|---|---|---|---|
| **I INCOME** | | | |
| Revenue from operation (gross) | 19 | **3,05,25,76,775** | 3,34,76,77,109 |
| Less: Excise duty | | **8,93,85,413** | 9,04,07,961 |
| Revenue from operation (net) | | **2,96,31,91,362** | 3,25,72,69,148 |
| Other income | 20 | **2,36,73,481** | 6,53,95,799 |
| **Total Revenue** | | **2,98,68,64,843** | 3,32,26,64,947 |
| **II EXPENSES** | | | |
| Cost of materials consumed | 21 | **1,78,55,03,369** | 2,07,20,43,291 |
| Purchase of traded goods | | **2,89,38,980** | 1,31,41,193 |
| Changes in inventories of finished goods and work in progress | 22 | **(1,17,84,414)** | 3,37,06,215 |
| Employee benefit expense | 23 | **28,02,41,820** | 28,82,64,192 |
| Other expenses | 24 | **57,80,45,437** | 53,57,68,622 |
| Finance cost | 25 | **12,56,08,115** | 12,96,95,762 |
| Depreciation and amortisation expense | 26 | **8,11,76,965** | 9,64,26,629 |
| **Total Expenses** | | **2,86,77,30,272** | 3,16,90,45,904 |
| **Profit before exceptional items, extraordinary items and tax** | | **11,91,34,571** | 15,36,19,043 |
| Exceptional items Net income / (Net Expenses) | 27 | **(1,19,49,055)** | (54,48,63,487) |
| **Profit / (Loss) before extraordinary items and tax** | | **10,71,85,516** | (39,12,44,444) |
| Extraordinary item | | **-** | - |
| **Profit / (Loss) before tax** | | **10,71,85,516** | (39,12,44,444) |
| **Profit/(Loss) from continuing operations before tax** | | **10,71,85,516** | (36,31,11,934) |
| Tax expense | | **-** | - |
| **Profit/(Loss) from continuing operations after tax** | | **10,71,85,516** | (36,31,11,934) |
| **Profit/ (Loss) from discontinuing operations before tax** | | **10,71,85,516** | (2,81,32,510) |
| Tax expense | | **-** | - |
| **Profit/ (Loss) from discontinuing operations after tax** | | **10,71,85,516** | (2,81,32,510) |
| **Profit / (Loss) for the period** | | **10,71,85,516** | (39,12,44,444) |
| **Earnings per equity share (₹)** | 28 | | |
| Basic and Diluted-Par value of ₹ 10/- per share | | | |
| From total operations | | 2.59 | (9.84) |
| From continuing operations | | 2.59 | (9.13) |
| **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 : 30th May, 2016

**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, 2016

| PARTICULARS | For the year ended 31st March, 2016 ₹ | For the year ended 31st March, 2015 ₹ |
|---|---|---|
| **NET PROFIT BEFORE TAX FROM CONTINUING OPERATIONS** | **10,71,85,516** | (36,31,11,934) |
| **NET PROFIT BEFORE TAX FROM DISCONTINUING OPERATIONS** | **-** | (2,81,32,510) |
| **NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS** | **10,71,85,516** | (39,12,44,444) |
| Adjusted for : | | |
| Depreciation (including write back) | **8,11,76,965** | 9,64,26,629 |
| Dividend income | **(7,287)** | (5,487) |
| Finance cost | **12,56,08,115** | 12,96,95,762 |
| Interest income | **(46,22,442)** | (19,69,697) |
| Profit on sale of fixed assets | **(1,69,330)** | (61,201) |
| Gain on slump sale | **(2,06,081)** | - |
| Unrealised foreign exchange gain (net) | **30,73,930** | |
| 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) - net | **(85,61,471)** | 7,32,16,464 |
| | **30,34,77,915** | 37,74,38,213 |
| **OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS** | | |
| Adjustments for : | | |
| Trade receivables | **23,03,93,643** | (25,13,53,425) |
| Inventories | **(13,61,73,218)** | 7,72,05,293 |
| Loans and advances | **2,62,52,220** | (17,65,70,517) |
| Trade payables | **(12,49,79,012)** | 33,51,14,493 |
| Other liabilities and provisions | **(1,35,89,563)** | 10,05,00,392 |
| Effect of change in exchange fluctuation reserve | **9,90,482** | 8,82,793 |
| Cash generated from operations | **28,63,72,467** | 46,32,17,242 |
| Direct Taxes (paid) / refund (net) | **(1,16,508)** | (2,13,813) |
| **(a) NET CASH FLOW FROM / (USED IN) OPERATION ACTIVITES** | **28,62,55,959** | 46,30,03,429 |
| **Cash flow from investing activities:** | | |
| Purchase of fixed assets (including capital work in progress) | **(10,98,88,409)** | (11,28,16,202) |
| Sale of fixed assets | **26,72,334** | 61,201 |
| Proceeds from slump sale | **1,95,08,000** | - |
| Withdrawal of margin deposits | **(57,43,749)** | 75,65,883 |
| Sales of investments | **-** | 70,00,000 |
| Interest received | **27,25,520** | 19,69,697 |
| Dividend received | **7,287** | 5,487 |
| **(b) NET CASH FROM /(USED) IN INVESTING ACTIVITIES** | **(9,07,19,017)** | (9,62,13,935) |
| **Cash flow from financing activities** | | |
| Share issue expenses paid | **(62,11,500)** | (14,25,000) |
| Proceeds / (repayment) of borrowings (net) | **(6,17,86,174)** | (23,76,46,006) |
| Finance cost | **(12,53,70,624)** | (12,99,60,680) |
| **(c) NET CASH FROM/ (USED) IN FINANCING ACTIVITIES** | **(19,33,68,298)** | (36,90,31,686) |
| **Net increase in cash and cash equivalents (a+b+c)** | **21,68,644** | (22,42,192) |
| **Cash and cash equivalents as at the commencement 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 |
| **Cash and cash equivalents as at the end of the year, comprising :** | | |
| Cash | **9,10,446** | 18,04,360 |
| Balances with scheduled banks on Current accounts | **68,93,816** | 38,31,258 |
| | **78,04,262** | 56,35,618 |
| **NET INCREASED /(DECREASE) AS DISCLOSED ABOVE** | **21,68,644** | (22,42,192) |

Per our report attached

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

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

Place : Mumbai
Date : 30th May, 2016

**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, 2016

### 1) OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

**A OVERVIEW**

The Subsidiaries (which along with Kopran Ltd, the parent Company 'Kopran 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, 2016 | Hong Kong | 100% |
| Kopran Lifesciences Limited (KLL) | 31st March, 2016 | India | 100% |
| Kopran Research Laboratories Limited (KRLL) | 31st March, 2016 | India | 100% (0.05% 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.

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% p.a.

**(d) Investments**

1. Investment intended to be held for not more than a year are classified as current Investment. 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 MEIS/FPS/FMS/ 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 gratutity 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 carry 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 certainity 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 / cash flow statement**

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. cash flow statement is prepared as per 'indirect method' specified under AS 3 cash flow statements.

**(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, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| | 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 | **4,11,02,602** | **41,10,26,020** | 3,90,52,602 | 39,05,26,020 |
| Add: Issued during the year | **21,50,000** | **2,15,00,000** | 20,50,000 | 2,05,00,000 |
| Less: Bought back during the year | **-** | **-** | - | - |
| **At the end of the year** | **4,32,52,602** | **43,25,26,020** | 4,11,02,602 | 41,10,26,020 |
| **(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** | **5,18,32,602** | **51,83,26,020** | 4,96,82,602 | 49,68,26,020 |
| **Subscribed and paid up** | | | | |
| **(i) Equity shares of ₹ 10 each fully paid up** | | | | |
| At the beginning of the year | **4,11,02,602** | **41,10,26,020** | 3,90,52,602 | 39,05,26,020 |
| Add: Issued during the year | **21,50,000** | **2,15,00,000** | 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** | **4,32,52,602** | **43,24,89,080** | 4,11,02,602 | 41,09,89,080 |
| **(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** | **5,18,32,602** | **51,82,89,080** | 4,96,82,602 | 49,67,89,080 |

**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**

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

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| | Number of Shares | % Holding | Number of Shares | % Holding |
| **Equity Shares of ₹ 10/- each fully paid** | | | | |
| Panorama Finvest Pvt Ltd | **38,00,000** | **8.79%** | 38,00,000 | 9.25% |
| Sarvamangal Mercantile co. Ltd | **29,02,951** | **6.71%** | 29,02,951 | 7.06% |
| Oricon Properties Pvt. Ltd | **59,61,758** | **13.78%** | 38,11,758 | 9.27% |
| Rajendra Somani | **23,24,250** | **5.37%** | 23,24,250 | 5.65% |
| **10% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each** | | | | |
| 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%** | 73,80,000 | 86.00% |

## 3) RESERVES AND SURPLUS

| | | As at 31st March, 2016 ₹ | As at 31st March, 2015 ₹ |
|---|---|---|---|
| **(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 | **1,10,86,17,754** | 99,52,42,754 |
| | Less : Calls in -arrears (other than Directors's) | **(1,10,820)** | (1,10,820) |
| | | **1,10,85,06,934** | 99,51,31,934 |
| | Add : Premium on shares issued during the year | **12,04,00,000** | 11,48,00,000 |
| | Less : Share issue expenses written off | **(62,11,500)** | (14,25,000) |
| | Closing balance | **1,22,26,95,434** | 1,10,85,06,934 |
| **(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** | **97,52,088** | 87,61,606 |
| **(f)** | **Surplus / (Deficit) in statement of profit and loss** | | |
| | Opening balance | **(1,00,07,02,819)** | (56,36,77,026) |
| | Add: Depreciation on transition to schedule II of the Companies Act, 2013 | **-** | (4,57,81,349) |
| | Add: Profit / (Loss) for the year | **10,71,85,516** | (39,12,44,444) |
| | Closing balance | **(89,35,17,303)** | (1,00,07,02,819) |
| | **Total** | **56,88,65,293** | 34,65,00,795 |

## 4) LONG-TERM BORROWINGS

| | As at 31st March, 2016 ₹ | As at 31st March, 2015 ₹ |
|---|---|---|
| **Rupee loans from banks (Secured)** | | |
| Term loans (Secured) | - | 15,87,503 |
| Vehicles finance loans (Secured) | 32,66,543 | 46,65,928 |
| Other(Unsecured)* | 15,82,00,000 | - |
| **Loan from related parties (Unsecured)** | | |
| Mr. Surendra Somani | 4,34,00,000 | 4,84,00,000 |
| Mrs. Vandana Somani | 6,64,00,000 | 6,41,00,000 |
| **Inter corporate deposits (Unsecured)** | | |
| (a) Related parties (ref. note no. 33) | - | - |
| Others | 1,55,90,968 | 2,13,00,312 |
| **Total** | 28,68,57,511 | 14,00,53,743 |

a) Term loans from banks include term loan of ₹ 96,23,575/-(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 ₹ 96,23,575/- 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) 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.

c) * Loans from others carries Interest @ 13.75% p.a. and is repayable in 11 equal quarterly installments of ₹159 Lacs from October ,2016 and last installment ₹ 151 Lacs. 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, 2016 ₹ | As at 31st March, 2015 ₹ |
|---|---|---|
| Deferred tax liabilities: | | |
| Depreciation | 1,94,79,116 | 34,16,893 |
| | 1,94,79,116 | 34,16,893 |
| Deferred tax assets: | | |
| Unabsorbed depreciation and carried forward losses | 57,74,688 | 2,98,09,539 |
| Disallowances under Income Tax Act | 55,18,890 | 54,57,434 |
| | 1,12,93,578 | 3,52,66,973 |
| Deferred tax assets recognised to the extent of deferred tax liabilities | 1,94,79,116 | 34,16,893 |
| **Total** | - | - |

## 6) OTHER LONG TERM LIABILITIES

| | | |
|---|---|---|
| Trade deposits | - | - |
| **Total** | - | - |

## 7) LONG TERM PROVISIONS

| | | |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (ref. note no. 31 Part A) | 3,27,91,659 | 3,35,30,000 |
| Leave encashment ( ref. note no. 31 Part B) | 1,03,21,917 | 95,50,000 |
| **Total** | 4,31,13,576 | 4,30,80,000 |

## 8) SHORT-TERM BORROWINGS

| | As at 31st March, 2016 ₹ | As at 31st March, 2015 ₹ |
|---|---|---|
| **From Banks:** | | |
| Cash Credit / Packing Credit * | **26,49,38,403** | 31,86,24,000 |
| Buyers Credit | **11,50,17,056** | 19,52,06,052 |
| **Total** | **37,99,55,459** | 51,38,30,052 |

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, 2016 ₹ | As at 31st March, 2015 ₹ |
|---|---|---|
| **Trade payables (including acceptances)** | | |
| Others | **57,03,54,300** | 69,21,99,585 |
| **Total** | **57,03,54,300** | 69,21,99,585 |

"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."

## 10) OTHER CURRENT LIABILITIES

| | As at 31st March, 2016 ₹ | As at 31st March, 2015 ₹ |
|---|---|---|
| Current maturities of long-term borrowings | **4,40,31,434** | 11,87,46,782 |
| Interest accrued but not due on borrowings | **3,53,868** | 1,16,377 |
| Interest free trade deposits | **37,18,804** | 37,18,804 |
| Advance from customers | **90,76,664** | 2,19,81,666 |
| Statutory liabilities | **98,81,139** | 67,10,876 |
| **Other payables:** | | |
| Creditors for capital goods | **2,32,83,595** | 3,32,45,356 |
| Employees related | **4,87,27,809** | 5,03,77,639 |
| Others | **12,73,45,166** | 13,21,27,678 |
| **Total** | **26,64,18,479** | 36,70,25,178 |

## 11) SHORT TERM PROVISIONS

| | | |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (ref. note no. 31 Part A) | **17,46,608** | 61,63,000 |
| Leave encashment ( ref. note no. 31 Part B) | **23,25,223** | 28,67,000 |
| **Total** | **40,71,831** | 90,30,000 |

## 12) FIXED ASSETS

| DESCRIPTION | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April 2015 ₹ | Additions during the year ₹ | Deductions during year ₹ | **As at 31st March 2016 ₹** | As at 1st April 2015 ₹ | As at year ₹ | For the during the year ₹ | **Deductions 31st March 2016 ₹** | **As at 31st March 2016 ₹** | As at 31st March 2015 ₹ |
| **Tangible assets** | | | | | | | | | | |
| 1. Lease hold Land | 43,75,252 | 7,89,300 | - | 51,64,552 | 10,13,216 | 48,025 | - | 10,61,241 | 41,03,311 | 33,62,036 |
| 2. Free Hold Land | 5,60,240 | - | - | 5,60,240 | - | - | - | - | 5,60,240 | 5,60,240 |
| 3. Buildings | 32,48,16,252 | 1,43,95,778 | - | 33,92,12,030 | 13,17,84,980 | 79,61,320 | - | 13,97,46,300 | 19,94,65,730 | 19,30,31,272 |
| 4. Plant & Equipments | 2,40,18,64,737 | 5,52,73,022 | 36,58,770 | 2,45,34,78,989 | 1,60,67,72,726 | 6,71,77,785 | 11,55,766 | 1,67,27,94,745 | 78,06,84,244 | 79,50,92,011 |
| 5. Furniture and Fixtures | 3,97,58,479 | 27,99,625 | - | 4,25,58,104 | 3,15,24,196 | 12,72,229 | - | 3,27,96,425 | 97,61,679 | 82,34,283 |
| 6. Tube Well | 1,66,658 | - | - | 1,66,658 | 1,66,658 | - | - | 1,66,658 | - | - |
| 7. Office Equipments | 1,17,15,211 | 2,41,036 | - | 1,19,56,247 | 1,02,27,097 | 7,52,814 | - | 1,09,79,911 | 9,76,336 | 14,88,114 |
| 8. Computers | 3,50,28,800 | 17,01,160 | - | 3,67,29,960 | 3,15,28,366 | 20,41,582 | - | 3,35,69,948 | 31,60,012 | 35,00,434 |
| 9. Vehicles | 2,51,03,446 | 17,00,391 | | 2,68,03,837 | 1,50,69,814 | 18,61,877 | - | 1,69,31,691 | 98,72,146 | 1,00,33,632 |
| 10. R & D Equipment | 8,10,69,685 | 63,650 | | 8,11,33,335 | 8,08,71,338 | 61,333 | - | 8,09,32,671 | 2,00,664 | 1,98,346 |
| **Tangible assets total** | **2,92,44,58,760** | **7,69,63,962** | **36,58,770** | **2,99,77,63,953** | **1,90,89,58,391** | **8,11,76,965** | **11,55,766** | **1,98,89,79,590** | **1,00,87,84,363** | **1,01,55,00,368** |
| **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** | **14,28,57,600** | **-** | **-** | **14,28,57,600** | **14,28,00,000** | **-** | **-** | **14,28,00,000** | **57,600** | **57,600** |

## 13) INVESTMENTS (AT COST)

| Face Value ₹ | | As at 31st March, 2016 Nos. | ₹ | As at 31st March, 2015 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 |
| | **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 |
| | **TOTAL (A+B)** | | **11,02,994** | | 11,02,994 |
| | **TOTAL (I+II)** | | **11,43,244** | | 11,43,244 |
| | Aggregate cost of quoted investment | | **10,64,237** | | 10,64,237 |
| | Aggregate market value of quoted investment | | **2,51,689** | | 2,19,762 |
| | Aggregate cost of unquoted investment | | **4,65,000** | | 4,65,000 |
| | 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, 2016 ₹ | As at 31st March, 2015 ₹ |
|---|---|---|---|
| Capital advances | | **96,40,572** | 56,87,511 |
| Deposits | | **1,66,64,661** | 1,23,97,996 |
| Balance with statutory/ government authorities | | **2,65,43,428** | - |
| **Other loans and advances** | | | |
| Loans to employees | | **32,81,011** | 25,59,612 |
| Prepaid expenses | | **3,26,154** | 6,16,680 |
| Advance income-tax (Net of provision of taxation) | | **-** | 2,73,900 |
| | **Total** | **5,64,55,826** | 2,15,35,699 |

## 15) INVENTORIES

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

| | | | |
|---|---|---|---|
| Stores & spares | | **1,73,78,070** | 1,64,47,372 |
| Raw materials | | **34,29,85,327** | 22,46,03,981 |
| Packing materials | | **3,64,32,092** | 3,13,55,332 |
| Work-in-process | | **15,34,37,340** | 16,49,98,234 |
| Traded goods | | **-** | 7,91,635 |
| Finished goods | | **3,81,69,686** | 1,48,24,378 |
| | **Total** | **58,84,02,515** | 45,30,20,932 |

## 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 | | **2,21,58,495** | 3,23,07,601 |
| Considered doubtful | | **1,23,08,060** | 2,03,91,542 |
| | | **3,44,66,555** | 5,26,99,143 |
| Less: Provision for doubtful debts | | **(1,23,08,060)** | 2,03,91,542 |
| | | **2,21,58,495** | 3,23,07,601 |
| **Other debts** | | | |
| Others | | **54,67,02,310** | 77,93,57,706 |
| | **Total** | **56,88,60,805** | 81,16,65,307 |

## 17) CASH AND BANK BALANCES

| | | | |
|---|---|---|---|
| **Cash and cash equivalent** | | | |
| Balance with banks in current accounts | | **68,93,816** | 38,31,258 |
| Cash on hand | | **9,10,446** | 18,04,360 |
| Other bank balances | | | |
| Margin money deposits (with original maturity up to 12 months) | | **3,93,28,289** | 3,16,87,618 |
| | **Total** | **4,71,32,551** | 3,73,23,235 |

## 18) SHORT TERM LOANS AND ADVANCES

*(Unsecured considered good, unless stated otherwise)*

| | | | |
|---|---|---|---|
| Loans to employees | | **14,89,100** | 18,86,906 |
| Balance with statutory/ government authorities | | **26,66,04,175** | 33,24,50,032 |
| Prepaid expenses | | **92,58,995** | 1,54,80,577 |
| Advance income-tax (Net of provision of taxation) | | **26,67,978** | 22,77,570 |
| Others | | **5,57,26,743** | 4,57,34,953 |
| | **Total** | **33,57,46,991** | 39,78,30,038 |

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

### 19) REVENUE FROM OPERATION

| | | Year ended 31st March, 2016 ₹ | Year ended 31st March, 2015 ₹ |
|---|---|---|---|
| Sale of products | | 2,97,19,74,385 | 3,27,53,11,129 |
| **Other operating income** | | | |
| Scrap sales | | 18,40,280 | 21,27,898 |
| Other | | 7,87,62,110 | 7,02,38,082 |
| **Revenue from operations** | **Total** | 3,05,25,76,775 | 3,34,76,77,109 |

### 20) OTHER INCOME

| | | | |
|---|---|---|---|
| Dividend income | | | |
| Long-term investments | | 7,287 | 5,487 |
| Interest income | | - | |
| On fixed deposit | | 34,99,063 | 19,05,755 |
| Others | | 11,23,379 | 63,942 |
| Provision for doubtful debts written back | | 1,23,00,000 | - |
| Recovery from bad debts | | - | 40,00,000 |
| Net profit on sale of assets | | 1,69,330 | 61,201 |
| Liabilities written back | | 4,85,414 | 13,86,411 |
| Foreign exchange gain (net) | | 48,56,236 | 5,72,46,763 |
| Insurance claim | | 10,54,213 | 1,47,552 |
| Miscellaneous income | | 1,78,559 | 5,78,688 |
| | **Total** | 2,36,73,481 | 6,53,95,799 |

### 21) COST OF MATERIALS CONSUMED

| | | | |
|---|---|---|---|
| **Raw material consumption** | | | |
| Opening stock | | 22,46,03,981 | 27,05,29,350 |
| Add: Purchases | | 1,77,04,88,323 | 1,84,99,28,387 |
| | | 1,99,50,92,304 | 2,12,04,57,737 |
| Less : Closing stock | | 34,29,85,327 | 22,46,03,981 |
| | | 1,65,21,06,977 | 1,89,58,53,756 |
| **Packing materials consumption:** | | | |
| Opening stock | | 3,13,55,332 | 3,19,87,573 |
| Add: Purchases | | 13,84,73,152 | 17,55,57,294 |
| | | 16,98,28,484 | 20,75,44,867 |
| Less : Closing stock | | 3,64,32,092 | 3,13,55,332 |
| | | 13,33,96,392 | 17,61,89,535 |
| | **Total** | 1,78,55,03,369 | 2,07,20,43,291 |

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

| | | | |
|---|---|---|---|
| Opening stock | | | |
| Finished goods | | 1,48,24,378 | 3,60,04,024 |
| Traded goods * | | 7,91,635 | 35,48,930 |
| Less: Transferred on slump sale (refer note 35) | | (7,91,635) | - |
| Work in progress | | 16,49,98,234 | 17,47,67,508 |
| | | 17,98,22,612 | 21,43,20,462 |
| Less : Closing stock | | | |
| Finished goods | | 3,81,69,686 | 1,48,24,378 |
| Traded goods | | - | 7,91,635 |
| Work in progress | | 15,34,37,340 | 16,49,98,234 |
| | | 19,16,07,026 | 18,06,14,247 |
| Net( increase)/ decrease | **Total** | (1,17,84,414) | 3,37,06,215 |

* Opening balance of traded goods pertaining to consumer care division was transferred on slump sale on 1st April, 2015

## 23) EMPLOYEE BENEFIT EXPENSES

| | | Year ended 31st March, 2016 ₹ | Year ended 31st March, 2015 ₹ |
|---|---|---|---|
| Salaries, wages and bonus | | **24,41,99,618** | 25,19,92,016 |
| Contribution to provident and other fund | | **1,36,68,898** | 1,43,51,873 |
| Staff welfare expense | | **2,23,73,304** | 2,19,20,303 |
| | **Total** | **28,02,41,820** | 28,82,64,192 |

## 24) OTHER EXPENSES

| | | | |
|---|---|---|---|
| Stores and spares consumed | | **5,47,94,713** | 4,14,02,011 |
| Power and fuel | | **14,09,88,563** | 12,92,78,400 |
| Rent | | **2,40,00,000** | 2,56,54,076 |
| **Repairs and maintenance** | | | |
| Building | | **1,01,84,904** | 77,54,704 |
| Machinery | | **1,47,05,350** | 90,16,185 |
| Others | | **44,74,803** | 30,33,864 |
| Insurance | | **62,75,912** | 63,65,301 |
| Commission on sales | | **8,14,05,871** | 7,21,71,029 |
| Selling and distribution expenses | | **1,20,59,616** | 94,03,804 |
| Packing, freight and forwarding | | **4,47,31,430** | 5,17,53,103 |
| Payment to auditors (Refer details below) | | **9,30,851** | 8,78,670 |
| Printing and stationery | | **62,27,934** | 67,65,599 |
| Postage, telegram and telephone | | **54,36,945** | 43,76,091 |
| Travelling and conveyance | | **2,43,12,300** | 1,92,41,566 |
| Legal and professional fees | | **3,60,75,411** | 3,37,62,118 |
| Rates and taxes | | **82,95,779** | 47,49,200 |
| Labour charges | | **1,02,00,095** | 1,81,87,556 |
| Directors' sitting fees | | **4,73,000** | 2,68,000 |
| Provision for doubtful debts | | **42,16,518** | - |
| Sundry balances written off | | **7,425** | 11,19,575 |
| Corporate social responsibility expenses | | **39,200** | 1,32,000 |
| Miscellaneous expenses | | **8,82,08,817** | 9,04,55,770 |
| | **Total** | **57,80,45,437** | 53,57,68,622 |
| **Payment to auditors** | | | |
| As auditor | | | |
| Audit fee | | **7,30,851** | 7,28,670 |
| Tax audit fee | | **2,00,000** | 1,50,000 |
| | **Total** | **9,30,851** | 8,78,670 |

## 25) FINANCE COST

| | | | |
|---|---|---|---|
| Interest expense | | **6,96,93,014** | 7,20,61,597 |
| Other borrowing cost | | **5,59,15,101** | 5,76,34,165 |
| | **Total** | **12,56,08,115** | 12,96,95,762 |

## 26) DEPRECIATION AND AMORTISATION

| | | | |
|---|---|---|---|
| Depreciation on tangible assets | | **8,11,76,965** | 12,27,30,995 |
| Depreciation on intangible assets | | **-** | - |
| Less: Written back on change in policy | | **-** | (2,63,04,366) |
| | **Total** | **8,11,76,965** | 9,64,26,629 |

## 27) EXCEPTIONAL ITEMS INCOME / (EXPENSES)

| | | | |
|---|---|---|---|
| Gain on slump sale of consumer care division (Refer note no 35) | | **2,06,081** | - |
| Stamp duty expense | | **(1,21,55,136)** | - |
| 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** | **(1,19,49,055)** | (54,48,63,487) |

## 28) EARNINGS PER EQUITY SHARE

| | Year ended 31st March, 2016 ₹ | Year ended 31st March, 2015 ₹ |
|---|---|---|
| Number of equity shares | **4,32,52,602** | 4,11,02,602 |
| Weighted average number of equity shares | **4,13,96,318** | 3,97,60,273 |
| Face value per share | **10** | 10 |
| Profit / (Loss) after tax | **10,71,85,516** | (39,12,44,444) |
| Less: Dividend on preference shares | **-** | - |
| Profit after tax available to equity shareholders | **10,71,85,516** | (39,12,44,444) |
| Profit after tax available to equity shareholders from discontinuing operations | **10,71,85,516** | (36,31,11,934) |
| Basic and diluted earning per share total operations | **2.59** | (9.84) |
| Basic and diluted earning per share continuing operations | **2.59** | (9.13) |

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

| | As on 31st March, 2016 ₹ | As on 31st March, 2015 ₹ |
|---|---|---|
| Guarantees given by the bankers on behalf of the Group | **99,93,150** | 1,02,17,238 |
| ii) Bills discounted with Banks | **33,14,65,324** | 51,58,80,825 |
| iii) Disputed tax matters:- | | |
| a) Service tax demand disputed in appeal | **43,53,301** | 40,08,819 |
| b) Excise duty demand disputed in appeal | **51,11,067** | 46,60,949 |
| iv) Other claims/demands against company not acknowledged as debts | | |
| a) Demand under drug Price control order - 95 ( DPCO - 95 ) demand disputed in appeal | **5,91,34,474** | 5,91,34,474 |
| b) Others | **29,09,052** | 29,09,052 |

Note: Other legal issues are either in ordinary coures of business or not of substantial nature and mangement is resonably confident of their positive outcome. Management shall deal with them judiciously and provide for appropriately, if any such need arises.

**30)** Estimated amount of contracts remaining to be executed on capital account not provided for ₹ **5,91,97,744/-** ( Previous year ₹62,38,140/)

**31) EMPLOYEE BENEFITS :**

The disclosures required under Accounting standard 15 " Employee Benefits" notified in the Companies ( Accounting Standards) Rules 2006, are given below :

**A) Defined Contribution Plan**

Contributions to defined Contribution plan, recognised are charged off for the year are as under:

| | Year ended 31st March 2016 | Year ended 31st March 2015 |
|---|---|---|
| Employer's contribution to provident fund | **1,36,09,649** | 1,42,44,358 |

**B) Defined benefit plan**

The employees gratuity scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner.

**Part A : Gratuity Benefits**

| | Gratuity benefit Unfunded | |
|---|---|---|
| | **As on 31st March, 2016** ₹ | As on 31st March, 2015 ₹ |
| **i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation** | | |
| Obligation at the beginning of the year | **3,96,93,000** | 2,80,43,000 |
| Obligation of subsidiary company reversed | **-** | - |
| Interest cost | **31,75,440** | 22,43,440 |
| Service cost | **37,35,109** | 28,14,897 |
| Liability transferred out (on account of discontinuing business operations) | **(9,25,000)** | - |
| Actuarial (gain)/ loss | **(95,76,901)** | 83,58,768 |
| Benefits paid | **(15,63,381)** | (17,67,105) |
| **Obligation at the year end** | **3,45,38,267** | 3,96,93,000 |
| **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 |
| Actuarial (gain)/ loss | **-** | - |
| Benefits paid | **-** | (3,96,93,000) |
| **Fair value of plan assets at the end of the year** | **-** | - |
| **Unfunded status** | **(3,45,38,267)** | (3,96,93,000) |
| **iii) Limits of corridor not considered since total actuarial gain/loss is being recognised as on 31st March 2016** | | |
| Actuarial gain / (loss) for the year- obligation | **95,76,901** | 83,58,768 |
| Actuarial gain/(loss) for the year- plan assets | **-** | - |
| Sub- Total | **95,76,901** | 83,58,768 |
| **Actuarial loss recognised** | **95,76,901** | (83,58,768) |
| **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 | **(3,45,38,267)** | (3,96,93,000) |
| Fair value of plan assets at the end of the year | **-** | - |
| **Liability/(Asset) recognised in the balance sheet** | **(3,45,38,267)** | (3,96,93,000) |
| **v) Cost for the year** | | |
| Service cost | **37,35,109** | 28,14,897 |
| Interest cost | **31,75,440** | 22,43,440 |
| Expected return on plan assets | **-** | - |
| Actuarial (gain)/loss | **(95,76,901)** | 83,58,768 |
| **Net cost recognised in the profit & loss account** | **(26,66,352)** | 1,34,17,105 |
| **vi) Movement in the liability recognised in the balance sheet** | | |
| Opening net liability | **3,96,93,000** | 2,80,43,000 |
| Expenses as above | **(26,66,352)** | - |
| Obligation of subsidiary company reversed | **-** | 1,34,17,105 |
| Liability transferred out (on account of discontnuing business operations) | **(9,25,000)** | - |
| Contribution paid | **(15,63,381)** | (17,67,105) |
| **Closing net liability** | **3,45,38,267** | 3,96,93,000 |
| **vii) Assumptions used to determine the benefit obligations:** | | |
| Discount rate | **7.96%** | 8.00% |
| Rate of increase in compensation levels | **6.00%** | 6.00% |

**Part B : Leave Encashment**

| | Gratuity benefit Unfunded | |
|---|---|---|
| | **As on 31st March, 2016** ₹ | As on 31st March, 2015 ₹ |
| **i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation** | | |
| Obligation at the beginning of the year | **1,24,17,000** | 88,61,000 |
| Obligation of subsidiary company reversed | **-** | - |
| Interest cost | **9,93,360** | 7,08,880 |
| Service cost | **13,00,537** | 10,50,323 |
| Liability transferred out (on account of discontnuing business operations) | **(7,16,000)** | - |
| Actuarial (gain)/ loss | **(2,70,710)** | 34,14,223 |
| Benefits paid | **(10,77,047)** | (16,17,426) |
| **Obligation at the year end** | **1,26,47,140** | 1,24,17,000 |
| **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 |
| Actuarial (gain)/ loss | **-** | - |
| Benefits paid | **-** | (1,24,17,000) |
| **Fair value of plan assets at the end of the year** | **-** | - |
| **Unfunded atatus** | **(1,26,47,140)** | (1,24,17,000) |
| **iii) Limits of corridor not considered since total actuarial gain/loss is being recognised as on 31st March, 2016** | | |
| Actuarial (loss) for the year- obligation | **(2,70,710)** | 34,14,223 |
| Actuarial gain/(loss) for the year- plan assets | | |
| Sub- Total | **(2,70,710)** | 34,14,223 |
| **Actuarial loss recognised** | **(2,70,710)** | (34,14,223) |
| **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 | **(1,26,47,140)** | 1,24,17,000 |
| Fair value of plan assets at the end of the year | **-** | - |
| **Liability/(Asset) recognised in the balance sheet** | **(1,26,47,140)** | 1,24,17,000 |
| **v) Cost for the year** | | |
| Service cost | **13,00,537** | 10,50,323 |
| Interest cost | **9,93,360** | 7,08,880 |
| Expected return on plan assets | **-** | - |
| Actuarial (gain)/loss | **(2,70,710)** | 34,14,223 |
| **vi) Net cost recognised in the profit & loss account** | **20,23,187** | 51,73,426 |
| **Movement in the liability recognised in the balance sheet** | | |
| Opening net liability | **1,24,17,000** | 88,61,000 |
| Obligation of subsidiary company reversed | **-** | - |
| Expenses as above | **20,23,187** | 51,73,426 |
| Liability transferred out (on account of discontnuing business operations) | **(7,16,000)** | - |
| Contribution paid | **(10,77,047)** | (16,17,426) |
| **Closing net liability** | **1,26,47,140** | 1,24,17,000 |
| **vii) Assumptions used to determine the benefit obligations:** | | |
| Discount rate | **7.96%** | 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:**

**For the year 2015-16:**

During the year, the Company was primarily engaged in Pharmaceutical business and there were no other reportable business segments.

For the year 2014-15:

**(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)** |

Note 1: During the year, consumer care division was sold for a consideration of ₹ 2,00,00,000/- with effect from 1st April, 2015, carrying amount of net assets in respect of such division was ₹ 1,97,93,919/-. (Refer Note 35 for details)

Note 2: 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 | **Year ended 31st March, 2016 ₹** | Year ended 31st March, 2015 ₹ |
|---|---|---|
| Revenue from operation (net) | | |
| In India | **78,28,85,352** | 84,72,54,856 |
| Outside India | **2,18,90,89,033** | 2,42,80,56,273 |
| **Total** | **2,97,19,74,385** | 3,27,53,11,129 |

**33)** The company has unabsorbed depreciation and carry forward of losses 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.

**34)** During the previous year, the Company 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 was calculated retrospectively on straight line method and accordingly the Company recorded reversal of depreciation expense amounting to ₹4,57,81,348/- pertaining to earlier years in the previous year's statement of profit & loss .

**35. DISCONTINUING OPERATIONS**

During the year, pursuant to the agreement with Kopran Lifestyle Limited on 8th August, 2015, the Company transferred its Consumer Care Division for a consideration of ₹ 2 Crores, on a slump sale basis to Kopran Lifestyle Limited with effect from 1st April, 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** | Continuing Operations | Discontinuing Operations |
|---|---|---|---|---|
| Profit/(loss) from ordinary activities | **For the year 2015-2016** | **For the year 2015-2016** | For the year 2014-2015 | For the year 2014-2015 |
| Income | **2,98,68,64,843** | **-** | 3,32,26,64,947 | 2,54,13,547 |
| Less: Expenses | **(2,86,77,30,271)** | **-** | (3,16,90,45,904) | (5,35,46,057) |
| Profit before exceptional items, extraordinary items and tax | **11,91,34,572** | **-** | 15,36,19,043 | (2,81,32,510) |
| Less: Exceptional items | **(1,19,49,055)** | **-** | (54,48,63,487) | - |
| Less: Tax expense | **-** | **-** | - | - |
| Profit after tax | **10,71,85,517** | **-** | (39,12,44,444) | (2,81,32,510) |

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

| | As on 1st April 2015 |
|---|---|
| Total assets | 2,84,94,071 |
| Total liabilities | 87,00,152 |
| Net assets transferred | 1,97,93,919 |
| Consideration | 2,00,00,000 |
| Gain on slump sale | 2,06,081 |

**36)** 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 Surendra Somani - Executive Vice Chairman
Shri Ajit Jain -Director and Chief Operating Officer (upto 31st January, 2016)

**ii) Relatives of Key Managerial Personnels (with whom there are transactions)**
Shri Ayush Jain
Mrs Vandana Somani

**iii) Enterprises significantly influenced by KMP or their relatives (with whom there are transactions)**
Oricon Enterprises Limited
Kopran Laboratories Limited
Shinrai Auto Services Limited

**iv)** 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, 2016 ₹** | Year ended 31st March, 2015 ₹ |
|---|---|---|
| **i) Key Management Personnel :** | | |
| Remuneration paid to personnels | **1,42,40,000** | 1,77,19,767 |
| Loan taken (Mr Surendra Somani) | **5,02,00,000** | 4,84,00,000 |
| Loan repayment (Mr Surendra Somani) | **5,52,00,000** | - |
| **ii) Relatives of Key Managerial Personnels (with whom there are transactions)** | | |
| Remuneration paid (Mr Ayush Jain) | **1,28,600** | 8,47,921 |
| Loan taken (Mrs Vandana Somani) | **23,00,000** | 6,41,00,000 |
| **iii) Enterprises significantly influenced by KMP or their relatives (with whom there are transactions)** | | |
| **a) Oricon Enterprises Ltd** | | |
| Purchase of materials | **26,35,85,223** | 22,35,68,347 |
| Rent expenses | **2,40,00,000** | 2,40,00,000 |
| Miscellanous expenses | **1,34,978** | - |
| Purchase of fixed assets | **60,33,912** | - |
| Loan taken | **-** | 1,25,00,000 |
| Loan repayment | **-** | 1,41,01,619 |
| **b) Kopran Laboratories Limited** | | |
| Purchase of materials | **16,37,16,288** | 14,82,63,786 |
| Loan given | **-** | 6,18,61,600 |
| Loan repayment | **-** | 9,97,02,047 |
| **c) Shinrai Auto Services Limited** | | |
| Repairs charges paid | **8,12,487** | 3,95,169 |
| Loan given | **11,00,00,000** | 5,20,00,000 |
| Loan repayment | **11,00,00,000** | 5,40,00,000 |
| Interest received | **10,06,652** | - |
| Motor car purchase | **18,84,216** | 29,56,171 |
| **Outstanding Balances of Related party** | | |
| **Receivable** | | |
| a) Shinrai Auto Services Limited | **-** | 3,17,219 |
| **Payable** | | |
| a) Oricon Enterprises Limited | **15,43,84,766** | 12,81,51,066 |
| b) Kopran Laboratories Limited | **4,70,64,618** | 2,99,22,415 |
| c) Shinrai Auto Services Limited | **4,84,927** | - |
| **Outstanding Borrowings** | | |
| a) Mr Surendra Somani | **4,34,00,000** | 4,84,00,000 |
| b) Mrs Vandana Somani | **6,64,00,000** | 6,41,00,000 |

**37)** 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.

**38) Derivative instruments and unhedged foreign currency exposure:**

(a) Particulars of derivatives as at balance sheet date:

| **Purpose** | | Particulars of Derivative | |
|---|---|---|---|
| | | **2015-2016** | 2014-2015 |
| Forward exchange contracts (for export debtors) | USD | **1,15,63,764** | 1,15,00,000 |
| Forward contract value | ₹ | **76,70,24,486** | 75,48,20,000 |

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

| **Particulars of derivative** | **2015-2016** | | 2014-2015 | |
|---|---|---|---|---|
| | **Amount (₹)** | **Foreign Currency** | Amount (₹) | Foreign Currency |
| Payables (including borrowings) | **22,13,31,440** | **USD 19,20,492** | 34,34,64,193 | USD 5,487,822 |
| | - | - | 1,25,31,493 | EURO 186,481 |
| Receivables | **30,07,64,583** | **USD 45,34,367** | 39,53,38,267 | USD 6,319,766 |
| | **43,30,981** | **EURO 57,677** | 58,08,802 | EURO 86,028 |
| | **1,28,84,137** | **GBP 1,35,494** | 44,89,640 | GBP 48,460 |
| Foreign currency bank account | **26,20,172** | **USD 39,502** | 78,163 | USD 1,251 |

**39)** 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 ₹ **24,000,000 /-** ( Previous year ₹ 2,56,54,076/- )

b Total of future minimum lease payments in respect of such non cancellable operating lease are as follows:

| Particulars | **2015-2016** | 2014-2015 |
|---|---|---|
| (i) Not later than one year | **2,40,00,000** | 2,40,00,000 |
| (ii) Later than one year and not later than five years | **6,60,00,000** | 9,00,00,000 |
| (iii) Later than five years | **-** | - |

c There are no restrictions such as those concerning dividend, additional debt, and further leasing. There is contingent rent payment, esclation clause or specific renewal or purchase option.

**40)** 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 development of Active Pharmaceutical Ingredients. Therefore the company has now decided not to invest further in the new chemical over the years in the research of the new chemical entities. The management has decided to write off the Capital WIP invested over the years in the research of the new chemical entities as on 31st March, 2015.

**41)** Payment of Bonus Act,1965 has been amended during the year,enhancing the limit of entitlement of employee to whom the act becomes applicable with retrospective amendment w.e.f 01/04/2014 , High Court of various states have stayed the retrospective application of the act w.e.f 01/04/2014. Accordingly, the company relying upon the said stay has implemented the revised Act, w.e.f 01/04/2015

Additional liability, if any, on the retrospective amendment will be provided in the year of final decision by the courts.

**42) Corporate Social Responsibility (CSR)**

Details of CSR Expenditure as per Section 135 of the Companies Act, 2013 :-

| Particulars | **2015-2016** | 2014-2015 |
|---|---|---|
| (a) Gross amount required to be spent by the company during the year | **-** | - |
| (b) Amount spent during the year (In Cash) on :- | | |
| (i) Construction / Acquistion of any asset | **-** | - |
| (ii) On purposes other than (i) above | **39,200** | 1,32,000 |
| (c) Amount unspent | **-** | - |

**43)** 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.

**44)** 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.

**45)** Previous years' figures have been regrouped 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 : 30th May, 2016

**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**

## 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 57th Annual General Meeting of the members of Kopran Limited will be held on Saturday, 10th September, 2016 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, 2016 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."

**Notes:**

1. 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.

2. 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.

3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided such person shall not act as a proxy for any other person or shareholder.

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 08th September 2016 to 10th September 2016 (both days inclusive).

7. The Notice of the AGM along with Annual Reports 2015-16 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 to the 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 shall be 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.

10. Other instructions

a. Mr. Prabhat Maheshwari (Membership No.2405) Partner of GMJ & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the members who do not have access to the e-voting process) in a fair and transparent manner.

b. The Scrutinizer shall, within a period not exceeding 3 working days from the conclusion of the e-voting period, unblock the votes in presence of at least 2 witnesses not in employment of the Company and make a Scrutinizer's Report of the vote cast in favour or against, if any, forthwith to the Chairman of the Company.

c. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Prabhat Maheshwari (Membership No.2405) Partner of GMJ & Associates, Practicing Company Secretaries, at the Registered Office of the Company not later than 8th September, 2016 (5.00 p.m. IST).

Ballot Form received after this date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

d. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kopran.com and on the website of CDSL within two days of the passing of the resolutions at the 57th AGM of the Company on 10th September, 2016 and communicated to the BSE & NSE, where the shares of the Company are listed.

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

(i) The voting period begins on 7th September,2016 at 9.00 a.m and ends on 9th September, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 3rd September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) Click on Shareholders

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com 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. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

(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.

**(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

**(xix) Note for Non – Individual Shareholders and Custodians**

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

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

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

(B) The voting period begins on 7th September, 2016 at 9.00 a.m and ends on 9th September, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 3rd September, 2016 , 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.

For Kopran Limited

Sunil Sodhani
Company Secretary

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

Place: Mumbai
Date: 30th May, 2016

# FINANCIAL HIGHLIGHTS

(₹ in Lacs)

| Particulars | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 |
|---|---|---|---|---|---|---|---|
| Share Capital | 5183 | 4968 | 4763 | 4763 | 4763 | 4763 | 4568 |
| Reserves & Surplus | 14482 | 12181 | 9752 | 8048 | 6842 | 6225 | 5685 |
| Networth | 19665 | 17149 | 14515 | 12811 | 11605 | 10988 | 10253 |
| Fixed Assets(net) | 3517 | 3365 | 10350 | 10711 | 11160 | 11215 | 11837 |
| Sales/Other Income | 18814 | 33207 | 30330 | 25194 | 20447 | 19764 | 16623 |
| Gross Profit/(loss) | 2577 | 3810 | 4396 | 3601 | 2725 | 2385 | 2052 |
| Interest/Finance Charges | 999 | 1297 | 1446 | 1188 | 966 | 749 | 618 |
| Depreciation | 314 | 958 | 1246 | 1208 | 1142 | 1123 | 1116 |
| Current Tax | - | - | - | - | - | - | - |
| Net Profit/(loss) | 1144 | 1548 | 1704 | 1206 | 617 | 540 | 997 |
| Earning per share(Rs) | 2.76 | 3.89 | 4.36 | 3.09 | 1.58 | 1.32 | 0.8 |

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 Read with Rule 19(3) of the Companies (Management and Administration) Rules 2014]

**Kopran Limited**

CIN: L24230MH1958PLC011078 Registered office: 1076 DR E Moses Road, Worli, Mumbai – 400018

Name of the Member(s) : .....

Registered address : .....

E-mail Id: .....

Folio No. / Client ID: .....

DP ID: .....

I /We being the member(s) of ..... Shares of the above named Company hereby appoint:

(1) Name: .....

Address: .....

E-mail Id: .....

Signature

or failing him;

(2) Name: .....

Address: .....

E-mail Id: .....

Signature

or failing him;

(3) Name: .....

Address: .....

E-mail Id: .....

Signature

As my/ our proxy to attend and vote (on a poll) for me / us and on my/ our behalf at the 57th Annual General Meeting of the Company to be held on Saturday, 10th September, 2016 at 3.00 p.m. at Shri S K Somani Memorial Hall, 79 Marine Drive, Mumbai – 400 020 and at any adjournment thereof in respect of such resolution as are indicated below:

| Item No. | RESOLUTIONS | | |
|---|---|---|---|
| | **Ordinary Business** | For | Against |
| 1. | Consider and adopt Annual Financial Statement of the Company for the year ended 31st March, 2016 together with Reports of Board of Directors and Auditor's thereon | | |
| 2. | Ratification for Re-appointment of M/s Batliboi & Purohit as Statutory Auditor | | |

Signed this …….....…….day of …….....…..2016

Signature of the Shareholder ……..

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

## Notes

## 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 24950363

### Form No. MGT-12

### Polling Paper

[Pursuant to section 109 (5) of the Companies Act, 2013 and rule 21(1) ( c) of the Companies ( Management and Administration ) Rules, 2014]

### BALLOT PAPER

| Sr. No. | Particulars | Details |
|---|---|---|
| 1. | Name of the first named shareholder (Block Letters) | |
| 2. | Postal address | |
| 3. | Registered Folio No./*Client ID No. (*applicable to investors holding shares in dematerialized form) | |
| 4. | Class of Share | Equity Share |

I hereby exercise my vote in respect of Ordinary/Special Resolutions enumerated below by recording my assent or dissent to the said Resolutions in the following manner:

(* Please tick √ (for assent) or X (for dissent) in applicable items)

| No. | Item No. | Number of Shares held by me | I assent to the Resolution | I dissent from the Resolution |
|---|---|---|---|---|
| 1 | Consider and adopt Annual Financial Statement of the Company for the year ended 31st March, 2016 together with Reports of Board of Directors and Auditor's thereon | | | |
| 2 | Ratification for Re-appointment of M/s Batliboi&Purohit as Statutory Auditor | | | |

Place : Mumbai

Date : ……

**(Signature of the Shareholder )**

## Kopran Limited

CIN: L24230MH1958PLC011078 Registered office: 1076 DR E Moses Road, Worli, Mumbai – 400018

**Attendance Slip**

(To be presented at the entrance)

I /We hereby record my / our presence at the 57th Annual General Meeting of the Company at Shri S. K. Somani Memorial Hall, 79 Marine Drive, Mumbai – 400 020 on Saturday 10th September, 2016 at 3.00 P.M.

Shareholders Details:

Full name (Block Letters) .....

Folio No.:.....

DP ID No.: .....

Client ID No.:.....

Name of Proxy holder .....

..... Signature of Proxy holder

..... Signature of Shareholders

Courier

*If mail undelivered please return to:*

**KOPRAN LIMITED**

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

SAROJ PRINTS
022-6692 0055 • email: sarojprintarts@gamil.com