



BOARD OF DIRECTORS :

Mr. V. N. Khanna	Chairman
Mr. Surendra Somani	Executive Vice Chairman
Mr. Susheel G. Somani	Director
Dr. A. K. Mehta	Director
Mr. Ajit Jain	Executive Director and Chief Operating Officer
Mr. Amit Rajan	Director
Mr. V.K. Bhandari	Director

COMPANY SECRETARY :

Mr. Sunil Sodhani
(Appointed w.e.f.28th May,2014)

SECRETARIAL AUDITORS:

M/s. GMJ & Associates
Practicing Company Secretaries

INTERNAL AUDITORS:

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

AUDITORS :

M/s. Batliboi & Purohit
Chartered Accountants, Mumbai

BANKERS :

State Bank of India
The Federal Bank Limited
Punjab National Bank

REGISTERED OFFICE :

“Parijat House”,
1076, Dr. E. Moses Road, Worli,
Mumbai-400 018.
CIN: L24230MH1958PLC011078

FORMULATION UNIT :

Village Savroli,
Taluka Khalapur,
Dist. Raigad, Khopoli- 410 202
Maharashtra.

API UNIT:

K-4 Additional M.I.D.C,
Village Birwadi,
Mahad - 402 302
Maharashtra.

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 55th Annual Report of the company along with the Audited Statements of Accounts for the year ended on 31st March, 2014.

FINANCIAL RESULTS

(₹ in Lacs)

Particulars	For the Financial Year 2013-14	For the Financial Year 2012-13
Total Revenue	30,330	25,194
Profit before Depreciation, Interest and Tax	4,396	3,601
Net Profit/(Loss) for the period	1,704	1,206

FINANCIAL PERFORMANCE**Standalone**

Net revenue from operations on standalone basis increase to ₹ 30,330 Lacs as against ₹ 25,194 Lacs in the previous year, a growth of 20%. The profit after tax for the current year is ₹1,704 Lacs as against ₹ 1,206 Lacs in the previous year, a growth of 41%.

Consolidated

On consolidated basis your Company achieved net revenue of ₹ 30,481 Lacs as against ₹ 25,203 Lacs a growth of 21%

Consolidated net profit after tax for the current year is ₹1,718 Lacs as against ₹1,112 Lacs in the previous year, a growth of 54%.

SUBSIDIARIES

Kopran Research Laboratories Ltd., Kopran (H.K) Ltd. and Kopran Lifesciences Ltd. are the existing wholly owned subsidiaries of the company.

Pursuant to the provision of section 212(8) of the said Act, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with the Balance Sheet of the Company. Therefore Board of Directors at its Meeting held on 28th May, 2014 has decided not to attach Annual Report of the Subsidiary Companies with this Annual Report.

A shareholder can inspect the accounts of Subsidiary Companies at the Registered Office of the Company and Company will also provide copy of Annual Report on request of the shareholder.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements pursuant to Listing Agreement entered with Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. are prepared according to relevant Accounting Standards are attached hereto.

DIVIDEND

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

CREDIT RATING

CRISIL has assigned the Long Term Credit Rating CRISIL BBB- and Short Term Credit Rating is CRISIL A3.

SECRETARIAL AUDIT

GMJ & Associates Practicing Company Secretaries, conducted secretarial audit, pursuant to the provisions of section 383A of the Companies Act, 1956 for the Financial Year 2013-14. GMJ & Associates has submitted the report confirming compliance with the applicable provisions of Companies Act, 1956 and other rules and regulations issued by SEBI/other regulatory authorities.

DIRECTORS' RESPONSIBILITY STATEMENT**PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT 1956, IT IS HEREBY CONFIRMED THAT:**

- I. In the preparation of the Final Accounts for the year ended 31st March, 2014, the applicable Accounting Standards have been followed and that no material departures have been made from the same.
- II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the period under review and of the profit or loss of the company for that period.
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- IV. The Directors have prepared the Accounts for the period ended 31st March, 2014 on a going concern basis.

**CASH FLOW STATEMENT**

In conformity with provisions of clause 32 of the Listing Agreement, the Cash Flow Statement for the year ended 31st March, 2014 is included in this Annual Report.

INDUSTRIAL RELATIONS AND PERSONNEL

Your Company enjoyed warm and healthy relations with its employees at all locations and Directors take this opportunity to record their appreciation for the outstanding contribution made by employees at all levels.

DIRECTORS

The Board of Directors of your Company have re-appointed Mr. V.N. Khanna, Dr. A.K. Mehta, Independent Directors and Mr. Surendra Somani, Executive Vice-Chairman of the Company, who being eligible, offer themselves for re-appointment.

The appropriate resolutions for their re-appointment as Directors are being placed before you for your approval at the ensuing Annual General Meeting. The brief resume of the aforesaid Directors and other informations have been detailed in the Notice. The Board of Directors recommends for their appointments as Directors in the interest of the company.

STATUTORY AUDITORS

The Statutory Auditors of the company M/s. Batliboi & Purohit, Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if reappointed. The Audit Committee and the Board of Directors recommend their appointment as statutory auditors of the company for the financial year 2014-2015.

The observation of the Auditors in their Report on accounts read with relevant notes are self explanatory.

CORPORATE GOVERNANCE

The Report on Corporate Governance along with the Auditor's Certificate, pursuant to clause 49 of the Listing Agreement is attached herewith as Annexure I and forms part of this Report.

INSURANCE

All the insurable interests of your Company including inventories, buildings, plant and machinery and liabilities under legislative enactments are adequately insured.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion & Analysis Report pursuant to clause 49 of the Listing Agreement is attached as Annexure II and forms part of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS & OUTGO

A Report on Conservation of Energy, Technology Absorption and Foreign Earnings & Outgo pursuant to Section 217(1)(e) of the Companies Act, 1956 is attached herewith as Annexure III and forms part of this Report.

FIXED DEPOSITS

The company has neither accepted nor renewed any fixed deposits from public during the year under review.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, names and other particulars of employees are required to be attached to this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Annual Accounts of your Company sent to the shareholders do not contain the said annexure. Any member desirous of obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

ACKNOWLEDGEMENTS

Your Directors place on record their deep sense of appreciation for the contribution of employees at all levels and for the support from the financial institutions, banks, lenders and their associates.

Registered Office:
Parijat House, 1076, Dr. E. Moses Road,
Worli, Mumbai- 400018

Place : Mumbai
Date : 28th May, 2014

For & on behalf of the Board

Surendra Somani
Executive Vice Chairman

ANNEXURE I TO THE DIRECTORS' REPORT - CORPORATE GOVERNANCE

(As Per Clause 49 of the Listing Agreement)

1. Corporate Governance Philosophy

The Company is committed to high standard in 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.

Corporate Ethics

Company adheres to high standard of business ethics, compliance with the Law of the Land in letter and spirit, and public interest.

Code of Conduct

The Board of Directors has adopted a Code of Conduct for its members and senior management at the Board Meeting held on 30th January, 2006. The Code of Conduct impresses upon Directors and Senior Management to uphold the interest of the company and its stakeholders and to fulfill all the fiduciary obligations towards them. The Code of Conduct further enjoins the Directors and Senior Management to act in accordance with the highest standard of honesty, integrity, fairness, and good faith and due diligence in performing their duties. The Code of Conduct adopted by Board is available in the Website of the Company.

Prevention of Insider Trading

The company has laid down Guidelines to its Directors, Management and Staff for prevention of insider trading and also described procedures to be followed in disclosures of dealing in securities. The adopted guidelines for prevention of insider trading is available in the Website of the Company.

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.

2. Board of Directors:

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

The Non-executive Directors of the Company draws remuneration only by the way of sitting fees for attending the meeting of the Board and the committees thereof. Apart from the above, 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. Professional fee is paid to Mr. Amit Rajan Non-executive and Non-independent Director.

All the Directors hold directorships within the permissible limits under the relevant provisions. Similarly, none of the Directors on the Board's sub-committee holds membership of more than ten committees of the boards, nor any of the Directors are Chairman of more than five Board committees.

The names and categories of the directors on the Board, their attendance at Board meetings during the year from April 2013 to March 2014 and at the last Annual General Meeting, and the number of directorships and committee members held by them in other companies are given below:

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

Name of Director	Category & Position
Mr. V. N. Khanna	Non-executive & Independent Director (Chairman)
Mr. Surendra Somani	Executive Vice-Chairman
Mr. Susheel G. Somani	Non-executive Director
Dr. A. K. Mehta	Non-executive & Independent Director
Mr. Ajit Jain	Executive Director & Chief Operating Officer
Mr. Amit Rajan	Non-executive & Professional Director
Mr. Vijay Kumar Bhandari	Non-executive & Independent Director

**Directors' Attendance**

Name of Director	No. of Board Meetings		AGM held on 14-09-2013
	Held	Attended	Attendance
Mr. V.N. Khanna	4	4	Yes
Mr. Surendra Somani	4	4	Yes
Mr. Susheel G. Somani	4	3	Yes
Dr. A. K. Mehta	4	4	Yes
Mr. Ajit Jain	4	4	No
Mr. Amit Rajan	4	3	No
Mr. Vijay Kumar Bhandari	4	4	Yes

Notes:

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

Total Number of Board Meetings held in FY 2013-14: **Four**

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

Held on : 29th May, 2013, 10th August, 2013, 13th November, 2013 and 13th February, 2014

Details for Director, Chairman, Committee member in other companies

Name of Director	No. of Directorships Held in other Public Companies	No. of Committee Memberships in other Public Companies	
		Chairman	Member
Mr. V.N. Khanna	3	1	2
Mr. Surendra Somani	4	0	0
Mr. Susheel G. Somani	8	0	0
Dr. A. K. Mehta	0	0	0
Mr. Ajit Jain	3	0	0
Mr. Amit Rajan	1	0	0
Mr. Vijay Kumar Bhandari	7	3	2

Remuneration to Directors (for FY 2013-14)

Names of the Directors	Sitting Fees (₹)		Salary & Perks (₹)	Professional Fees (₹)	Total (₹)	Shareholding as on 31.03.2014
	Board	Committee				
Mr. V. N. Khanna	8000	10,000	-	-	18,000	52200
Mr. Surendra Somani	-	-	30,27,600	-	30,27,600	503075
Mr. Susheel G. Somani	6,000	-	-	-	6,000	871900
Dr. A. K. Mehta	8,000	10,000	-	-	18,000	None
Mr. Ajit Jain	-	-	56,69,760	-	56,69,760	None
Mr. Amit Rajan	6,000	-	-	16,85,400	16,91,400	None
Mr. Vijay Kumar Bhandari	8000	2,000	-	-	10,000	None

**Board Committees****Audit Committee**

The role, terms and scope of the audit committee are as per Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, which include overseeing financial reporting processes, reviewing periodic financial results, financial statements and adequacy of internal control systems. Composition of Audit Committee is as below:-

Name	Designation	Category	Committee meetings held	Committee meetings attended
Mr. V. N. Khanna	Chairman	Non-executive & Independent Director	4	4
Mr. A.K. Mehta	Member	Non-executive & Independent Director	4	4
Mr. Surendra Somani	Member	Executive Vice-Chairman	4	4

Investor's Grievance Committee

The role, terms and scope of the grievances committee are as per Clause 49 of the Listing Agreement. Composition of Investors Grievance Committee is as below:-

Name	Designation	Category	Committee meetings held	Committee meetings attended
Mr. V. N. Khanna	Chairman	Non-executive & Independent	4	4
Mr. A.K. Mehta	Member	Non-executive & Independent	4	4
Mr. Surendra Somani	Member	Executive Vice-Chairman	4	4

Remuneration Committee

The role, terms and scope of the remuneration committee are as per Clause 49 of the Listing Agreement. Composition of Remuneration Committee is as below:-

Name	Designation	Category	Committee meetings held	Committee meetings attended
Mr. V. N. Khanna	Chairman	Non-executive & Independent Director	1	1
Dr. A. K. Mehta	Member	Non-executive & Independent Director	1	1
Mr.V.K.Bhandari	Member	Non-executive & Independent Director	1	1

Transfers of Shares:

The Board of Directors has delegated certain officials of the Company to authorize and approve the requests relating to physical share certificates, transmission of shares or requests for deletion of name of the shareholder, etc.

General Meetings

Details of previous General Meetings/Postal Ballots:

AGM	Date	Time	Location of the meeting	No. of Special Resolutions passed
50th	26th Sept, 2009	10.00 a.m.	Shri. S. K. Somani Memorial Hall, HVB Academy, 79, Marine Drive, Mumbai 400 020	Two
51st	25th Sept, 2010	10.30 a.m.	As Above	One
52nd	24th Sept, 2011	12:00 Noon	As Above	NIL
53rd	15th Sept, 2012	10:00 a.m.	As Above	NIL
54th	14th Sept, 2013	12.00 Noon	As Above	Two

**Disclosures**

- No transactions of material nature have been entered into by the company with the Directors or Management and their relatives that may have conflict of interest with the company.
- Transactions with the Related Parties are disclosed in Note No. 32 of the accounts in the Annual Report.
- There have been no instances of non-compliance with Listing Agreement or any Rules or Regulation relating to capital markets and no penalty or stricture has been imposed or passed by SEBI or Stock Exchanges.
- The Company follows Accounting Standards issued by Institute of Chartered Accountants of India

Means of Communication

The Financial Results of the company, book closure notice, any official releases and other intimations to shareholders are communicated to stock exchanges in writing (both hard and soft copies), and Financial Results are also regularly displayed on company's website www.kopran.com.

Shareholders' Information

55th Annual General Meeting

Date	Thursday, 11th September, 2014
Venue	Shri. S. K. Somani Memorial Hall, Gr. Floor, 79, Marine Drive, Mumbai-400 020
Time	11.30 a.m.

Financial Results announced for the year ended 31st March, 2014

Period	Results for F.Y. 2013-2014	Tentative Schedule for F.Y.2014-2015
First Quarter	10th August, 2013	On or before 14-August-2014
Second Quarter and Half yearly	13th November, 2013	On or before 14-November-2014
Third Quarter & Nine Months	13th February, 2014	On or before 14-February-2015
Fourth Quarter and Annual	28th May, 2014	On or before 15-May-2015 for Unaudited Results or for Audited results by 30th May, 2015

Book Closure

The Register of Members and Share Transfer Books will remain closed from Monday, 8th September, 2014 to Thursday, 11th September, 2014 (both days inclusive).

Registered Office

Address of the Registered Office of the Company is : Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai –400018.

Listing

The company's equity shares are listed on the Bombay Stock Exchange Ltd (BSE) Stock Code - 524280 and the National Stock Exchange of India Ltd (NSE) Stock Code – KOPRAN. The Company has paid listing fees for the Financial Year 2013-2014 to both stock exchanges. The Company has also paid custodial fees for the Financial Year 2013-2014 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Stock Market Data

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

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High (₹)	Low (₹)	Volume of Shares Traded	High (₹)	Low (₹)	Volume of High Shares Traded
April-13	16.40	12.20	13,50,060	15.65	12.85	9,73,850
May-13	16.49	13.20	3,38,709	15.00	13.20	5,10,240
June-13	14.50	12.00	4,07,872	14.70	12.15	3,10,693
July-13	15.58	12.65	4,32,473	16.10	12.40	5,23,533
August-13	17.50	12.37	6,55,504	17.50	12.40	10,75,275
September-13	16.80	13.55	4,07,892	16.85	13.55	8,19,688
October-13	17.97	14.30	3,26,080	17.45	14.25	8,01,403
November-13	23.90	15.65	15,09,657	23.80	15.60	32,89,169
December-13	23.40	19.20	7,60,634	23.35	18.25	16,81,188
January-14	30.30	20.00	40,13,355	30.25	19.85	96,84,473
February-14	25.95	21.90	11,30,424	25.90	21.90	22,08,948
March-14	25.50	20.50	10,51,426	25.15	20.45	19,32,248



Yearly Stock Performance v/s Benchmark. Index

	As on 1st April, 2013	As on 31st March, 2014	Change in %
Nifty	5704.40	6704.20	+17.52 %
Kopran Ltd	14.96	21.35	+42.71 %

Status of Shareholders' Complaints (For FY 2013-14)

Nature of Complaint	Number of Complaints		
	Received	Resolved	Pending
Enquiry regarding dividend	1	1	0
Total	1	1	0

Distribution of Shareholding as on 31st March, 2014

By size of shareholdings

No. of Equity Share held	No. of Share holders	% of Share holders	No. of Shares held	% of Shares held
01 to 500	21,685	81.94	38,39,558	9.83
501 to 1000	2,343	8.85	20,14,744	5.16
1001 to 2000	1,111	4.20	17,68,314	4.53
2001 to 3000	411	1.55	10,63,193	2.72
3001 to 4000	173	0.66	6,33,102	1.62
4001 to 5000	191	0.72	9,17,122	2.35
5001 to 10000	279	1.05	21,21,650	5.43
10001 and above	272	1.03	2,66,94,919	68.36
Grand Total	26,465	100	3,90,52,602	100

Mode of Share holding

	No. of Shares	% of Shares
No. of Shares in Physical Mode	3,54,603	00.91
No. of Shares in Electronic Mode	3,86,97,999	99.09

By Category of Shareholders:

Category	No. of Share holders	% of Share holders	No. of Share held	% of Share held
Indian Promoters	36	0.14	1,52,96,563	39.17
Banks	4	0.02	445	0.00
Financial Institutions	6	0.02	10,39,593	2.66
Mutual Funds	3	0.01	500	0.00
FII/NRI	135	0.51	5,85,804	1.50
Trust	2	0.01	4,500	0.01
Resident Individuals	25,667	96.98	1,84,79,471	47.32
Body Corporate (Others)	529	2.00	33,92,850	8.69
Clearing members	83	0.31	2,52,876	0.65
Total	26,465	100	3,90,52,602	100



Location of Plants

Formulation Unit : Village Savroli, Taluka Khalapur, District Raigad, Khopoli 410 202
API Unit : K- 4, Additional MIDC, Village Birwadi,
Near Global Board, Mahad - 402 302

Address for Investors Correspondence

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

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

Registrar & Share Transfer Agent (both Physical & Electronic)

Bigshare Services Pvt. Ltd.
E – 2 / 3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (East),
Mumbai – 400 072, Tel. 022-40430200 Fax. 022-28475207

Shareholders holding shares in Demat Account should address all their correspondence relating to change in address or nomination to their respective Depository Participant(D.P). Shareholders holding physical shares should correspond to Registrar & Share Transfer Agents

Outstanding ADRs / GDRs / Warrants / Any other convertible instrument

There are no outstanding ADR's / GDRs / Warrants / any other convertible instrument.

Green Initiative

As part of the Green initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA), Government of India, vide its Circular No. 17/2011 and Circular No. 18/2011 dated 21st April 2011 and 29th April, 2011 respectively have taken a Green Initiative in Corporate Governance by allowing services of documents through electronic mode.

Inspire of the above circulars and as part of the Company's Green Initiative, we henceforth propose to send documents like Notice of Annual General meeting ,Financial report, Annual Report etc. henceforth to the shareholders in electronic form on their registered e-mail ID.

In view of the above, Shareholders are requested to pass their e-mail address to their Depository Participant. In case of Shareholders having shares in physical form, they are requested to pass their e-mail address to the Registrar & Share Transfer Agent of the Company.

Compliance Certificate

The company has obtained a certificate from the statutory auditors regarding compliance with Corporate Governance requirements of Clause 49 of the Listing Agreement, which is annexed hereto. Similarly a certificate from CEO has been obtained and is annexed hereto.

Registered Office:
Parijat House, 1076, Dr. E. Moses Road,
Worli, Mumbai- 400018

For & on behalf of the Board

Place : Mumbai
Date : 28th May, 2014

Surendra Somani
Executive Vice Chairman

DECLARATION BY CEO

The Company has obtained from all the Members of the Board and Senior Management Personnel, affirmation(s) that they have confirmed compliance with the Code of Conduct in respect of the Financial Year Ended 31st March, 2014.

Place : Mumbai
Date : 28th May, 2014

Surendra Somani
Executive Vice-Chairman

CFO / CEO CERTIFICATION

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

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

Registered Office:
Parijat House, 1076, Dr. E. Moses Road.
Worli, Mumbai- 400018

Place : Mumbai
Date : 28th May, 2014

Surendra Somani
Executive Vice Chairman

AUDITORS CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS:

To the members of Kopran Limited

We have examined the compliance of conditions of Corporate Governance by Kopran Limited ("the Company") for the 12 month period ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the further viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Registered Office:
Parijat House, 1076, Dr. E. Moses Road.
Worli, Mumbai- 400018

Place : Mumbai
Date : 28th May 2014

For Batliboi & Purohit
Chartered Accountants

Kaushal Mehta
Partner
Membership No.111749

**ANNEXURE II TO THE DIRECTOR'S REPORT****Management Discussion & Analysis****Industrial Overview**

The Indian Pharmaceutical Industry has grown to a size of more than 2 billion dollars, while the Global Pharmaceutical Market is nearly 1.3 trillion dollars. The continuing opportunity in Generics due to products going off patent, offers a huge potential to the Indian Pharmaceutical Industry, especially product development and contract manufacturing.

India continues to be the largest supplier of Generic products to the Regulated markets like US, Europe, Japan and Australia.

Company Strategy

Your Company's Strategy in Formulation is entering in a new phase and expanding its foot print in higher margin Regulated Markets. We are also increasing the portfolio of Drugs in Non-regulated Markets to improve its margin and sustain the growth momentum.

In the Month of April, 2014, your Company has achieved a new Milestone as "United Kingdom, Medicines and Healthcare Products Regulatory Agency" (UKMHRA) had granted, the Certificate of Compliance with the Principle and guidelines of Good Manufacturing Practice (GMP) for the Finished Dosage Form facility located at Savroli, Khalapur, Khopoli for manufacturing General capsules and tablets, thereby paving the way for the European Markets

The future strategy would be to pursue the Regulated markets with new high value products, integrated with own manufacture of APIs, to be competitive in the Global market.

Internal Control Systems and their Adequacy

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

- a) Effective systems of accounting and administrative control.
- b) Existence of Audit Committee of Directors.

Financial Performance & Review

During the year, the company achieved a total revenue of ₹ 303.29 Cr. (Previous Year ₹ 251.93 Cr.) and a Profit before Depreciation, Interest & Tax of ₹ 43.96 Cr. (Previous Year: ₹ 36.01 Cr.). The Net Profit is ₹ 17.04 Cr. (Previous Year: ₹ 12.06 Cr.).

There was 41 % increase in profitability of the company during Financial Year 2013-14 in comparison to Previous Year 2012-13. Ratio of domestic and international sales revenue amounted to the ratio of 26:74

Human Resources / Industrial Relations

Human Resources are the most valuable asset of your company.

Induction and Retention policies are in place to strengthen the organization with highly qualified and capable professionals, to implement the company's growth strategy.

Quality

International standards of quality are the prime fundamental of your company. Our approval of the UKMHRA is an example of excellence in quality.

A dedicated and significantly large Quality Assurance / Quality Control department at both the Plants ensures the Good Manufacturing Practices and the quality standards of our products.

Safety Health & Environment

Your Company assumes responsibility and ensures the safety and health of all its employees and contractors through various safety measures and regular medical check-ups.

Maintaining a clean and pollution free environment is an objective, which is continuously pursued.

Cautionary Statement

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

Registered Office:
Parijat House, 1076, Dr. E. Moses Road,
Worli, Mumbai- 400018

For & on behalf of the Board

Place : Mumbai
Date : 28th May, 2014

Surendra Somani
Executive Vice Chairman

**ANNEXURE III TO THE DIRECTOR'S REPORT**

INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

CONSERVATION OF ENERGY

1. Energy conservation is accorded highest priority by the company and substantial energy saving was achieved earlier through measures such as Auto Power factor controller, even distribution of electrical load, temperature control in brine plant, recycling of condensate recovery. Therefore, these energy saving measures are continued in 2013-14.

2. TOTAL ENERGY CONSUMPTION IS GIVEN IN FORM A AS FOLLOWS:**FORM A****Power and fuel consumption:**

Particulars	Current Year 2013-14	Previous Year 2012-13
a) Electricity		
Units (lacs)	112.48	105.20
Total amount (₹ in lakhs)	814.66	819.54
Rate / Units (₹)	7.24	7.79
b) Briquette		
Quantity(kg)	3602993	3462718
Amount (₹ in lakhs)	205.72	186.99
Average Rate (₹)	5.71	5.40
c) Furnace Oil		
Oil Quantity(M.T.)	41.31	24.30
Total amount (₹ in lakhs)	12.17	6.72
Average rate (₹)	29.46	27.66
d) HSD Oil (Ltrs)		
Total amount (₹ in lakhs)	37352	45611
Average Rate (₹)	21.35	21.57
	57.16	47.29
e) Others / Internal generation	N.A.	N.A.

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION AND EXPENDITURE ON RESEARCH & DEVELOPMENT

The company's R & D activity is carried out separately in its wholly owned subsidiary company namely, Kopran Research Laboratories Ltd.

FOREIGN EXCHANGE EARNINGS & OUTGO

Earnings : ₹ 20,560 lakhs (Previous Year: ₹ 18,337 lakhs)

Outgo : ₹ 816 lakhs (Previous Year: ₹ 634 lakhs)

Registered Office:
Parijat House, 1076, Dr. E. Moses Road,
Worli, Mumbai- 400018

For & on behalf of the Board

Place : Mumbai
Date : 28th May, 2014

Surendra Somani
Executive Vice Chairman

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 31 March, 2014 and the Statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for qualified opinion

Attention is invited to Note 31 to the financial statements regarding the investment and advances aggregating to ₹ 500.61 lakhs and ₹ 4,729.02 lakhs respectively, given to subsidiary company, Kopran Research Laboratories Limited, whose accumulated losses have exceeded the networth. No provision for investments and doubtful advances has been made by the management of the company. Consequently, the effect, if any, on the carrying value of investment and advances given cannot be ascertained. Our audit report on the financial statements for the year ended 31st March, 2013 contained a similar modification.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the basis for qualified opinion paragraph*, the 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:

- (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2014;
- (b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

- 1) As required by the companies (auditor's report) order, 2003 ("the order") as amended issued by the central government in terms of section 227(4A) of the companies Act, 1956, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 2) As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (bb) The company does not have any branch auditor; hence clause (c) of sub-section (3) of section 228 of the Companies Act 1956 is not applicable;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place : Mumbai
Date : 28th May, 2014

Kaushal Mehta
Partner
Membership No.111749

ANNEXURE TO THE AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner, which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The inventories have been physically verified by the management during the year. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. The discrepancies noticed on verification between book records and physical stock of inventory, were not material and have been properly dealt with in the books of accounts.
- (iii) (a) The Company has granted loan, to its wholly owned subsidiary, covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 4,793.92 lakhs and the year- end balance of loans granted to such party was ₹ 4,729.02 lakhs (Also refer matter described in the Basis for qualified opinion paragraph)
- (b) In our opinion and according to the information and explanations given to us, the loan referred in clause (iii) (a) above is interest free and other terms and conditions for such loan are not *prima facie* prejudicial to the interest of the Company.
- (c) The loan granted to the above party is long term in nature, without any stipulation in respect of repayment of principal amount.
- (d) In respect of overdue amount of loans granted to the above party listed in the register maintained under section 301 of the Companies Act, 1956 refer our comments in matter described in the Basis for qualified opinion paragraph.
- (e) The Company has taken loan from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the period under audit was ₹ 5,660.45 lakhs and the year-end balance of loan taken from such parties was ₹ 5,297.31 lakhs.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not *prima facie* prejudicial to the interest of the Company. Loan taken from one party is interest free.
- (g) In respect of loans taken, repayment of principal amount is as stipulated and the payment of interest has been regular.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control systems in respect of these areas.
- (v) In respect of the contract or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956 to the best of our knowledge and belief and according to the information and explanation given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that need to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transactions is in excess of ₹ 5 lakhs in respect of any party and having regard to our comments in paragraph (iv) above, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules made there under.
- (vii) The Company has an internal audit system, the scope and coverage of which, in our opinion, requires to be enlarged to commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956, and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not carried out any detailed examination of such accounts and records.
- (ix) (a) According to the information and explanations given to us and based on the books as produced and examined, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it, except slight delays in few cases of service tax under reverse charge mechanism.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees state insurance, income tax, wealth tax, service tax, sales tax, customs duty and excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the company, the dues outstanding of income tax, excise duty and service tax on account of any dispute are as follows:



Name of the Statute	Nature of dues	Amount (₹ in Lakhs)	For the Period	Forum where the Dispute is pending
Central Excise Act	Excise Duty	17.21	1998-2002, 2002-2003, 2004-2005	Central Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Duty	1.46	2011-2012	Commissioner of Central Excise (Appeal)
Central Excise Act	Excise Duty	5.01	2006-2007, 2010-2011 to 2012-2013	Joint Secretary of Government Of India Ministry of Finance
Central Excise Act	Excise Duty	15.02	2011-2012	Commissioner of Central Excise
Finance Act, 1994	Service Tax	32.95	2001-2002	High Court (Mumbai)
Finance Act, 1994	Service Tax	1.10	2006-2007	Commissioner of Central Excise
Drug Price Control Order – 95	Difference in Pricing	591.34	2000-2003	High Court (Mumbai)

- (x) The Company has accumulated losses amounting to ₹ 2,498.53 lakhs as at the end of the year under Audit. However the net worth as at the end of the period under report is positive and the accumulated losses i.e. debit balance in statement of profit and loss is not more than fifty percent of its net worth. The Company has not incurred cash losses during the year under audit or in the immediately preceding financial year.
- (xi) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to banks or financial institutions and it has not issued any debentures.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans raised by the Company have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and an overall examination of the Balance Sheet and Cash Flow Statement of the company, we report that funds raised on short term basis have *prima facie* not been used for long term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by way of public issues during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

Place : Mumbai
Date : 28th May, 2014

Kaushal Mehta
Partner
Membership No.111749



BALANCE SHEET AS AT 31st MARCH, 2014

	Notes	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
I EQUITY AND LIABILITIES			
1. Shareholders' funds			
a Share Capital	2	47,62,89,080	47,62,89,080
b Reserves and Surplus	3	97,52,14,316	80,48,21,885
		<u>1,45,15,03,396</u>	<u>1,28,11,10,965</u>
2. Non-current liabilities			
a Long-term borrowings	4	63,22,69,942	69,48,18,552
b Long-term provisions	5	3,54,69,000	3,56,54,000
		<u>66,77,38,942</u>	<u>73,04,72,552</u>
3. Current liabilities			
a Short-term borrowings	6	52,26,59,664	24,37,34,061
b Trade payables	7	35,48,80,705	46,83,33,242
c Other current liabilities	8	29,17,65,018	20,55,83,107
d Short-term provisions	9	14,35,000	11,90,000
		<u>1,17,07,40,387</u>	<u>91,88,40,410</u>
	Total	<u>3,28,99,82,725</u>	<u>2,93,04,23,927</u>
II ASSETS			
1. Non-current assets			
a Fixed Assets			
(i) Tangible assets	10	1,02,66,19,342	1,06,17,99,568
(ii) Capital work-in-progress		83,93,186	92,68,186
b Non-current investment	11	6,87,09,994	6,87,09,994
c Long-term loans and advances	12	58,31,20,913	55,96,63,641
		<u>1,68,68,43,435</u>	<u>1,69,94,41,389</u>
2. Current assets			
a Inventories	13	53,02,26,225	36,74,05,597
b Trade receivables	14	54,63,58,974	49,60,97,737
c Cash and Bank balances	15	4,54,14,918	3,63,26,955
d Short-term loans and advances	16	48,11,39,173	33,11,52,249
		<u>1,60,31,39,290</u>	<u>1,23,09,82,538</u>
	Total	<u>3,28,99,82,725</u>	<u>2,93,04,23,927</u>
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

For and on behalf of the Board of Directors

Kaushal Mehta
Partner
Membership No. 111749

SUNIL SODHANI
Company Secretary

SURENDRA SOMANI
Executive Vice-Chairman

SUSHEEL G. SOMANI
Director

Place : Mumbai
Date : 28th May, 2014



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

	Notes	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
I INCOME			
Revenue from operation (gross)	17	3,11,25,29,854	2,57,33,75,891
Less: Excise duty		9,29,63,319	7,11,84,254
Revenue from operation (net)		3,01,95,66,535	2,50,21,91,637
Other income	18	1,33,95,170	1,71,98,119
Total Income		3,03,29,61,705	2,51,93,89,756
II EXPENSES			
Cost of materials consumed	19	1,87,49,61,750	1,58,22,63,129
Purchase of Traded goods		5,78,06,756	38,979
Changes in inventories of finished goods and work in progress	20	(6,36,28,266)	(4,08,05,531)
Employee benefit expense	21	22,95,88,238	20,48,23,547
Other expenses	22	49,46,37,221	41,29,29,169
Finance cost	23	14,46,02,203	11,87,57,770
Depreciation and amortisation expense	24	12,46,01,372	12,07,52,638
Total Expenses		2,86,25,69,274	2,39,87,59,701
Profit before exceptional items and tax		17,03,92,431	12,06,30,055
Exceptional items		-	-
Profit before tax		17,03,92,431	12,06,30,055
Tax expense		-	-
Profit for the year		17,03,92,431	12,06,30,055
Earnings per equity share (₹)	25		
Basic and Diluted-Par value of ₹ 10/- per share		4.36	3.09
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

For and on behalf of the Board of Directors

Kaushal Mehta
Partner
Membership No. 111749

SUNIL SODHANI
Company Secretary

SURENDRA SOMANI
Executive Vice-Chairman

SUSHEEL G. SOMANI
Director

Place : Mumbai
Date : 28th May, 2014



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

PARTICULARS	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	17,03,92,431	12,06,30,055
Adjusted for :		
Depreciation	12,46,01,372	12,07,52,638
Dividend income	(5,437)	(22,961)
Unclaimed balances/ excess provision written back	(17,52,467)	(2,24,443)
Finance cost	14,46,02,203	11,87,57,770
Interest income	(71,82,587)	(1,79,63,032)
Profit on sale of fixed assets	(2,674)	(85,881)
Sundry balances written off	1,11,313	36,160
	<u>43,07,64,154</u>	<u>34,18,80,306</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS		
Adjustments for :		
Trade Receivables	(5,02,61,237)	(12,09,36,110)
Inventories	(16,28,20,628)	(1,59,35,422)
Loans and advances and other assets	(17,21,30,262)	(8,64,86,580)
Trade Payables	(11,34,52,537)	5,12,41,074
Other liabilities and provisions	8,71,16,056	(3,27,23,681)
Cash generated from operations	1,92,15,546	13,70,39,586
Direct Taxes (paid) / refund (net)	(3,79,715)	(6,09,713)
(a) NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	<u>1,88,35,831</u>	<u>13,64,29,873</u>
Cash flow from investing activities:		
Purchase of Fixed Assets (including capital work in progress)	(8,81,36,445)	(7,59,65,897)
Sale of Fixed Assets	90,000	2,53,058
Withdrawal / (investment) of margin deposits	(78,39,229)	(67,14,011)
Interest Received	61,37,056	15,61,300
Dividend Received	5,437	22,961
(b) NET CASH FROM / (USED) IN INVESTING ACTIVITIES	<u>(8,97,43,181)</u>	<u>(8,08,42,589)</u>
Cash flow from financing activities		
Proceeds from issue of share capital (net of expenses)	-	-
Repayment of borrowings (net)	21,63,76,993	(25,67,962)
Finance cost	(14,42,20,908)	(11,87,57,770)
Dividend Paid	-	-
(c) NET CASH FROM/ (USED) IN FINANCING ACTIVITIES	<u>7,21,56,085</u>	<u>(12,13,25,733)</u>
Net increase / (decrease) in cash and cash equivalents (a+b+c)	<u>12,48,735</u>	<u>(6,57,38,449)</u>
Cash and cash equivalents as at the commencement of the year, comprising :		
Cash	1,49,570	15,51,125
Cheques on hand	-	5,70,00,000
Balances with scheduled banks on current accounts	47,63,113	1,21,00,006
	<u>49,12,683</u>	<u>7,06,51,131</u>
Cash and cash equivalents as at the end of the year, comprising :		
Cash	8,80,261	1,49,570
Cheques on hand	-	-
Balances with scheduled banks on current accounts	52,81,157	47,63,113
	<u>61,61,418</u>	<u>49,12,683</u>
NET INCREASE / (DECREASE) AS DISCLOSED ABOVE	<u>12,48,735</u>	<u>(6,57,38,449)</u>

Per our report attached
For **BATLIBOI & PUROHIT**
Chartered Accountants
Firm Registration No. 101048W

For and on behalf of the Board of Directors

Kaushal Mehta
Partner
Membership No. 111749

SUNIL SODHANI
Company Secretary

SURENDRA SOMANI
Executive Vice-Chairman

SUSHEEL G. SOMANI
Director

Place : Mumbai
Date : 28th May, 2014

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

1) SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statement

The accounts have been prepared under the historical cost convention on the basis of going concern and comply in all material aspects with applicable accounting principles in India and relevant provisions of the Companies Act, 1956.

(b) System of accounting

The Company follows the Mercantile System of accounting and recognises Income and Expenditure on accrual basis.

(c) 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.

(d) 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.

ii) Depreciation :

1. Depreciation on plant & machinery and factory building is provided on straight line method (SLM) at the rates specified in Schedule XIV to the Companies Act, 1956.
2. Depreciation on other assets is provided on written down value method (WDV) at the rates specified in Schedule XIV to the Companies Act, 1956.
3. Depreciation on fixed assets added / disposed off during the year is provided on pro - rata basis with reference to the month of addition /disposal.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) Revenue recognition

1. Sales of products and services
Sales comprise of sale of goods and services, net of trade discounts and include excise duty.
2. Export benefits
The unutilised export benefits under DEPB Scheme / advance license against export as on the balance sheet date are recognised as income on accrual basis.

3. Dividend
Dividend is recognised when the company's right to receive the payment is established .

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

(j) Employee Benefits :

1. **Defined Contribution Plan :** Company's contribution paid/payable during the year to provident fund, ESIC and labour welfare fund are charged to statement of profit and loss account.
2. **Defined Benefit Plan :** Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the statement of Profit and Loss account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discounted rate that is determined by the reference to market yields at the balance sheet date on government bonds where the currency and terms of government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) 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 substantively 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.

(p) 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.

(q) 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.

(r) 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.

(s) Other accounting policies

These are consistent with the generally accepted accounting practices.



NOTES FORMING PART OF THE BALANCE SHEET

2) SHARE CAPITAL

	As at 31st March, 2014		As at 31st March, 2013	
	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	<u>7,00,00,000</u>	<u>70,00,00,000</u>	<u>7,00,00,000</u>	<u>70,00,00,000</u>
Issued				
(i) Equity shares of ₹ 10 each fully paid up				
At the beginning of the year	3,90,52,602	39,05,26,020	3,90,52,602	39,05,26,020
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
At the end of the year	<u>3,90,52,602</u>	<u>39,05,26,020</u>	<u>3,90,52,602</u>	<u>39,05,26,020</u>
(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	<u>85,80,000</u>	<u>8,58,00,000</u>	<u>85,80,000</u>	<u>8,58,00,000</u>
Total	<u>4,76,32,602</u>	<u>47,63,26,020</u>	<u>4,76,32,602</u>	<u>47,63,26,020</u>
Subscribed and paid up				
(i) Equity shares of ₹ 10 each fully paid up				
At the beginning of the year	3,90,52,602	39,05,26,020	3,90,52,602	39,05,26,020
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Less: Calls in-Arrears (Other than Director's)	-	36,940	-	36,940
At the end of the year	<u>3,90,52,602</u>	<u>39,04,89,080</u>	<u>3,90,52,602</u>	<u>39,04,89,080</u>
(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	<u>85,80,000</u>	<u>8,58,00,000</u>	<u>85,80,000</u>	<u>8,58,00,000</u>
Total	<u>4,76,32,602</u>	<u>47,62,89,080</u>	<u>4,76,32,602</u>	<u>47,62,89,080</u>

a) Terms / Rights attached to Equity Shares

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

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

b) Terms of redemption of preference shares

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

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

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

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

None of the shares of the Company are held by the Subsidiaries, Associates or Joint Ventures of the Company.



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

	As at 31st March, 2014		As at 31st March, 2013	
	Number of Shares	% holding	Number of Shares	% holding
Equity Shares of ₹ 10/- each fully paid				
Ponorama Finvest Pvt Ltd	38,00,000	9.73%	38,00,000	9.73%
Sarvamangal Mercantile co. Ltd	29,02,951	7.43%	21,67,956	5.55%
10% Non convertible non cumulative redeemable preference shares of ₹10 each				
Sarvamangal Mercantile Co. Ltd	63,80,000	74.00%	63,80,000	74.00%
Kopran Laboratories Ltd	10,00,000	12.00%	10,00,000	12.00%
Susheel G. Somani and Mridula Somani	12,00,000	14.00%	12,00,000	14.00%

3) RESERVES AND SURPLUS

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
(a) Capital reserve		
Opening balance	14,84,74,390	14,84,74,390
Closing balance	<u>14,84,74,390</u>	<u>14,84,74,390</u>
(b) Securities premium account		
Opening balance	99,52,42,754	99,52,42,754
Less : Calls In -Arrears (Other than Directors's)	(1,10,820)	(1,10,820)
Closing balance	<u>99,51,31,934</u>	<u>99,51,31,934</u>
(c) General reserve		
Opening balance	8,14,20,684	8,14,20,684
Closing balance	<u>8,14,20,684</u>	<u>8,14,20,684</u>
(d) Export allowance reserve		
Opening balance	40,000	40,000
Closing balance	<u>40,000</u>	<u>40,000</u>
(e) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(42,02,45,124)	(54,08,75,179)
Add: Profit / (Loss) for the year	17,03,92,431	12,06,30,055
Closing balance	<u>(24,98,52,693)</u>	<u>(42,02,45,124)</u>
Total	<u>97,52,14,316</u>	<u>80,48,21,885</u>

**4) LONG-TERM BORROWINGS**

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Rupee loans		
Term loans from banks (secured)	66,45,713	2,78,30,844
Vehicles finance loans (secured)	1,76,445	16,13,749
Other (Unsecured) *	8,00,00,000	8,00,00,000
Inter corporate deposits (unsecured)		
Other	54,54,47,784	58,53,73,959
Total	63,22,69,942	69,48,18,552

- (a) Term loans from Banks include Term Loan of ₹ 1,00,00,101/- (Balance Outstanding) which carries interest base rate +3.50% p.a. and is repayable in 10 equal quarterly installments of ₹ 50 lacs from April, 2012. current maturities of ₹ 1,00,00,101/- have been shown under current liabilities. The loan is secured by first mortgage charge on the company's entire fixed assets on pari-passu basis with other working capital consortium banks and second charge on current assets of the company on pari-passu basis.
- (b) Term loans from Banks include Term Loan of ₹ 2,66,45,713/- (Balance Outstanding) which carries interest base rate +3.50% p.a. and is repayable in 10 equal quarterly installments of ₹ 50 lacs from June, 2013. current maturities of ₹ 2,00,00,000/- have been shown under current liabilities The loan is secured by first mortgage charge on the company's entire fixed assets on pari-passu basis with other working capital consortium banks and second charge on current assets of the company on pari-passu basis.
- (c) Term loans from Banks include Term Loan of ₹ 2,11,08,302/- (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 ₹ 2,11,08,302/- 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.
- (d) Vehicle finance loan carries interest @ 10.73 to 12.40 % p.a. and is repayable in 35 equal monthly installments. The loans is secured by hypothecation of Vehicles.
- (e) * Loans from others carries Interest @ 13.50% p.a. and is repayable in 10 equal quarterly Installments from December, 2013. The Loan is secured by personal guarantee and mortgage/pledge of certain assets of promoters and directors

5) LONGTERM PROVISIONS**Provision for employee benefits**

Gratuity (Ref. Note No. 28)	2,70,36,000	2,76,26,000
Leave encashment (Ref. Note No. 28)	84,33,000	80,28,000
Total	3,54,69,000	3,56,54,000

6) SHORT-TERM BORROWINGS

Cash credit / packing credit *	34,05,21,726	15,83,52,377
Buyers credit	18,21,37,938	8,53,81,684
Total	52,26,59,664	24,37,34,061

*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 immovable 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)	35,48,80,705	46,83,33,242
Total	35,48,80,705	46,83,33,242

"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, 2014 ₹	As at 31st March, 2013 ₹
Current maturities of long-term borrowings	13,25,46,978	8,53,81,863
Interest accrued but not due	3,81,295	-
Interest free trade deposits	44,68,804	54,38,877
Advance from customers	2,90,21,500	1,73,85,981
Statutory liabilities	1,16,25,291	73,46,040
Other payables		
Creditors for capital goods	97,14,762	92,17,735
Employees related	4,59,35,251	5,04,90,598
Others	5,80,71,137	3,03,22,014
Total	29,17,65,018	20,55,83,107

9) SHORT TERM PROVISIONS

Provision for employee benefits		
Gratuity (Ref. Note No. 28)	10,07,000	8,28,000
Leave encashment (Ref. Note No. 28)	4,28,000	3,62,000
Total	14,35,000	11,90,000

10) TANGIBLE ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2013 (₹)	Additions during the year (₹)	Deductions during the year (₹)	As at 31st March 2014 (₹)	Upto 1st April 2013 (₹)	For the year (₹)	Deductions during year (₹)	Upto 31st March, 2014 (₹)	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
1. Lease hold land	43,75,252	-	-	43,75,252	9,21,104	46,056	-	9,67,160	34,08,092	34,54,148
2. Free hold land	5,60,240	-	-	5,60,240	-	-	-	-	5,60,240	5,60,240
3. Buildings	28,43,58,173	2,75,53,929	-	31,19,12,102	11,16,21,379	1,00,04,001	-	12,16,25,380	19,02,86,722	17,27,36,794
4. Plant & machinery	2,26,01,60,270	5,47,89,615	-	2,31,49,49,885	1,38,79,87,197	11,06,34,342	-	1,49,86,21,539	81,63,28,346	87,21,73,073
5. Furniture and fixtures	3,12,85,772	46,50,297	-	3,59,36,069	2,81,86,231	9,67,295	-	2,91,53,526	67,82,543	30,99,541
6. Tube well	1,66,658	-	-	1,66,658	56,184	5,524	-	61,708	1,04,950	1,10,474
7. Office equipments	1,03,39,368	6,33,615	-	1,09,72,983	83,73,613	3,08,949	-	86,82,562	22,90,421	19,65,755
8. Computers	3,03,25,343	18,81,016	-	3,22,06,359	2,79,12,695	12,82,275	-	2,91,94,970	30,11,389	24,12,648
9. Vehicles	1,91,78,654	-	12,02,899	1,79,75,755	1,38,91,759	13,52,930	11,15,573	1,41,29,116	38,46,639	52,86,895
TOTAL	2,64,07,49,730	8,95,08,472	12,02,899	2,72,90,55,303	1,57,89,50,162	12,46,01,372	11,15,573	1,70,24,35,961	1,02,66,19,342	1,06,17,99,568
Previous year	2,57,62,64,888	6,66,97,711	22,12,869	2,64,07,49,730	1,46,02,43,216	12,07,52,638	20,45,692	1,57,89,50,162	1,06,17,99,568	-

**11) INVESTMENTS (AT COST)**

Face Value ₹	As at 31st March, 2014		As at 31st March, 2013		
	Nos.	₹	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	199,608	400	199,608
1	Himachal Futuristic Communication Ltd	200	48,235	200	48,235
10	IMP Power Ltd	2874	792,334	2874	792,334
10	Advent Computers Ltd	30	24,060	30	24,060
			<u>1,064,237</u>		<u>1,064,237</u>
	Less: Provision for diminution in value of investments		<u>426,243</u>		<u>426,243</u>
			<u>637,994</u>		<u>637,994</u>
			<u>637,994</u>		<u>637,994</u>
B. Unquoted Shares					
Trade Investments:					
10	Kapol Co-Op Bank Ltd	20000	200,000	20000	200,000
10	The Saraswat Co-Op Bank Ltd	1000	10,000	1000	10,000
10	The New india Co-Op Bank Ltd	500	5,000	500	5,000
10	Mandvi Co-Op Bank Ltd.	25000	250,000	25000	250,000
			<u>465,000</u>		<u>465,000</u>
Non Trade Investments:					
10	Parijat Shipping & Finale Ltd	700000	7,000,000	700000	7,000,000
			<u>7,000,000</u>		<u>7,000,000</u>
C. Investment in Wholly Owned Subsidiary Companies:(Unquoted)					
1 HK\$	Kopran (H.K.) Limited, Hong Kong	2318750	10,006,000	2318750	10,006,000
10	Kopran Lifesciences Ltd	50000	500,000	50000	500,000
10	Kopran Research Laboratories Ltd	5000000	50,060,750	5000000	50,060,750
			<u>60,566,750</u>		<u>60,566,750</u>
	TOTAL (A+B+C)		<u>68,669,744</u>		<u>68,669,744</u>
	TOTAL (I+II)		<u>68,709,994</u>		<u>68,709,994</u>
	Aggregate cost of quoted investment		10,64,237		10,64,237
	Aggregate market value of quoted investment		67,886		83,695
	Aggregate cost of unquoted investment		6,80,72,000		6,80,72,000
	Aggregate provision for diminution in Value		4,26,243		4,26,243

12) LONG TERM LOANS AND ADVANCES

(Unsecured considered good, unless stated otherwise)

Capital advances	54,23,213	32,64,877
Deposits	6,74,03,708	4,70,25,008
Loans and advances to subsidiary (Ref. Note No.32)	44,50,00,000	44,50,00,000
Other loans and advances		
Loans to employees	38,21,512	29,87,497
Loans to others	6,04,83,300	6,04,83,300
Prepaid expenses	9,89,180	9,02,959
Total	<u>58,31,20,913</u>	<u>55,96,63,641</u>

**13) INVENTORIES**

(Valued at lower of cost or net realisable value)

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Stores & spares	133,88,840	1,10,03,480
Raw materials (includes stocks in transit ₹ 6,82,01,569/- (PY. ₹ 35,43,120/-))	27,05,29,350	17,45,06,625
Packing materials	3,19,87,573	3,12,03,296
Work-in-process	17,47,67,508	10,76,72,783
Traded goods	35,48,930	-
Finished goods	3,60,04,024	4,30,19,413
Total	<u>53,02,26,225</u>	<u>36,74,05,597</u>

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

Others	1,34,63,100	1,04,41,652
Considered doubtful	2,46,59,838	2,90,30,530
	<u>3,81,22,938</u>	<u>3,94,72,182</u>
Less: Provision for doubtful debts	2,46,59,838	2,90,30,530
	<u>1,34,63,100</u>	<u>1,04,41,652</u>
Other debts		
Others	53,28,95,874	48,56,56,085
Total	<u>54,63,58,974</u>	<u>49,60,97,737</u>

15) CASH AND BANK BALANCES**Cash and cash equivalent**

Balance with Banks in Current accounts	52,81,157	47,63,113
Cash on hand	8,80,261	1,49,570

Other Bank Balances

Margin Money Deposits (with Original Maturity up to 12 Months)	3,92,53,500	3,14,14,272
Total	<u>4,54,14,918</u>	<u>3,63,26,955</u>

16) SHORT TERM LOANS AND ADVANCES

(Unsecured considered good, unless stated otherwise)

Loans to employees	10,86,406	9,36,300
Balance with statutory/ government authorities	29,60,67,346	25,98,84,169
Prepaid expenses	90,91,810	1,37,65,948
Advance income-tax (Net of provision of taxation)	19,80,424	16,00,709
Advances recoverable in cash or kind :		
Advances to Subsidiary (Ref. Note No.32)	2,79,01,907	2,81,95,556
Others	14,50,11,280	2,67,69,567
Total	<u>48,11,39,173</u>	<u>33,11,52,249</u>



NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS ACCOUNT

17) REVENUE FROM OPERATION

	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
Sale of products *	3,03,46,01,333	2,50,41,70,699
Other operating income		
Scrap sales	19,71,347	24,63,956
Other	7,59,57,174	6,67,41,236
	<u>3,11,25,29,854</u>	<u>2,57,33,75,891</u>
*Details of Sale of products		
Bulk drugs	1,30,80,06,547	1,09,03,08,222
Tablet / capsules / liquids	1,70,20,17,221	1,41,38,62,477
FMGC products	2,45,77,565	-
Total	<u>3,03,46,01,333</u>	<u>2,50,41,70,699</u>

18) OTHER INCOME

Dividend income		
long-term investments	5,437	22,961
Interest Income		
On fixed deposit	23,00,168	17,57,272
On loans	-	1,62,05,760
Others	48,82,419	
Net profit on sale of assets	2,674	85,881
Liabilities written back	17,52,467	2,24,443
Foreign exchange gain (loss) (net)	44,37,043	(33,24,367)
Insurance claim	14,962	22,24,846
Miscellaneous income	-	1,324
Total	<u>1,33,95,170</u>	<u>1,71,98,120</u>

19) COST OF MATERIALS CONSUMED

Raw material consumption		
Opening stock	17,45,06,625	21,16,00,685
Add: Purchases	1,81,57,18,861	1,42,19,96,617
	<u>1,99,02,25,486</u>	<u>1,63,35,97,302</u>
Less : Closing stock	27,05,29,350	17,45,06,625
	<u>1,71,96,96,136</u>	<u>1,45,90,90,677</u>
Packing materials consumption:		
Opening stock	3,12,03,296	2,17,89,515
Add: Purchases	15,60,49,891	13,25,86,233
	<u>18,72,53,187</u>	<u>15,43,75,748</u>
Less : Closing stock	3,19,87,573	3,12,03,296
	<u>15,52,65,614</u>	<u>12,31,72,452</u>
Total	<u>1,87,49,61,750</u>	<u>1,58,22,63,129</u>
Raw Material Consumption		
1) 7 A.C.A.	12,62,96,512	8,71,10,399
2) P.H.P.A.	2,16,03,250	2,12,65,192
3) Ceftriaxone sodium N.S.	6,96,49,877	6,74,25,282
4) P.H.A.P	6,94,03,931	5,56,49,940
5) CMMHA	4,16,32,488	4,60,67,823
6) Amoxicillin trihydrate	40,15,45,013	25,95,73,128
7) Erythromycin stearate	4,64,69,017	7,41,48,171
8) Others	94,30,96,048	84,78,50,742

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

	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
Opening stock		
Finished goods	4,30,19,413	2,17,79,601
Traded goods	-	-
Work in progress	<u>10,76,72,783</u>	<u>8,81,07,064</u>
	15,06,92,196	10,98,86,665
Less : Closing stock		
Finished goods	3,60,04,024	4,30,19,413
Traded goods	35,48,930	-
Work in progress	<u>17,47,67,508</u>	<u>10,76,72,783</u>
	21,43,20,462	15,06,92,196
Net(increase)/ decrease	(6,36,28,266)	(4,08,05,531)
Total	(6,36,28,266)	(4,08,05,531)
Details of Inventory		
Finished goods		
Bulk drugs	2,52,35,718	2,44,25,093
Tablet / capsules / liquids	1,07,68,306	1,85,94,320
Traded goods	35,48,930	-
	<u>3,95,52,954</u>	<u>4,30,19,413</u>
Work in progress		
Bulk Drugs	12,86,07,709	8,14,06,998
Tablet / capsules / liquids	4,61,59,799	2,62,65,785
	<u>17,47,67,508</u>	<u>10,76,72,783</u>

21) EMPLOYEE BENEFIT EXPENSE

Salaries, wages and bonus	19,54,43,935	17,91,20,356
Contribution to provident and other fund	1,15,86,820	98,65,984
Staff welfare expense	2,25,57,483	1,58,37,207
Total	22,95,88,238	20,48,23,547

22) OTHER EXPENSES

Stores and spares consumed	3,47,53,773	2,78,23,531
Power and fuel	11,70,58,435	11,12,59,970
Rent	2,07,94,910	1,83,60,000
Repairs and maintenance		
Building	62,55,959	69,83,096
Machinery	97,36,168	66,51,536
Others	15,67,586	16,38,337
Insurance	63,17,397	40,12,284
Commission on sales	6,57,35,233	5,64,12,791
Selling and distribution expenses	2,27,55,532	91,47,752
Packing, freight and forwarding	4,68,82,280	4,10,35,328
Payment to auditors (refer details below)	7,00,000	3,00,000
Printing and stationery	58,79,014	51,39,253
Postage, telegram and telephone	46,59,971	46,55,681
Travelling and conveyance	2,34,61,384	1,49,12,568
Legal and professional fees	2,81,32,937	1,94,29,022
Rates and taxes	74,64,842	48,38,510
Labour charges	1,68,52,240	1,15,93,664
Directors' sitting fees	58,000	58,000
Sundry balances written off	1,11,313	36,160
Miscellaneous expenses	7,54,60,247	6,86,41,686
Total	49,46,37,221	41,29,29,169
Payment to auditors		
As auditor		
Audit fee	5,50,000	2,45,000
Tax audit fee	1,50,000	55,000
Total	7,00,000	3,00,000



23) FINANCE COST

	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
Interest expense	7,85,80,365	5,57,40,921
Other borrowing cost	6,60,21,838	6,30,16,849
Total	14,46,02,203	11,87,57,770

24) DEPRECIATION AND AMORTISATION EXPENSE

Depreciation on tangible assets	12,46,01,372	12,07,52,638
Total	12,46,01,372	12,07,52,638

25) EARNINGS PER EQUITY SHARE

Number of equity shares	3,90,52,602	3,90,52,602
Weighted average number of equity shares	3,90,52,602	3,90,52,602
Face value per share	10	10
Profit after tax	17,03,92,431	12,06,30,055
Less: Dividend on preference shares	-	-
Profit after tax available to equity shareholders	17,03,92,431	12,06,30,055
Basic and diluted earning per share	4.36	3.09

26) CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :

	As on 31st March, 2014 ₹	As on 31st March, 2013 ₹
i) Guarantees given by the company's bankers on behalf of the company	1,69,59,099	1,19,49,698
ii) Bills discounted with banks	43,28,85,659	45,14,13,635
iii) Disputed tax matters		
a) Service tax demand disputed in appeal	34,04,819	32,95,000
b) Excise duty demand disputed in appeal	38,69,299	43,88,272
c) Demand under drug price control order - 95 (DPCO - 95) demand disputed in appeal	5,91,34,474	5,91,34,474

27) Estimated amount of contracts remaining to be executed on capital account not provided for ₹ 1,09,17,451/- (Previous year ₹ 23,93,185/-)

28) EMPLOYEE BENEFITS :

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

Part A : Gratuity benefits

	Gratuity benefit Unfunded	
	As on 31st March, 2014 ₹	As on 31st March, 2013 ₹
i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at the beginning of the year	2,84,54,000	2,49,87,000
Interest cost	21,85,782	19,24,634
Service cost	26,66,871	24,97,093
Actuarial (gain)/ loss	(30,00,195)	9,03,419
Benefits paid	(22,63,458)	(18,58,146)
Obligation at the year end	2,80,43,000	2,84,54,000
ii) Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution	22,63,458	18,58,146
Actuarial (gain)/ loss	-	-
Benefits paid	(22,63,458)	(18,58,146)
Fair value of plan assets at the end of the year	-	-
Unfunded Status	(2,80,43,000)	(2,84,54,000)



iii) Limits of corridor not considered since total actuarial gain/loss is being recognised as on 31st March 2014		
Actuarial (loss) for the year- obligation	30,00,195	(9,03,419)
Actuarial gain/(loss) for the year- plan assets	-	-
Sub- Total	30,00,195	(9,03,419)
Actuarial loss recognised	(30,00,195)	9,03,419
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	2,80,43,000	2,84,54,000
Fair value of plan assets at the end of the year	-	-
Liability/(Asset) recognised in the balance sheet	2,80,43,000	2,84,54,000
v) Cost for the year		
Service cost	26,66,871	24,97,093
Interest cost	21,85,782	19,24,634
Expected return on plan assets	-	-
Actuarial (gain)/loss	(30,00,195)	9,03,419
Net cost recognised in the statement of profit & loss account	18,52,458	53,25,146
iv) Movement in the liability recognised in the balance sheet		
Opening net liability	2,84,54,000	2,49,87,000
Expenses as above	18,52,458	53,25,146
Contribution paid	(22,63,458)	(18,58,146)
Closing net liability	2,80,43,000	2,84,54,000
vii) Assumptions used to determine the benefit obligations:		
Discount rate	8.00%	8.00%
Rate of increase in compensation levels	6.00%	6.00%

Part B : Leave Encashment

	Leave Encashment benefit Unfunded	
	As on 31st March, 2014 ₹	As on 31st March, 2013 ₹
i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at the beginning of the year	83,90,000	74,80,000
Interest cost	6,25,144	5,38,612
Service cost	10,52,763	9,27,630
Actuarial (gain)/ loss	(55,515)	9,38,462
Benefits paid	(11,51,392)	(14,94,704)
Obligation at the year end	88,61,000	83,90,000
ii) Change in plan assets		
Fair value of Plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution	11,51,392	14,94,704
Actuarial (gain)/ loss	-	-
Benefits paid	(11,51,392)	(14,94,704)
Fair value of plan assets at the end of the year	-	-
Unfunded status	(88,61,000)	(83,90,000)
iii) Limits of corridor not considered since total actuarial gain/loss is being recognised as on 31st March 2014		
Actuarial (loss) for the year- obligation	55,515	(9,38,462)
Actuarial gain/(loss) for the year- plan assets	-	-
Sub- Total	55,515	(9,38,462)
Actuarial loss recognised	(55,515)	9,38,462
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	88,61,000	83,90,000
Fair value of plan assets at the end of the year	-	-
Liability/(Asset) recognised in the balance sheet	88,61,000	83,90,000



v) Cost for the year		
Service cost	10,52,763	9,27,630
Interest cost	6,25,144	5,38,612
Expected return on plan assets	-	-
Actuarial (gain)/loss	(55,515)	9,38,462
Net cost recognised in the statement of profit & loss account	16,22,392	24,04,704
vi) Movement in the liability recognised in the balance sheet		
Opening net liability	83,90,000	74,80,000
Expenses as above	16,22,392	24,04,704
Contribution paid	(11,51,392)	(14,94,704)
Closing net liability	88,61,000	83,90,000
vii) Assumptions used to determine the benefit obligations:		
Discount rate	8.00%	8.00%
Rate of increase in compensation levels	6.00%	6.00%

29) The disclosure as per accounting standard 17 (AS-17) "Segment Reporting" issued by the institute of chartered accountants of india:

(a) Business Segment:

Particulars	Pharmaceutical	Consumer Care Division	Total
(a) Revenue from operation	2,99,49,88,970	2,45,77,565	3,01,95,66,535
(b) Operating and Other expenses	2,66,58,89,789	5,12,77,244	2,71,71,67,033
(c) Segment result	32,90,99,181	(2,66,99,679)	30,23,99,502
(d) Unallocated expenses			14,54,02,241
(e) Other income			1,33,95,170
(f) Profit for the year			17,03,92,431

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 liabilities are made.

(b) Geographical Segment:

Particulars	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
Revenue from Operation (net)		
In India	79,38,59,835	62,90,49,950
Outside India	2,22,57,06,700	1,87,31,41,687
Total	3,01,95,66,535	2,50,21,91,637

30) 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 deferred tax assets can be realised.

31) The Company has made an investment of ₹ 5,00,60,750/- and has also advanced a sum of ₹ 47,29,01,907/- to Kopran Research Laboratories Ltd (KRLL), a wholly owned subsidiary of the company, for research and development (R & D) activities. The accumulated losses of KRLL has exceeded its paid up capital and reserves. The said subsidiary has been awarded numerous patents in India and abroad for its novel Anti-Ulcer molecule KNC-6 and other molecule KNC-1206. KRLL has also developed enteric coating technology and has also been awarded Indian Patent for novel process of synthesis of Rofecoxib and Sildenafil Citrate. KRLL has, vide an agreement, agreed to give the company the right to exploit the patents, intellectual properties and all rights appurtenant thereto in any manner so as to recover the dues- current and future.

Considering that the investments are strategic and for long term the provision for diminution in value has not been considered necessary by the management.

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

I) Wholly Owned Subsidiary

- Kopran Research Laboratories Ltd.
- Kopran (H.K) Ltd.
- Kopran Lifesciences Ltd.

II) Key Management Personnel

- Shri Surendra Somani - Executive Vice Chairman
Shri Ajit Jain - Director and Chief Operating Officer



III) 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	Year ended
	As on 31st March, 2014 ₹	As on 31st March, 2013 ₹
Subsidiary Company:		
a) Kopran Research Laboratories Ltd.		
Sale of materials	28,933	29,214
Advances repayment received	65,80,000	-
Advances given	62,86,351	49,90,587
Key Management Personnel :		
Remuneration paid to personals	86,97,360	86,97,360
Outstanding Balance of Related party :		
<u>Receivable from wholly owned subsidiary companies</u>		
a) Kopran Research Laboratories Ltd.	47,29,01,907	47,31,95,556
Investments:		
a) In Subsidiaries	6,05,66,750	6,05,66,750

Note: Remuneration paid to Mr. Ajit Jain, executive director and COO exceeds the prescribed limit as prescribed under schedule XIII to the Companies act, 1956 by ₹4,53,600/- for the year. The company is exempt from seeking approval of central government under the provisions by General Circular no. 46/2001 dated July 14, 2011 issued by ministry of corporate affairs. The prescribed remuneration has been duly approved by the shareholders in annual general meeting held on 14th September, 2013.

33) 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.

34) DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE:

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

Purpose		Particulars of derivative	
		2013-2014	2012-2013
Forward exchange contracts (for export debtors)	USD	68,19,288	28,54,111
Forward contract value	₹	43,86,82,911	15,51,20,933

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

Particulars of derivative	2013-2014		2012-2013	
	Amount (₹)	Foreign Currency	Amount (₹)	Foreign Currency
Payables	42,18,50,260	USD-70,43,751	15,88,32,104	USD-29,22,393
	-	-	1,65,15,136	EURO-2,37,082
	7,80,602	GBP-7,841	6,47,313	GBP-7,841
Receivables	31,52,52,443	USD -52,64,155	34,91,38,133	USD 64,23,235
	16,58,037	EURO-20161	1,20,78,104	EURO-1,73,387
	9,30,642	GBP-9,348	7,71,734	GBP-9,348
Foreign Currency Bank Account	12,45,879	USD - 20,803	12,47,916	USD -22,961
Investments	1,78,98,710	HKD-23,18,750	1,62,33,035	HKD-23,18,750

35) a) The Company has taken certain office/factory premises on operating lease basis. Lease payments in respect of such leases recognised in statement of profit and loss account ₹. 2,05,64,605/- (Previous year ₹ 1,83,60,000/-)

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

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

**36) CONSUMPTION OF RAW MATERIALS AND STORES AND SPARES :**

Items	Value ₹	Percentage
a) Raw materials		
Imported (including purchase through canalising agencies and high seas)	92,44,74,402	53.71
	(70,13,22,354)	(48.07)
Indigenous	79,67,30,003	46.29
	(75,77,68,323)	(51.93)
b) Stores and spares	3,47,53,773	100.00
Indigenous	(2,78,23,531)	(100.00)

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

Items	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
a) Raw / Packing materials	89,66,49,456	67,77,66,442
b) Capital goods	1,50,887	38,73,410

38) EARNINGS IN FOREIGN EXCHANGE :

Particulars	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
FOB value of exports	2,05,60,47,199	1,83,37,10,465

39) EXPENDITURE IN FOREIGN CURRENCY :

Particulars	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
Commission	6,26,52,116	5,44,19,263
Legal & professional charge	-	2,08,163
Registration fees	25,51,397	11,27,783
Export promotion expenses	7,64,783	22,45,467
Travelling expenses	93,02,522	43,06,873
Plant inspection charges	33,47,376	-
Others	29,49,616	11,07,620

40) PREVIOUS YEAR FIGURES

Previous year figures have been regrouped/ reclassified wherever necessary.

Per our report attached

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

For and on behalf of the Board of Directors

Kaushal Mehta
Partner
Membership No. 111749

SUNIL SODHANI
Company Secretary

SURENDRA SOMANI
Executive Vice-Chairman

SUSHEEL G. SOMANI
Director

Place : Mumbai
Date : 28th May, 2014



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

1.	Name of the subsidiary	:	Kopran (H.K.) Ltd.	Kopran Research Laboratories Ltd.	Kopran Lifesciences Ltd.
2.	Financial Year of the subsidiary Company ended on	:	31st March, 2014	31st March, 2014	31st March, 2014
3.	Holding Company's Interest				
	- No. of Equity Shares	:	23,18,750	50,00,000	50,000
	- Extent of Holding	:	100%	100%	100%
4.	The net aggregate of the Subsidiary's Profits / (Losses) so far as it concerns the members of the Holding and Company's Accounts.				
	i) For the Subsidiary's Financial Year ended as aforesaid	:	HK\$ 591	₹ 13,91,401	₹ (18,407)
	ii) For the Previous Financial Years since it became the Holding Company's Subsidiary	:	HK\$ (36,087)	₹ (9,177,037)	₹ (11,542)
	The net aggregate amount of Profits/Losses of the subsidiary which has been dealt with in the accounts of the Holding Company				
	i) For the Subsidiary's Financial Year ended as aforesaid	:	NIL	NIL	NIL
	ii) For the previous Financial Years since it became the Holding Company's Subsidiary	:	NIL	NIL	NIL
5.	Material changes between the end of the financial year of the subsidiary and that of the Holding Company	:	No Changes	No Changes	No Changes

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

For and on behalf of the Board of Directors

Place : Mumbai
Date : 28th May, 2014

SUNIL SODHANI
Company Secretary

SURENDRA SOMANI
Executive Vice-Chairman

SUSHEEL G. SOMANI
Director

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Kopran Limited

We have audited the accompanying consolidated financial statements of Kopran Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at 31 March, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, 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 control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

The auditors of subsidiary company, Kopran Research Laboratories Ltd., have qualified their opinion in respect of following matters;

- a. *The accounts have been made on going concern basis in spite of having accumulated loss of ₹ 3,135.88 lakhs, which exceeds the reserves and the paid up capital of the Company.*
- b. *The balances of sundry creditors are subject to confirmation and reconciliation, if any, and the impact thereof on the loss for the year, assets and reserves of the Company is not ascertained.*

Their audit report on the financial statements of the said subsidiary company for the year ended 31st March, 2013 contained a similar modification.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 2,328.49 lakhs as at 31st March, 2014, total revenues of ₹ 151.38 lakhs and net cash outflows amounting to ₹ 25.46 lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Financial statements of one subsidiary, having total assets, total revenue and cash outflow of ₹ 4.31 lakhs, ₹ Nil and ₹ 0.32 lakhs respectively, are unaudited. Our opinion is not qualified in respect of this matter.

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

Place : Mumbai
Date : 28 May, 2014

Kaushal Mehta
Partner
Membership No. 111749



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2014

	Notes	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹	
I EQUITY AND LIABILITIES				
1. Shareholders' funds				
a	Share Capital	2	47,62,89,080	47,62,89,080
b	Reserves and Surplus	3	66,92,68,795	49,58,79,097
			<u>1,14,55,57,875</u>	<u>97,21,68,177</u>
2. Non-current liabilities				
a	Long-term borrowings	4	63,22,69,942	69,48,18,552
b	Other long term liabilities	5	25,00,000	25,00,000
c	Long-term provisions	6	3,54,69,000	3,60,32,000
			<u>67,02,38,942</u>	<u>73,33,50,552</u>
3. Current liabilities				
a	Short-term borrowings	7	52,26,59,664	24,90,34,061
b	Trade payables	8	35,70,85,092	46,98,31,792
c	Other current liabilities	9	29,32,95,899	20,73,93,398
d	Short-term provisions	10	14,35,000	11,96,000
			<u>1,17,44,75,655</u>	<u>92,74,55,251</u>
	Total		<u><u>2,99,02,72,472</u></u>	<u><u>2,63,29,73,980</u></u>
II ASSETS				
1. Non-current assets				
a	Fixed Assets			
	(i) Tangible assets	11	1,04,88,30,967	1,08,50,06,343
	(ii) Intangible assets	11	57,600	57,600
	(iii) Capital work-in-progress		19,76,33,758	19,85,08,758
b	Non-current investment	12	81,43,244	81,43,244
c	Long-term loans and advances	13	13,86,29,881	11,51,64,623
			<u>1,39,32,95,450</u>	<u>1,40,68,80,568</u>
2. Current assets				
a	Inventories	14	53,02,26,225	36,74,05,597
b	Trade receivables	15	56,03,11,882	51,17,52,567
c	Cash and Bank balances	16	4,71,31,311	3,79,08,217
d	Short-term loans and advances	17	45,93,07,604	30,90,27,031
			<u>1,59,69,77,022</u>	<u>1,22,60,93,412</u>
	Total		<u><u>2,99,02,72,472</u></u>	<u><u>2,63,29,73,980</u></u>
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

For and on behalf of the Board of Directors

Kaushal Mehta
Partner
Membership No. 111749

SUNIL SODHANI
Company Secretary

SURENDRA SOMANI
Executive Vice-Chairman

SUSHEEL G. SOMANI
Director

Place : Mumbai
Date : 28th May, 2014



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2014

	Notes	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
I INCOME			
Revenue from operation (gross)	18	3,12,14,33,640	2,57,33,46,677
Less: Excise duty		9,29,63,319	7,11,84,254
Revenue from operation (net)		3,02,84,70,321	2,50,21,62,423
Other income	19	1,96,00,916	1,81,06,453
Total Income		3,04,80,71,237	2,52,02,68,876
II EXPENSES			
Cost of materials consumed	20	1,88,32,31,054	1,58,27,44,055
Purchase of traded goods		5,78,06,756	38,979
Changes in inventories of finished goods and work in progress	21	(6,36,28,266)	(4,08,05,531)
Employee benefit expense	22	23,01,00,739	21,03,31,780
Other expenses	23	49,49,69,970	41,33,48,421
Finance cost	24	14,46,02,203	11,87,97,496
Depreciation and amortisation expense	25	12,92,07,400	12,46,26,263
Total Expenses		2,87,62,89,856	2,40,90,81,463
Profit before exceptional items and tax		17,17,81,381	11,11,87,413
Exceptional items		-	-
Profit before tax		17,17,81,381	11,11,87,413
Tax expense		-	-
Profit for the year		17,17,81,381	11,11,87,413
Earnings per equity share (₹)	26		
Basic and Diluted-Par value of ₹ 10/- per share		4.40	2.85
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

For and on behalf of the Board of Directors

Kaushal Mehta
Partner
Membership No. 111749

SUNIL SODHANI
Company Secretary

SURENDRA SOMANI
Executive Vice-Chairman

SUSHEEL G. SOMANI
Director

Place : Mumbai
Date : 28th May, 2014



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

PARTICULARS	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
A. NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	17,17,81,381	11,11,87,413
Adjusted for :		
Depreciation	12,92,07,400	12,46,26,263
Dividend income	(5437)	(22,961)
Unclaimed balances/ excess provision written back	(70,52,465)	(2,24,443)
Finance cost	14,46,02,203	11,87,97,496
Interest income	(71,88,333)	(1,79,63,032)
Profit on sale of fixed assets	(2,674)	(85,880)
Sundry balances written off	1,11,313	36,160
	<u>43,14,53,388</u>	<u>33,63,51,016</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS		
Adjustments for :		
Trade Receivables	(4,85,59,315)	(12,17,18,968)
Inventories	(16,28,20,628)	(1,59,35,422)
Loans and advances	(17,24,37,732)	(8,12,53,555)
Trade Payables	(11,27,46,700)	5,16,62,103
Other liabilities and provisions	9,17,52,644	(2,03,12,650)
Effect of change in exchange fluctuation reserve	16,08,318	7,55,127
Cash generated from operations	2,82,49,975	14,95,47,651
Direct Taxes (paid) / refund (net)	(3,73,881)	(7,00,547)
(a) NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	<u>2,78,76,094</u>	<u>14,88,47,104</u>
Cash flow from investing activities:		
Purchase of fixed assets (including capital work in progress)	(9,17,47,325)	(8,80,32,192)
Sale of fixed assets	90,000	2,53,058
Withdrawal of margin deposits	(78,39,229)	(69,09,983)
Interest received	61,42,803	15,61,300
Dividend received	5,437	22,961
(b) NET CASH FROM / (USED) IN INVESTING ACTIVITIES	<u>(9,33,48,314)</u>	<u>(9,31,04,856)</u>
Cash flow from financing activities		
Proceeds / (repayment) of borrowings (net)	21,10,76,993	(25,67,962)
Finance cost	(14,42,20,908)	(11,87,97,496)
Dividend paid	-	-
(c) NET CASH FROM/ (USED) IN FINANCING ACTIVITIES	<u>6,68,56,085</u>	<u>(12,13,65,458)</u>
Net increase in cash and cash equivalents (a+b+c)	<u>13,83,865</u>	<u>(6,56,23,210)</u>
Cash and cash equivalents as at the commencement of the year, comprising :		
Cash	9,15,912	22,97,109
Cheques on hand	-	5,70,00,000
Balances with scheduled banks on current accounts	55,78,033	1,28,20,046
	<u>64,93,945</u>	<u>7,21,17,155</u>
Cash and cash equivalents as at the end of the year, comprising :		
Cash	15,49,035	9,15,912
Balances with scheduled banks on current accounts	63,28,775	55,78,033
	<u>78,77,810</u>	<u>64,93,945</u>
NET INCREASE / (DECREASE) AS DISCLOSED ABOVE	<u>13,83,865</u>	<u>(6,56,23,210)</u>

Per our report attached
For **BATLIBOI & PUROHIT**
Chartered Accountants
Firm Registration No. 101048W

For and on behalf of the Board of Directors

Kaushal Mehta
Partner
Membership No. 111749
Place : Mumbai
Date : 28th May, 2014

SUNIL SODHANI
Company Secretary

SURENDRA SOMANI
Executive Vice-Chairman

SUSHEEL G. SOMANI
Director

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

1) BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

A BACKGROUND

(a) Overview

The Consolidated financial statements (C.F.S.) have been prepared in accordance with Accounting Standard AS-21 – ‘Consolidated Financial Statements’, and AS-23 – ‘Accounting for Investments in Associates in Consolidated Financial Statements’ and AS-27 – ‘Financial Reporting of Interest in Joint Ventures’ issued by the Institute of Chartered Accountants of India. Inter company transactions have been eliminated on consolidation.

The Subsidiaries (which along with Kopran Ltd, the parent, constitute the Group) considered in the preparation of these consolidated financial statements are:

Name of Subsidiaries	Financial year ending	Country	Ownership interest
Kopran Research Laboratories Limited (KRL)	31st March, 2014	India	100%
Kopran (H.K) Limited (KHKL)	31st March, 2014	Hong Kong	100%
Kopran Lifesciences Limited (KLL)	31st March, 2014	India	100%

(b) Basis / principles of consolidation

- i The financial statements of the holding company and its subsidiary companies have been combined on a “line-by-line consolidation” of assets, liabilities, income and expenses, after fully eliminating intra group balances resulting in unrealised profit or losses.
- ii In case of foreign subsidiary, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year.
- iii The excess of cost to the company of its investments over the Company’s portion of equity in the subsidiary, if any, is recognized as Goodwill in C.F.S.
- iv The C.F.S. have been prepared in Indian Rupees, the national currency of India. The differences on translation including those arising on elimination of inter company balances are taken to Foreign Exchange Fluctuation Reserve as part of “Reserves & Surplus”.

B SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of Financial statement.

The accounts have been prepared under the historical cost convention on the basis of going concern and comply in all material aspects with applicable accounting principles in India and relevant provisions of the Companies Act, 1956. Accounts of Indian Subsidiary and Associate have been prepared in compliance with the Accounting Standards referred to in Section 211 (3C) and other requirement of the Companies Act, 1956. The accounts of the Foreign Subsidiary have been prepared in compliance with the local laws and applicable Accounting Standards.

(b) System of accounting

The Company follows the Mercantile System of accounting and recognises Income and Expenditure on accrual basis.

(c) 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.

(d) 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 (KRL), 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 plant & machinery and factory building is provided on straight line method (SLM) at the rates specified in Schedule XIV to the Companies Act, 1956.
2. Depreciation on other assets is provided on written down value method (WDV) at the rates specified in Schedule XIV to the Companies Act, 1956.
3. Depreciation on Fixed Assets added / disposed off during the year is provided on pro - rata basis with reference to the month of addition /disposal.
4. In respect of Subsidiary Company Kopran Research Laboratories Limited (KRLL):
 - a) Depreciation of research & development equipments and building is provided on Straight Line Method (SLM) at the rates specified in Schedule XIV to the Companies Act, 1956.
 - b) Intellectual Property acquired/developed in-house as shown under the head fixed assets, is amortized over a period of 10 years.
 - c) Depreciation on other assets is provided on written down value method (WDV) at the rates specified in Schedule XIV to the Companies Act, 1956.
5. In respect of Subsidiary Company KHKL, depreciation is provided on Written Down Value method at following rate: Furniture and Fixtures - 20% p.a.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) Revenue Recognition

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

(j) Employee Benefits :

1. **Defined Contribution Plan :** Company's contribution paid/payable during the year to provident fund, esic and labour welfare fund are charged to statement of Profit and Loss Account.

2. **Defined Benefit Plan** : Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the statement of Profit and Loss account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discounted rate that is determined by the reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) 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 substantively 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.

(p) 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.

(q) 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.

(r) 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.

(s) 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, 2014		As at 31st March, 2013	
	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	<u>7,00,00,000</u>	<u>70,00,00,000</u>	<u>7,00,00,000</u>	<u>70,00,00,000</u>
Issued				
(i) Equity shares of ₹ 10 each fully paid up				
At the beginning of the year	3,90,52,602	39,05,26,020	3,90,52,602	39,05,26,020
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
At the end of the year	<u>3,90,52,602</u>	<u>39,05,26,020</u>	<u>3,90,52,602</u>	<u>39,05,26,020</u>
(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	<u>85,80,000</u>	<u>8,58,00,000</u>	<u>85,80,000</u>	<u>8,58,00,000</u>
Total	<u>4,76,32,602</u>	<u>47,63,26,020</u>	<u>4,76,32,602</u>	<u>47,63,26,020</u>
Subscribed and paid up				
(i) Equity shares of ₹ 10 each fully paid up				
At the beginning of the year	3,90,52,602	39,05,26,020	3,90,52,602	39,05,26,020
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Less: Calls in-Arrears (Other than Director's)	-	36,940	-	36,940
At the end of the year	<u>3,90,52,602</u>	<u>39,04,89,080</u>	<u>3,90,52,602</u>	<u>39,04,89,080</u>
(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	<u>85,80,000</u>	<u>8,58,00,000</u>	<u>85,80,000</u>	<u>8,58,00,000</u>
Total	<u>4,76,32,602</u>	<u>47,62,89,080</u>	<u>4,76,32,602</u>	<u>47,62,89,080</u>

a) Terms / Rights attached to equity shares

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

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

b) Terms of redemption of preference shares

55,80,000 10% Non convertible non cumulative redeemable preference shares of ₹ 10 each are redeemable at par on 15th March, 2025 or at any time after one year from 31st March, 2012 at the option of the company.

10,00,000 10% Non convertible non cumulative redeemable preference shares of ₹ 10 each are redeemable at par on 28th June, 2019 or at any time after one year from 31st March, 2012 at the option of the company.

20,00,000 10% Non convertible non cumulative redeemable preference shares of ₹ 10 each are redeemable at par on 22nd June, 2019 or at any time after one year from 31st March, 2012 at the option of the company.

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

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



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

	As at 31st March, 2014		As at 31st March, 2013	
	Number of Shares	% holding	Number of Shares	% holding
Equity shares of ₹ 10/- each fully paid				
Ponorama Finvest Pvt Ltd	38,00,000	9.73%	38,00,000	9.73%
Sarvamangal Mercantile co. Ltd	29,02,951	7.43%	21,67,956	5.55%
10% Non convertible non cumulative Redeemable preference shares of ₹ 10 each				
Sarvamangal Mercantile co. Ltd	63,80,000	74.00%	63,80,000	74.00%
Kopran Laboratories Ltd	10,00,000	12.00%	10,00,000	12.00%
Susheel G. Somani and Mridula Somani	12,00,000	14.00%	12,00,000	14.00%

3) RESERVES AND SURPLUS

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
(a) Capital reserve		
Opening balance	14,84,74,390	14,84,74,390
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	14,84,74,390	14,84,74,390
(b) Securities premium account		
Opening balance	99,52,42,754	99,52,42,754
Add : Premium on shares issued during the year	-	-
Less : Calls In -Arrears (Other than Directors's)	(1,10,820)	(1,10,820)
Closing balance	99,51,31,934	99,51,31,934
(c) General reserve		
Opening balance	8,14,20,684	8,14,20,684
Add: Transferred from surplus in the statement of profit and loss -	-	-
Closing balance	8,14,20,684	8,14,20,684
(d) Export allowance reserve		
Opening balance	40,000	40,000
Add: Additions / transfers during the year	-	-
Less: Utilisations / transfers during the year	-	-
Closing balance	40,000	40,000
(e) Foreign exchange fluctuation reserve	78,78,813	62,70,495
(f) Surplus / (Deficit) in statement of profit and loss		
Opening balance	(73,54,58,407)	(84,66,45,819)
Add: Profit for the year	17,17,81,381	11,11,87,413
Closing balance	(56,36,77,026)	(73,54,58,407)
Total	66,92,68,795	49,58,79,097

**4) LONG-TERM BORROWINGS**

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Rupee loans from Banks (Secured)		
Term loans	66,45,713	2,78,30,844
Vehicles finance loans	1,76,445	16,13,749
Corporate loan from financial institution (unsecured)	8,00,00,000	8,00,00,000
Inter Corporate Deposits (Unsecured)		
Others	54,54,47,784	58,53,73,959
Total	63,22,69,942	69,48,18,552

- (a) Term loans from banks include term loan of ₹1,00,00,101/- (Balance Outstanding) which carries interest base rate +3.50% p.a. and is repayable in 10 equal quarterly installments of ₹ 50 lacs from April, 2012. Current maturities of ₹ 1,00,00,101/- have been shown under current liabilities. The loan is secured by first mortgage charge on the company's entire fixed assets on pari-passu basis with other working capital consortium banks and second charge on current assets of the company on pari-passu basis.
- (b) Term loans from banks include term loan of ₹ 2,66,45,713/- (Balance Outstanding) which carries interest base rate +3.50% p.a. and is repayable in 10 equal quarterly installments of ₹ 50 lacs from June, 2013. Current maturities of ₹ 2,00,00,000/- have been shown under current liabilities. The loan is secured by first mortgage charge on the company's entire fixed assets on pari-passu basis with other working capital consortium banks and second charge on current assets of the company on pari-passu basis.
- (c) Term loans from banks include term loan of ₹ 2,11,08,302/- (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 ₹ 2,11,08,302/- 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.
- (d) Vehicle finance loan carries interest @ 10.73 to 12.40 % p.a. and is repayable in 35 equal monthly installments. The loans is secured by hypothecation of Vehicles.
- (e) Corporate loan from financial institution carries Interest @ 13.50% p.a. and is repayable in 10 equal Instalments from December, 2013. The Loan is secured by personal guarantee and mortgage/ pledge of certain personal assets of promoters and directors.

5) OTHER LONG TERM LIABILITIES

Trade deposits	25,00,000	25,00,000
Total	25,00,000	25,00,000

6) LONG TERM PROVISIONS

Provision for employee benefits		
Gratuity (Ref. Note No. 29)	2,70,36,000	2,78,67,000
Leave encashment (Ref. Note No. 29)	84,33,000	81,65,000
Total	3,54,69,000	3,60,32,000

7) SHORT-TERM BORROWINGS

From Banks:		
Cash credit / packing credit *	34,05,21,726	15,83,52,377
Buyers credit	18,21,37,938	8,53,81,684
From other parties	-	53,00,000
Total	52,26,59,664	24,90,34,061

- * 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 immovable 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.



8) TRADE PAYABLES

Trade payables (including acceptances)

Total

As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
35,70,85,092	46,98,31,792
<u>35,70,85,092</u>	<u>46,98,31,792</u>

9) OTHER CURRENT LIABILITIES

Current maturities of long-term borrowings
Interest accrued but not due on borrowings
Interest free trade deposits
Advance from customers
Statutory liabilities

Other payables:

Creditors for capital goods
Employees related
Others

Total

13,25,46,978	8,53,81,863
3,81,295	-
44,68,804	54,38,877
2,90,21,500	1,73,85,981
1,16,29,785	74,14,293
97,14,762	92,17,735
4,61,12,205	5,11,24,781
5,94,20,570	3,14,29,868
<u>29,32,95,899</u>	<u>20,73,93,398</u>

10) SHORT TERM PROVISIONS

Provision for employee benefits

Gratuity (Ref. Note No. 29)
Leave encashment (Ref. Note No. 29)

Total

10,07,000	8,32,000
4,28,000	3,64,000
<u>14,35,000</u>	<u>11,96,000</u>

11) FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2013 (₹)	Additions during the year (₹)	Deductions during the year (₹)	As at 31st March 2014 (₹)	Upto 1st April 2013 (₹)	For the year (₹)	Deductions during year (₹)	Upto 31st March, 2014 (₹)	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Tangible assets										
1. Lease hold land	43,75,252	-	-	43,75,252	9,21,104	46,056	-	9,67,160	34,08,092	34,54,148
2. Free hold land	5,60,240	-	-	5,60,240	-	-	-	-	5,60,240	5,60,240
3. Buildings	28,43,58,173	2,75,53,929	-	31,19,12,102	11,16,21,379	1,00,04,001	-	12,16,25,380	19,02,86,722	17,27,36,794
4. Plant & equipments	2,34,12,29,954	5,83,98,758	-	2,39,96,28,712	1,44,59,33,453	11,52,13,373	-	1,56,11,46,826	83,84,81,886	89,52,96,501
5. Furniture and fixtures	3,32,49,449	46,50,297	-	3,78,99,746	3,00,88,790	9,87,697	-	3,10,76,487	68,23,259	31,58,923
6. Tube well	1,66,658	-	-	1,66,658	56,184	5,524	-	61,708	1,04,950	1,10,474
7. Office equipments	1,03,39,368	6,33,615	-	1,09,72,983	83,73,613	3,08,949	-	86,82,562	22,90,421	19,65,755
8. Computers	3,06,53,363	18,81,016	-	3,25,34,379	2,82,37,947	12,83,382	-	2,95,21,329	30,13,050	24,15,416
9. Vehicles	1,97,77,708	-	12,02,899	1,85,74,809	1,44,69,617	13,58,418	11,15,573	1,47,12,462	38,62,347	53,08,091
Tangible assets total	2,72,47,10,165	9,31,17,615	12,02,899	2,81,66,24,881	1,63,97,02,087	12,92,07,400	11,15,573	1,76,77,93,914	1,04,88,30,967	1,08,50,06,343
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

**12) INVESTMENTS (AT COST)**

Face Value ₹	As at 31st March, 2014		As at 31st March, 2013		
	Nos.	₹	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
			<u>10,64,237</u>		<u>10,64,237</u>
Less: Provision for diminution in value of investments			<u>4,26,243</u>		<u>4,26,243</u>
			<u>6,37,994</u>		<u>6,37,994</u>
			<u>6,37,994</u>		<u>6,37,994</u>
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
			<u>4,65,000</u>		<u>4,65,000</u>
Non trade investments:					
10	Parijat Shipping & Finale Ltd	7,00,000	70,00,000	7,00,000	70,00,000
			<u>70,00,000</u>		<u>70,00,000</u>
TOTAL(A+B+C)			<u>81,02,994</u>		<u>81,02,994</u>
TOTAL(I+II)			<u>81,43,244</u>		<u>81,43,244</u>
Aggregate cost of quoted investment			10,64,237		10,64,237
Aggregate market value of quoted investment			67,886		83,695
Aggregate cost of unquoted investment			74,65,000		74,65,000
Aggregate Provision for diminution			4,26,243		4,26,243
13) LONG TERM LOANS AND ADVANCES					
(Unsecured considered good, unless stated otherwise)					
Capital advances			54,23,213		32,64,877
Deposits			6,75,55,443		4,71,62,923
Loans to others			6,04,83,300		6,04,83,300
Other loans and advances					
Loans to employees			38,21,512		29,87,497
Prepaid expenses			9,89,180		9,02,959
Advance income-tax (Net of provision of taxation)			3,57,233		3,63,067
Total			<u>13,86,29,881</u>		<u>11,51,64,623</u>

**14) INVENTORIES**

(As taken, valued and certified by management)

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Stores & spares	1,33,88,840	1,10,03,480
Raw materials	27,05,29,350	17,45,06,625
Packing materials	3,19,87,573	3,12,03,296
Work-in-process	17,47,67,508	10,76,72,783
Traded goods	35,48,930	-
Finished goods	3,60,04,024	4,30,19,413
Total	<u>53,02,26,225</u>	<u>36,74,05,597</u>

15) 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	1,34,63,100	1,04,41,652
Considered doubtful	2,46,59,838	2,90,30,530
	3,81,22,938	3,94,72,182
Less: Provision for doubtful debts	2,46,59,838	2,90,30,530
	1,34,63,100	1,04,41,652
Other debts		
Others	54,68,48,782	50,13,10,915
Total	<u>56,03,11,882</u>	<u>51,17,52,567</u>

16) CASH AND BANK BALANCES

Balance with banks in current accounts	63,28,775	55,78,033
Cash on hand	15,49,035	9,15,912
Margin money deposits (with original maturity up to 12 Months)	3,92,53,501	3,14,14,272
Total	<u>4,71,31,311</u>	<u>3,79,08,217</u>

17) SHORT TERM LOANS AND ADVANCES

(Unsecured considered good, unless stated otherwise)

Loans to employees	10,86,406	9,36,300
Balance with statutory/ government authorities	29,60,67,346	25,98,84,169
Prepaid expenses	90,91,810	1,37,65,948
Advance income-tax (Net of provision of taxation)	19,80,424	16,00,709
Advances recoverable in cash or kind :	15,10,81,618	3,28,39,905
Total	<u>45,93,07,604</u>	<u>30,90,27,031</u>



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

18) REVENUE FROM OPERATION

	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
Sale of products *	3,04,35,05,117	2,50,41,41,485
Other operating income		
Scrap sales	19,71,347	24,63,956
Other	7,59,57,176	6,67,41,236
Total	<u><u>3,12,14,33,640</u></u>	<u><u>2,57,33,46,677</u></u>

19) OTHER INCOME

Dividend Income		
Long-term investments	5,437	22,961
Interest Income		
On fixed deposit	23,00,168	17,57,272
Others	48,88,165	1,62,05,760
Net profit on sale of assets	2,674	85,881
Liabilities written back	70,52,465	2,24,443
Foreign exchange gain (net)	44,37,045	(33,24,367)
Insurance claim	14,962	22,24,846
Miscellaneous income	9,00,000	9,09,657
Total	<u><u>1,96,00,916</u></u>	<u><u>1,81,06,453</u></u>

20) COST OF MATERIALS CONSUMED

Raw material consumption		
Opening stock	17,45,06,625	21,16,00,685
Add: Purchases	1,82,39,88,165	1,42,24,77,543
	<u>1,99,84,94,790</u>	<u>1,63,40,78,228</u>
Less : Closing stock	27,05,29,350	17,45,06,625
	<u><u>1,72,79,65,440</u></u>	<u><u>1,45,95,71,603</u></u>
Packing materials consumption:		
Opening stock	3,12,03,296	2,17,89,515
Add: Purchases	15,60,49,891	13,25,86,233
	<u>18,72,53,187</u>	<u>15,43,75,748</u>
Less : Closing stock	3,19,87,573	3,12,03,296
	<u><u>15,52,65,614</u></u>	<u><u>12,31,72,452</u></u>
Total	<u><u>1,88,32,31,054</u></u>	<u><u>1,58,27,44,055</u></u>

21) CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Opening stock		
Finished goods	4,30,19,413	2,17,79,601
Work in progress	10,76,72,783	8,81,07,064
	<u>15,06,92,196</u>	<u>10,98,86,665</u>
Less : Closing Stock		
Finished goods	3,60,04,024	4,30,19,413
Traded Goods	35,48,930	-
Work in progress	17,47,67,508	10,76,72,783
	<u>21,43,20,462</u>	<u>15,06,92,196</u>
Net(increase)/ decrease	<u><u>(6,36,28,266)</u></u>	<u><u>(4,08,05,531)</u></u>

**22) EMPLOYEE BENEFIT EXPENSE**

Salaries, wages and bonus
Contribution to provident and other fund
Staff welfare expense

	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
	19,59,04,826	17,90,11,344
	1,16,34,766	1,54,77,159
	2,25,61,147	1,58,43,277
Total	23,01,00,739	21,03,31,780

23) OTHER EXPENSES

Stores and spares consumed
Power and fuel
Rent
Repairs and maintenance
 Building
 Machinery
 Others
Insurance
Commission on sales
Selling and distribution expenses
Packing, freight and forwarding
Payment to auditors (refer details below)
Printing and stationery
Postage, telegram and telephone
Travelling and conveyance
Legal and professional fees
Rates and taxes
Labour charges
Directors' sitting fees
Sundry balances written off
Miscellaneous expenses

	3,47,53,773	2,78,23,531
	11,70,58,435	11,12,59,970
	2,07,94,910	1,83,60,000
	62,55,959	69,83,096
	97,36,168	66,51,536
	15,67,586	16,38,337
	63,17,397	40,12,284
	6,57,35,233	5,64,12,791
	2,27,55,532	91,47,752
	4,68,82,280	4,10,35,328
	7,68,256	3,77,301
	58,79,014	51,39,253
	46,83,485	46,68,593
	2,35,87,294	1,51,13,080
	2,81,62,151	1,95,52,228
	74,68,645	48,41,984
	1,68,52,240	1,15,93,664
	58,000	58,000
	1,11,313	36,160
	7,55,42,299	6,86,43,532
Total	49,49,69,970	41,33,48,421

Payment to auditors

As auditor
Audit fee
Tax audit fee

	6,18,256	3,22,301
	1,50,000	55,000
Total	7,68,256	3,77,301

24) FINANCE COST

Interest expense
Other borrowing cost

	7,85,80,365	5,57,40,921
	6,60,21,838	6,30,56,575
Total	14,46,02,203	11,87,97,496

25) DEPRECIATION AND AMORTISATION

Depreciation on tangible assets
Depreciation on intangible assets

	12,92,07,400	12,46,26,263
	-	-
Total	12,92,07,400	12,46,26,263

26) EARNINGS PER EQUITY SHARE

Number of equity shares
Weighted average number of equity shares
Face value per share
Profit after tax
Less: Dividend on preference shares
Profit after tax available to equity shareholders
Basic and diluted earning per share

	3,90,52,602	3,90,52,602
	3,90,52,602	3,90,52,602
	10	10
	17,17,81,381	11,11,87,413
	-	-
	17,17,81,381	11,11,87,413
	4.40	2.85



27) CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :

	As on 31st March, 2014 ₹	As on 31st March, 2013 ₹
i) Guarantees given by the company's bankers on behalf of the company	1,69,59,099	1,19,49,698
ii) Bills discounted with banks	43,28,85,659	45,14,13,635
iii) Disputed tax matters		
a) Service Tax demand disputed in appeal	34,04,819	32,95,000
b) Excise duty demand disputed in appeal	38,69,299	43,88,272
c) Demand under drug price control order - 95 (DPCO - 95) demand disputed in appeal	5,91,34,474	5,91,34,474

28) Estimated amount of contracts remaining to be executed on capital account not provided for ₹ 1,09,17,451/- (Previous year ₹ 23,93,185/-)

29) EMPLOYEE BENEFITS :

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

Part A : Gratuity Benefits

	Gratuity benefit Unfunded	
	As on 31/03/14 ₹	As on 31/03/13 ₹
i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at the beginning of the year	2,86,99,000	2,51,71,000
Obligation of subsidiary company reversed	(2,45,000)	-
Interest cost	21,85,782	19,37,277
Service cost	26,66,871	25,69,238
Actuarial (gain)/ loss	(30,00,195)	9,31,554
Benefits paid	(22,63,458)	(19,10,069)
Obligation at the year end	2,80,43,000	2,86,99,000
ii) Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution	22,63,458	19,10,069
Actuarial (gain)/ loss	-	-
Benefits paid	(22,63,458)	(19,10,069)
Fair value of plan assets at the end of the year	-	-
Unfunded status	(2,80,43,000)	(2,86,99,000)
iii) Limits of corridor not considered since total actuarial gain/loss is being recognised as on 31st March, 2014		
Actuarial gain / (loss) for the year- obligation	30,00,195	(9,31,554)
Actuarial gain/(loss) for the year- plan assets	-	-
Sub- Total	30,00,195	(9,31,554)
Actuarial loss recognised	(30,00,195)	9,31,554
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	2,80,43,000	2,86,99,000
Fair value of Plan Assets at the end of the year	-	-
Liability/(Asset) recognised in the balance sheet	2,80,43,000	2,86,99,000



iv Cost for the year		
Service cost	26,66,871	25,69,238
Interest cost	21,85,782	19,37,277
Expected return on plan assets	-	-
Actuarial (gain)/loss	(30,00,195)	9,31,554
Net cost recognised in the profit & loss account	18,52,458	54,38,069
vi) Movement in the liability recognised in the balance sheet		
Opening net liability	2,86,99,000	2,51,71,000
Obligation of subsidiary company reversed	(2,45,000)	-
Expenses as above	18,52,458	54,38,069
Contribution paid	(22,63,458)	(19,10,069)
Closing net liability	2,80,43,000	2,86,99,000
vii) Assumptions used to determine the benefit obligations:		
Discount rate	8.00%	8.00%
Rate of increase in compensation levels	6.00%	6.00%

Part B : Leave encashment

	Leave Encashment benefit Unfunded	
	As on 31/03/14 ₹	As on 31/03/13 ₹
i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at the beginning of the year	85,29,000	76,03,000
Obligation of subsidiary company reversed	(1,39,000)	-
Interest cost	6,25,144	5,46,885
Service cost	10,52,763	9,53,495
Actuarial (gain)/ loss	(55,515)	9,59,510
Benefits paid	(11,51,392)	(15,33,890)
Obligation at the year end	88,61,000	85,29,000
ii) Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution	11,51,392	15,33,890
Actuarial (gain)/ loss	-	-
Benefits paid	(11,51,392)	(15,33,890)
Fair value of plan assets at the end of the year	-	-
Unfunded status	(88,61,000)	(85,29,000)
iii) Limits of corridor not considered since total actuarial gain/loss is being recognised as on 31st March, 2014		
Actuarial (loss) for the year- obligation	55,515	(9,59,510)
Actuarial gain/(loss) for the year- plan assets	-	-
Sub- Total	55,515	(9,59,510)
Actuarial loss recognised	(55,515)	9,59,510
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	88,61,000	85,29,000
Fair value of plan assets at the end of the year	-	-
v) Liability/(asset) recognised in the balance sheet	88,61,000	85,29,000
Cost for the year		
Service cost	10,52,763	9,53,495
Interest cost	6,25,144	5,46,885
Expected return on plan assets	-	-
Actuarial (gain)/loss	(55,515)	9,59,510
Net cost recognised in the profit & loss account	16,22,392	24,59,890
vi) Movement in the liability recognised in the balance sheet		
Opening net liability	85,29,000	76,03,000
Obligation of subsidiary company reversed	(1,39,000)	-
Expenses as above	16,22,392	24,59,890
Contribution paid	(11,51,392)	(15,33,890)
Closing Net Liability	88,61,000	85,29,000
vii) Assumptions used to determine the benefit obligations:		
Discount rate	8.00%	8.00%
Rate of increase in compensation levels	6.00%	6.00%



30) The disclosure as per accounting standard 17 (AS-17) "segment reporting" issued by the institute of chartered accountants of India:

(a) Business segment:

Particulars	Pharmaceutical	Consumer Care Division	Total
(a) Revenue from operation	30,03,88,92,756	2,45,77,565	3,02,84,70,321
(b) Less: Operating and other expenses	2,67,96,10,370	5,12,77,244	2,73,08,87,614
(c) Segment result	32,42,82,386	(2,66,99,679)	29,75,82,707
(d) Less: Unallocated expenses			14,54,02,242
(e) Add: Other income			1,96,00,916
(f) Profit for the year			17,17,81,381

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 liabilities are made.

(b) Geographical segment:

Particulars	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
Sales revenue (net)		
In India	79,38,30,904	62,90,20,736
Outside India	2,23,46,39,417	1,87,31,41,687
Total	3,02,84,70,321	2,50,21,62,423

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 deferred tax assets can be realised.

32) 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

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

Particulars	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
Key Management Personnel :		
Remuneration paid to personnels	8,697,360	8,697,360

33) 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

34) a) The Company has taken certain office/factory premises on operating lease basis. Lease payments in respect of such leases recognised in statement of profit and loss account ₹ 2,05,64,605/- (Previous year ₹ 1,83,60,000/-)

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



- c) There are no restrictions such as those concerning dividend and additional debt other than in some cases where prior approval of lesser is required for further leasing. There is no contingent rent payment.
- 35) a) "The Financial Statement of Kopran Research Laboratories Ltd. have been prepared on a going concern basis, notwithstanding the fact that the Company has total accumulated losses of ₹ 3135.88 lacs as on 31st March, 2014. Kopran Research Laboratories Ltd. is a wholly owned subsidiary Company of M/s. Kopran Ltd. and is financially supported by the parent company. M/s. Kopran Ltd., the parent company has invested as share capital a sum of ₹ 500 lacs. It has also advanced a sum of ₹4729.02 lacs by way of financial support for its day to day expenses. The parent company is committed to continue to provide or arrange such financial support as would be necessary for the Company to meet its obligations as they fall due in foreseeable future. In turn Kopran Research Laboratories Ltd. has vide an agreement agreed to give to Kopran Ltd., the right to exploit the patents, intellectual properties and all rights appurtenant there to in any manner so as to recover the dues – current and future.
- In view of the above the accounts of the Company, for the year ended 31st March, 2014, have been prepared on a "Going Concern" basis."
- b) 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.
- c) The balances of unsecured loans, loans & advances and sundry creditors of Kopran Research Laboratories Ltd. are subject to the confirmation and consequential reconciliation/adjustments arising there from, if any. The management, however, does not expect any material variation.
- 36) 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

For and on behalf of the Board of Directors

Kaushal Mehta
Partner
Membership No. 111749

SUNIL SODHANI
Company Secretary

SURENDRA SOMANI
Executive Vice-Chairman

SUSHEEL G. SOMANI
Director

Place : Mumbai
Date : 28th May, 2014



Kopran

KOPRAN LIMITED

**Form No. SH -13Nomination Form
(for Shareholders holding Physical Shares)
[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies
(Share Capital and Debentures) Rules 2014]**

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

I/We _____ the holder(s) of the shares particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such shares in the event of my/our death.

(1) PARTICULARS OF THE SHARES (in respect of which nomination is being made)

Nature of shares	Folio No.	No. of shares	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S –

(a) Name	
(b) Date of Birth	
(c) Father's/Mother's/Spouse's name	
(d) Occupation	
(e) Nationality	
(f) Address	
(g) E-mail ID	
(h) Relationship with the share holder	

(3) IN CASE NOMINEE IS A MINOR

(a) Date of Birth	
(b) Date of attaching majority	
(c) Name of guardian	
(d) Address of guardian	

Name : _____

Address : _____

Name of the Share Holder(s): _____

Signature(s): _____

Witness with name and address: _____

Note: Shareholders with demat holding should fill the nomination with their Depository Participants for their Deamt Accounts.

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 55th Annual General Meeting of the company will be held on Thursday, 11th September, 2014 at 11.30 AM at Shri S. K. Somani Memorial Hall, 79, Marine Drive, Mumbai 400 020 to transact the following business :

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31stMarch-2014 and the Profit & Loss Account for the year ended 31stMarch-2014 together with the Reports of the Board of Directors and the Auditors thereon.
2. To Re-appoint M/s. Batliboi & Purohit (Firm Registration No.101048W), Chartered Accountants, Mumbai, as Statutory Auditors.

“RESOLVED THAT pursuant to Section 139 of the Companies Act, 2013, M/s Batliboi & Purohit Co. (Firm Registration No.101048W), Chartered Accountants, 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 apart from reimbursement of out-of-pocket expenses incurred in connection with the audit.”

Special Business

3. Appointment of Mr. Vishnu N Khanna as Independent Director of the Company.

To consider and if thought fit to pass with or without modification(s) the following resolutions as ordinary Resolution:

“RESOLVED THAT, pursuant to Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Vishnu N Khanna (Din No.00064502),an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed for a term of five consecutive year as an independent Director of the Company with effect from 11th September, 2014 up to 10th September,2019.

4. Appointment of Dr. Arvind K Mehta as Independent Director of the Company.

To consider and if thought fit to pass with or without modification(s) the following resolutions as ordinary Resolution:

“RESOLVED THAT, pursuant to Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Dr.Arvind K Mehta (Din No.01588835),an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed for a term of five consecutive year as an independent Director of the Company with effect from 11th September, 2014 up to 10th September, 2019.

5. Variation in terms of Appointment of Mr. Ajit Jain, Executive Director and Chief Operating Officer of the Company.

To consider and if thought fit to pass with or without modification(s) the following resolutions as Special Resolution:

“RESOLVED THAT pursuant to the provision of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the approval of members, the consent of the company be and is hereby accorded for increase in remuneration of Shri Ajit Jain (Din No.00147277) Executive Director and Chief Operating Officer (COO) of the Company from 1st April,2014 till the expiry of his term on 31st January,2016, as details given herein below:”

a) Basic Salary: Rs.415000 per month

b) Perquisites:

- i. House Rent allowances 50% of Basic Salary per month.
- ii. Medical Reimbursement: Reimbursement of Actual Medical Expenses for himself and his family not exceeding Rs.15000 per annum.
- iii. Leave Travel Allowances : Reimbursement of Leave/Holiday expenses (like travel fare, lodging, conveyance and other expenses) incurred on one or more occasions in a year for travel in India in respect of himself and family subject to the condition that total reimbursement shall not exceed one month’s Basic salary per annum. The entitlement for any one year to the extent not availed shall be allowed to be accumulated upto next two years.
- iv. Contribution to Provident Fund to the extent these either singly or put together are not taxable under the Income-tax Act 1961.
- v. Gratuity as per Gratuity Act.
- vi. Leave with full pay or encashment thereof as per Rules of the Company.

- vii. Mr. Ajit Jain shall be entitled to reimbursement of all or any expenditure actually and properly incurred for Company's business. He shall not be entitled to any sitting fee for attending meetings of the Board of Directors' or Committees thereof.

"RESOLVED FURTHER that if in any financial year during his tenure as Executive Director and Chief Operating Officer (COO), the Company has no profit or its profits are inadequate, salary and perquisites as above will be payable to Mr. Ajit Jain as minimum remuneration."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to revise the remuneration payable to him as Executive Director and Chief Operating Officer (COO), from time to time subject to the ceiling laid down in Section 196, 197, 203 Schedule V of the Companies Act, 2013 without further approval of the members of the Company, but with such other approvals, sanctions, or permission if any, required for such revision in the remuneration."

RESOLVED FURTHER THAT the Board be and hereby authorize to do all such act, deeds and things and execute all such documents, instruments and writing as may be required and to delegate all or any of its power herein conferred to any Director or Committee of Directors.

6. Appointment of Mr. Surendra Somani as the Executive Vice Chairman of the Company.

To consider and if thought fit to pass with or without modification(s) the following resolutions as Special Resolution:

"RESOLVED THAT pursuant to the provision of Sections 196, 197, 203 Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to approval of members, consent of the company be and is hereby accorded to the re-appointment of Mr. Surendra Somani (Din No.00600860) as Executive Vice Chairman of the Company for a period of three years commencing from 1st January, 2014 to 31st December, 2016 and on such remuneration, terms and conditions as detailed herein below:

a) Basic Salary: Rs.666500 per month

b) Perquisites:

- i. Furnished Residential Accommodation will be provided by the Company.
- ii. Reimbursement Electricity Expenses at the Residential Accommodation.
- iii. Reimbursement of Actual Medical Expenses for himself and his family.
- iv. Reimbursement of Admission Fee & Membership Fee for one club in India.
- v. Leave Travel Allowance: Reimbursement of Leave/Holiday expenses (like travel fare, lodging, conveyance and other expenses) incurred on one or more occasions in a year for travel India in respect of himself and family subject to the

condition that total reimbursement shall not exceed one month's Basic salary per annum. The entitlement for any one year to the extent not availed shall be allowed to be accumulated upto next two years.

- vi. Personal Accident Insurance Policy with Premium not exceeding for Rs.10,000 per annum.
- vii. Free use of Car with Driver, free telephone and computer facilities at residence for purpose of company's business.
- viii. Within the overall pay structure as mentioned above, the Executive Vice Chairman may be given any other allowance, benefit and perquisites as per the Nomination and Remuneration Committee may decide from time to time.
- ix. Contribution to Provident Fund to the extent these either singly or put together are not taxable under the Income-tax Act 1961.
- x. Gratuity as per Gratuity Act.
- xi. Leave with full pay or encashment thereof as per Rules of the Company

“RESOLVED FURTHER that if in any financial year during his tenure as Executive Vice Chairman, the Company has no profit or its profits are inadequate, salary and perquisites as above will be payable to Mr. Surendra Somani as minimum remuneration.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to revise the remuneration payable to him as Executive Vice Chairman, from time to time subject to the ceiling laid down in Section 196, 197, 203 Schedule V of the Companies Act, 2013 without further approval of the members of the company, but with such other approvals, sanctions, or permission if any, required for such revision in the remuneration.”

“RESOLVED FURTHER THAT the Board be and hereby authorize to do all such act, deeds and things and execute all such documents, instruments and writing as may be required and to delegate all or any of its power herein conferred to any Director or Committee of Directors.”

NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. Proxies in order to be effective must be received not less than 48 hours before the meeting at the Registered Office or at the Registrar & Share Transfer Agent's office at Bigshare Services Pvt. Ltd, E-2 / 3, Ansa Industrial Estate, Saki Naka, Saki Vihar Road, Andheri East, Mumbai – 400 072.
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 annexed as a part of the Annual Report 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 Monday, 8th September, 2014 to Thursday, 11th September, 2014(both days inclusive).
7. The Notice of the AGM along with Annual Reports 2013-14 is being sent by electronic mode to those members whose E-mail address are registered with the Depositories. Members desirous of physical copy of the same can send their request to the registered office of the company.
8. To support the 'green initiative', the members who have not registered their E-mail addresses are requested to register the same with their depositories.
9. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL on all resolutions set forth in this Notice.

The instructions for e-voting are as under:-

- A. In case a Member receives an E-mail from NSDL(for the members whose E-mail addresses are registered with the Company/Depositories):
 - a. Open the E-mail and also PDF file namely "Kopran e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - b. Open the Internet browser and type the following [URL:https://www.evoting.nsdl.com](https://www.evoting.nsdl.com)
 - c. Click on shareholder-login
 - d. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
 - e. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the E-mail as initial password.
 - f. The password change menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - g. Once the e-voting home page opens, click on e-voting>Active Voting Cycles.
 - h. Select "EVEN"(E-Voting Event Number) of Kopran Limited which is 100717 Now you are ready for e-voting as caste vote page open.
 - i. Caste your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - j. Upon confirmation, the message "Vote Caste Successfully" will be displayed.
 - k. Once the vote on the resolution is caste the Member shall not be allowed to change it subsequently.
 - l. Institutional Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution-Authority

- Letter, etc. together with attested specimen signature of the duly authorised Signatory(ies) who are authorised to vote, to the scrutinizer through e-mail to Kopran.scrutinizer@gmail.com, with the copy marked to evoting@nsdl.co.in
- m. In case of any queries, you may refer Frequently Ask Question(FAQs) – at www.evoting.nsdl.com
- B. In case a member receives physical copy of Notice of AGM(for the members whose E-mail addresses are not registered with the Company/Depositories):
- a. Initial password is provided in the enclosed ballot form: “EVEN”(E-Voting Event Number), user ID and Password.
 - b. Please follow all steps from serial number b to serial number m above, to cast vote.
- C. Other instructions:
- a. The e-voting period commences on 7th September,2014 (9.00 a.m. IST) and ends on 9th September,2014 (6.00 p.m. IST) during this period members of the company, holding shares either in physical form or dematerialised form as on 1st August,2014, may cast their votes electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently.
 - b. Voting rights of members shall be in proportion to their shares of the paid-up Equity Shares Capital of the Company as on 1st August,2014.
 - c. 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.
 - d. 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.
 - e. 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 9th September,2014 (6.00 p.m. IST).
Members have the option to request for physical copy of the Ballot Form by sending an e-mail to investor.relations@kopran.com by mentioning their Folio/DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than 9th September, 2014 (6.00 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.
- f. 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 NSDL

www.evoting.nsdl.com within two days of the passing of the resolutions at the 55th AGM of the Company on 11th September, 2014 and communicated to the BSE & NSE, where the shares of the Company are listed.

1. Members are requested to:

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

Place : Mumbai
Date : 28th May, 2014

For Koprani Limited

Sunil Sodhani
Company Secretary

ANNEXURE TO NOTICE

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

ITEM NO. 3

Pursuant to Section 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Director) Rules, 2014, it is proposed to appoint Mr. Vishnu N Khanna as Independent Director of the Company up to five consecutive years from 11th September, 2014 to 10th September, 2019.

A brief profile along with other details of the Independent Directors are as follows:

Name of the Director	Mr. Vishnu N. Khanna	
Director Identification Number	00064502	
Date of Joining the Board	30 th April, 2007	
Profile of the Director	He holds M.com degree from the University of Agra in 1956. He is a rich experience of 46 years in Marketing and General Management.	
Number of shares	52,200 Equity Shares.	
Directorship and Committee memberships in other Companies	Directorship	Audit Committee
Oricon Enterprises Ltd.	Director	Member

Venktesh Karriers Ltd	Director	
-----------------------	----------	--

Mr.Vishnu N Khanna Independent Director of the company, have given a declaration to the Board that they meet the criteria of independent as provided u/s.149 (6) of the Companies Act, 2013. In the opinion of the Board, he fulfills the conditions specified in the Act and Rules printed thereunder for appointment of Independent Director and he is independent of the management. The Board of Directors proposes the appointment of Mr.Vishnu N Khanna and recommends the resolution as set out in Item No. 3 for the approval of shareholders at the ensuing Annual General meeting.

None of the Directors and Key Managerial persons or their relatives other than Mr. Vishnu N Khanna is concerned or interested the resolution set out in Item No. 3.

ITEM NO. 4

Pursuant to Section 149, 152, Scheudle IV of the Companies Act,2013 read with Companies (Appointment and Qualification of Director) Rules,2014, it is proposed to appoint Dr.Arvind K Mehta as Independent Director of the Company up to five consecutive years from 11th September,2014 to 10th September,2019.

Name of the Director	Dr.Arvind K.Mehta
Director Identification Number	01588835
Date of Joining the Board	30 th April,2007
Profile of the Director	He is qualified as MBBS from Mumbai University in 1964. He is a Doctor by profession and has rich experience of 41 years in Pharmaceutical Industry.
Number of Shares	Nil
Directorship and Committee memberships in other Companies	None

Dr.Arvind K Mehta Independent Director of the company, have given a declaration to the Board that they meet the criteria of independent as provided u/s.149 (6) of the Companies Act, 2013. In the opinion of the Board, he fulfills the conditions specified in the Act and Rules printed thereunder for appointment of Independent Director and he is independent of the management. The Board of Directors proposes the appointment of Dr.Arvind K Mehta and recommends the resolution as set out in Item No. 4 for the approval of shareholders at the ensuing Annual General meeting.

None of the Directors and Key Managerial persons or their relatives other than Dr.Arvind K Mehta is concerned or interested the resolution set out in Item No. 4

ITEM NO.5

(to be read with Information common to Item 5 & 6.)

The Board of Directors in their meeting held on 28th May,2014 of your Company on the Recommendation of Remuneration Committee after considering his qualification and

experience has approved variation in terms of his appointment w.e.f. 1st April,2014. In order to fulfill the requirement of the proposed remuneration in terms of part II section II of schedule V of the companies Act, 2013 approval of shareholders by way of special resolution is required. The Board recommend the same for shareholders approval.

Information About Appointee:

Name of the Director	Mr.Ajit Jain
Director Identification Number	00147277
Date of Joining the Board	16 th October,2006
Profile of the Director	Mr. Ajit Jain, Chartered Accountant, Aged 53 years, He is associated with the Parijat Group for the last 25 years in various managerial capacities. He has been instrumental in effective functioning of your Company.
Number of shares	Nil
Past Remuneration	56.70 Lacs. Per Annum
Remuneration Proposed	Details as provided in the Resolution
Job Profile & Brief terms of appointment.	Substantial power of management, including but not limited to finance, marketing and sales, budgeting, production, quality control under the overall superintendence and direction of the Board. His appointed for a period of three years with effect from 1 st February,2013
Notice period and Severance fees	Notice not less than 90 days in writing by either party. Severance fee not to accede remuneration of Notice Period.

Directorship and Committee memberships in other Companies

Name of the Company	Position held
First Flight Couriers Ltd.	Director
Kopran Research Laboratories Ltd	Director
Kopran Lifesciences Ltd	Director

The above may be treated as an abstract of the agreement entered by Mr.Ajit Jain with the Company as required u/s 190 of the Companies Act,2013.

The Detailed Agreement is open for inspection to the members of the company, on all working days between 11.00 a.m. to p.m. 5.00 p.m. at the Registered Office of the Company.

None of the Directors and Key Managerial persons or their relatives other than Ajit Jain is concerned or interested the resolution set out in Item No. 5

ITEM NO. 6

(to be read with Information common to Item 5 & 6.)

The Board of Directors in their meeting held on 13th November,2013 of your Company on the recommendation of the Remuneration Committee after considering his qualification and experience has approved his appointment for a term of five years w.e.f. 1st January,2014. Subsequently the Board on the recommendation of the Nomination and Remuneration Committee at its meeting held on 28th May, 2014 reduced his term for three years to meet the terms of Part II section II of schedule V of Companies Act, 2013.

Information About Appointee:

Name of the Director	Mr.Surendra Somani
Director Identification Number	00600860
Date of Joining the Board	11 th June 1977
Profile of the Director	Mr. Surendra Somani aged 59 years, He is a Commerce Graduate from Mumbai University. He has joined the Company since 1977. He has rich experience in the Pharmaceutical Industry. His tenure as Executive Vice Chairman expired on 31 st December,2013.
Number of shares	503075 Equity Shares.
Past Remuneration	30.27 Lacs. Per Annum
Remuneration Proposed	Details as provided in the Resolution
Job Profile & Brief terms of appointment.	Substantial power of management, including but not limited to administration, finance, marketing and sales, purchase, production, quality control under the overall superintendence and direction of the Board. Appointment is for a period of three years with effect from 1 st January,2014
Notice period and Severance fees	Notice not less than 90 days in writing by either party. Severance Fees is max not to accede remuneration of Notice Period.

Directorship and Committee memberships in other Companies

Name of the Company	Position held
Parijat Shipping & Finale Ltd	Director
Kopran Research Laboratories Ltd	Managing Director
Kopran Lifesciences Ltd	Director
Oricon Enterprises Ltd	Director

The above may be treated as an abstract of the agreement entered by Mr.Surendra Somani with the Company as required u/s 190 of the Companies Act,2013.

The Board of Directors of your Company in its meeting held on 28th May, 2014 after considering his qualifications and experience and on the recommendations of the Remunerations Committee has approved his terms of appointment and to fulfill the requirement of the proposed remuneration in terms of part II section II of schedule V of the companies Act,2103

approval of shareholders by way of special resolution is required. The Board recommend the same for Members approval.

The Detailed Agreement is open for inspection to the members of the company, on all working days between 11.00 a.m. to p.m. 5.00 p.m. at the Registered Office of the Company.

None of the Directors and Key Managerial persons or their relatives other than Mr. Surendra Somani and Mr. Susheel G Somani is concerned or interested the resolution set out in Item No.6.

Information common to Item 5 & 6.

The necessary details required to be disclosed under clause B (iii) of section II of schedule V of Companies Act, 2013 are furnished hereunder:

A) General Information :

1. Nature of the Industry & commercial operation: The Company is engaged in the business of manufacture and sale of Bulk Drugs and Formulation since last 55 years.
2. Financial Performance based on given indicators.

Particulars	Figures in Lacs		
	Year Ended 31.03.2012	Year Ended 31.03.2013	Year Ended 31.03.2014
Sales	20,447	25,194	30,330
PBDIT	2,725	3,601	4,396
Net Profit	617	1,206	1,704

3. Foreign investments and collaboration : Foreign Investment in wholly owned subsidiary Kopran (H.K.) Ltd., Hongkong Rs.100.60 lacs

B) Other Information.

In view of the losses carrying forward arising out of earlier years, there is in adequacy of profits as determined in accordance with sec 198 of the Companies Act,2013. The Company strategy would be to pursue the regulated markets with high value products, integrated with own manufacture of API, to competitive market. This would increase the operating margin and profitability of the Company.

For Kopran Limited

Sunil Sodhani
Company Secretary

Registered Office:
Parijat House, 1076, Dr. E. Moses Road,
Worli, Mumbai – 400 018
Place : Mumbai
Date : 28th May, 2014

KOPRAN LIMITED CIN:L24230MH1958PLC011078
Regd. Office : Parijat House, 1076, Dr.E. Moses Road, Worli, Mumbai-400 018.

ATTENDANCE SLIP

Folio No.	DP ID No.	Client ID No.	No. of Shares held

I/We hereby record my presence at the ANNUAL GENERAL MEETING held on Thursday, 11th September, 2014 at Shree S.K. Somani Memorial Hall, HVB Academy, 79, Marine Drive, Mumbai – 400 020 at 11.30 a.m.

FILL IN BLOCK LETTERS

NAME OF THE MEMBERS	
SIGNATURE OF THE MEMBERS	
NAME OF THE PROXY	
SIGNATURE OF THE PROXY	

NOTE: You are requested to fill in, sign and hand this over at the entrance.

-----TEAR HERE -----

KOPRAN LIMITED CIN:L24230MH1958PLC011078
Regd. Office : Parijat House, 1076, Dr.E. Moses Road, Worli, Mumbai-400 018.

PROXY FORM

Name of the Member(s) : _____ Registered address: _____ E-mail Id: _____ Folio No./ Client ID: _____ DP ID: _____
--

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

(1) Name : _____ Address: _____ E-mail Id: _____ or failing him :

(2) Name : _____ Address: _____ E-mail Id: _____ or failing him :

(3) Name : _____ Address: _____ E-mail Id: _____

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 55th Annual General Meeting of the company to be held on Thursday 11th September, 2014 at 11.30 a.m. at Shree S.K. Somani Memorial Hall,

HVB Academy, 79, Marine Drive, Mumbai – 400 020 at 11.30 a.m. and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution No.	ORDINARY RESOLUTION	For	Against
1.	Consider and adopt Financial Statement of the Company for the year ended 31 st March,2014 together with Report of Board of Directors and Auditors thereon.		
2.	Re-appointment of M/s. Batliboi & Purohit as Statutory Auditors		
	SPECIAL BUSINESS		
3.	Appointment of Mr. Vishnu N Khanna as Independent Director of the Company.		
4	Appointment of Dr. Arvind K Mehta as Independent Director of the Company.		
5	Variation in terms of Appointment of Mr. Ajit Jain, Executive Director and Chief Operating Officer of the Company.		
6	Appointment of Mr. Surendra Somani as the Executive Vice Chairman of the Company.		

Signed this _____ day of _____,2014

Affix a One Rupee Revenue Stamp
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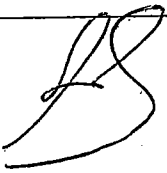
No. of Shares held _____

Signature of Member (s)

Signature of the first proxy holder(s) _____

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 meeting.

FORM B

1.	Name of the Company	Kopran Limited
2.	Annual Financial Statement for the year ended	31 st March,2014
3.	Type of Audit Qualification	Except for the effect of the matter described in the basis for qualified opinion paragraph
4.	Frequency of Qualification	Since Financial Year 2005-2006
	Note No.31 in Notes forming part of Accounts for the year ended 31 st March,2014	<p>Attention is invited to Note 31 to the financial statements regarding the investment and advances aggregating to Rs.500.61 lacs and Rs.4729.02 lacs respectively, given to subsidiary company, Kopran Research Laboratories Limited, whose accumulated losses have exceeded the networth. No Provision for investments and doubtful advances has been made by the management of the company. Consequently, the effect, if any, on the carrying value of investment and advances given cannot be ascertained. Our audit report on the financial statement for the year ended 31st March, 2013 contained a similar modification.</p> <p><u>Management Response:</u> The Company has made an investment of Rs.5,00,60,750/- and has also advanced a sum of Rs.47,29,01,907/- to Kopran Research Laboratories Ltd.(KRL), a wholly owned subsidiary of the company, for research and development (R & D) activities. The accumulated losses of KRL has exceeded its paid up capital and reserves. The said subsidiary has been awarded numerous patents in India and abroad for its novel Anti-Ulcer molecule KNC-6 and other molecule KNC-1206. KRL has also developed enteric coating technology and has also been awarded Indian Patent for novel process of synthesis of Rofecoxib and Sildenafil Citrate. KRL has, vide an agreement, agreed to give the company the right to exploit the patents, intellectual properties and all rights appurtenant thereto in any manner so as to recover the dues-current and future. Considering that the investments are strategic and for long term the provision for diminution in value has not been considered necessary by the management.</p>
	Additional comments from the Board/Audit Committee Chair	The investment in the wholly owned subsidiary, Kopran Research Laboratories Limited is long term and for strategic reason.
5.	To be signed by - CEO/Managing Director	

	CFO	----
	Auditor of the company	<u>J. A. Meltz</u>
	Audit Committee Chairman	<u>M. M. M. M. M.</u>