

Kopran

KOPRAN LIMITED
ANNUAL REPORT
2016-2017

FINANCIAL HIGHLIGHTS

(` in Lacs)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Share Capital	5183	5183	4968	4763	4763	4763	4763	4568
Reserves & Surplus	15769	14482	12181	9752	8048	6842	6225	5685
Networth	20952	19665	17149	14515	12811	11605	10988	10253
Fixed Assets(net)	4378	3517	3365	10350	10711	11160	11215	11837
Sales/Other Income	19038	18814	33207	30330	25194	20447	19764	16623
Gross Profit/(loss)	2620	2577	3810	4396	3601	2725	2385	2052
Interest/Finance Charges	975	999	1297	1446	1188	966	749	618
Depreciation	334	314	958	1246	1208	1142	1123	1116
Current Tax (Net)	24	-	-	-	-	-	-	-
Net Profit/(loss)	1287	1144	1548	1704	1206	617	540	997
Earning per share(Rs)	2.97	2.76	3.89	4.36	3.09	1.58	1.32	0.8

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BOARD OF DIRECTORS :

Mr. Susheel G Somani	Chairman
Mr. Surendra Somani	Executive Vice Chairman
Dr. Arvind K Mehta	Director
Mr. Vijay K. Bhandari	Director
Dr. Siddhan Subramanian	Director
Dr. Sunita Banerji	Director

CHIEF FINANCIAL OFFICER:

Mr. Basant K Soni

COMPANY SECRETARY:

Mr. Sunil Sodhani

AUDITORS:

M/s. Batliboi & Purohit
Chartered Accountants,

INTERNAL AUDITORS:

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

SECRETARIAL AUDITORS:

M/s. GMJ & Associates
Practicing Company Secretaries

REGISTRAR & TRANSFER AGENT:

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

BANKERS:

State Bank of India,
The Federal Bank Limited
RBL Bank Limited

REGISTERED OFFICE:

“Parijat House”,
1076, Dr. E. Moses Road, Worli, Mumbai – 400018
Tel. No.: 022-43661111 Email: investors@kopran.com

FORMULATION UNIT:

Villages Savroli,
Taluka Khalapur,
Dist. Raigad, Khopoli
Maharashtra-412202
Tel. No.: 02192-274500
Email: vkushwaha@kopran.com

Kopran Research Laboratories Ltd. (Subsidiary Company)

API UNIT:

K-4/4, Additional MIDC,
At/Post: Birwadi, Taluka: Mahad
Dist.: Raigad
Maharashtra- 402302
Tel. No.: 02145-251101
Email: sbiyani@kopran.com

Directors Report

Dear Members,

Your Directors have pleasure in presenting their 58th Annual Report together with the Audited Financial Statement for the year ended on 31st March, 2017.

1. Financial Performance

Financial Summary and Highlights

(` in Lacs)

Particulars	Standalone Basis		Consolidated Basis	
	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
For the Period Ended				
Total Revenue	19,038	18,814	32,039	29,869
Less Expenses	17,727	17,551	29,535	28,677
Profit Before exceptional items & Tax	1,311	1,263	2,504	1,191
Less Exceptional items	-	119	-	119
Profit before Tax	1,311	1,144	2,504	1,072
Tax Expenses	24	-	24	-
Net Profit / (Loss) for the Period	1,287	1,144	2,480	1,072

A) Standalone

Your company achieved total revenue of ` 19,038 Lacs in the current year as against total revenue of ` 18,814 Lacs in the previous year. During the year, the Company earned net profit of ` 1,287 Lacs (Previous Year: ` 1,144 Lacs), an increase of 12.50% over the previous year.

B) Consolidated

Consolidated revenue for the year was ` 32,039 Lacs against Consolidated revenue of ` 29,869 Lacs in the previous year. Consolidated net profit for the year was ` 2,480 Lacs as against Consolidated net profit of ` 1,072 Lacs in previous year, an increase of 131.34% over the previous year.

2. Operations of the Company

(` in Lacs)

	FY 2016-17	FY 2015-16
Standalone		
Formulation (Finished Dosage Form)		
Export Sales	16,080	16,558
Local Sales	2,085	2,173
Total	18,165	18,731
Kopran Research Laboratories Ltd (Subsidiary Company)		
Active Pharmaceuticals Ingredients (API)		
Export Sales	7,916	6,121
Local Sales	7,947	8,486
Total	15,863	14,607

During the current Financial Year, the Company has wiped off the entire carried forward losses on standalone basis and turn in black.

Your Company continues to focus on New Product Development, expansion and increasing its presence in various countries in the International market.

Your company has started investments in development of products for the US market and to file the Abbreviated New Drug Applications (ANDAs) by 2018.

3. Dividend

In view to conserve resources, the Board has not recommended any dividend on Equity shares or Preference shares for the Financial Year 2016-17.

4. Management Discussion and Analysis Report

The Report on Management Discussion and Analysis as required under SEBI (LODR) Regulations, 2015 is provided as a separate section in **Annexure A** of Annual Report.

5. Subsidiaries, Associates and Joint Ventures:

Kopran Research Laboratories Ltd, a material Subsidiary Company achieved total revenue of ` 15,185 Lacs in the current year as against total revenue of ` 13,886 Lacs in the previous year. During the year, the company earned net profit of ` 889 Lacs (Previous Year: loss of ` 365 Lacs).

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

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

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

6. Directors & Key Managerial Persons (KMP)

During the year, Mr. Vishnu N Khanna, Director of the Company resigned due to his ill-health w.e.f 14th November, 2016. The Board wishes to place on record their sincere appreciation of the significant contribution made by Mr. Vishnu N Khanna during his tenure as Chairman of the Board.

Mr. Susheel G Somani was appointed as Additional Director of the Company w.e.f 12th September, 2016. He will hold office up to the ensuing Annual General Meeting of the Company. The Company has received a notice together with requisite Deposit of Rupees One lac under section 160 of the Companies Act, 2013 from a member of a Company proposing his candidature for the office of the Director. He is liable to retire by rotation.

The Board at its meeting held on 14th November, 2016, subject to the approval of members at the Annual General Meeting, re-appoint Mr. Surendra Somani as Executive Vice Chairman of the Company, for a further term of three years w.e.f 01st January, 2017 upto 31st December, 2019.

The Board seeks approval of the shareholders at the 58th Annual General Meeting for confirmation of the appointment of Mr. Susheel Somani and Mr. Surendra Somani. The brief profile of the aforesaid Directors and other information has been detailed in the Notice attached along with the Annual Report.

In terms of section 203 of the Companies Act, 2013 following are the Key Managerial Personnel of the Company

Mr. Surendra Somani- Executive Vice Chairman

Mr. Basant K Soni – Chief Financial Officer

Mr. Sunil Sodhani – Company Secretary and Compliance Officer.

Apart from Mr. Surendra Somani who is re-appointed as Executive Vice Chairman, no other KMP has been appointed or has retired or resigned during the year

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

7. Meetings of the Board

Five Board Meetings were held during the Financial Year 2016-2017. The Details of the Board Meetings with regard to their dates and attendance of each of the Directors has been provided in the Corporate Governance Report as a separate section in Annexure C of Annual Report.

8. Performance Evaluation:

Pursuant to the provision of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out the annual Performance Evaluation of the Directors individually as well as evaluation of the working of the Board and of the Committees of the Board, by way of individual and collective feed back from Directors.

The following were the Evaluation Criteria:

a. For Independent Directors

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

b. For Executive Directors

Performance as Team Leader, New initiative, Achievements in the Key responsibility areas, Professional Conduct, Integrity, Sharing of information with the Board, Customer satisfaction and investor relations.

c. For Board and its Committees

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

9. Committees of the Board

At present, the Board has following four Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Affairs Committee

The Composition of the Committees and relative compliances are in line with the applicable provisions of the Companies Act, 2013 read with Rules and Listing Regulations. Brief terms of reference of the Committees, Committees' Membership and attendance at the meetings of the Committee are provided in the Report on Corporate Governance as a separate section in **Annexure C** of Annual Report.

10. Vigil Mechanism

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

11. Risk Management and Internal Control Systems and their adequacy

Risk management comprises all the organizational rules and actions for early identification of risks in the course of doing business and the management of such risks. The Company has in place internal financial control systems and risk management system commensurate with the size and complexity of its operations to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances.

12. Corporate Social Responsibility(CSR)

In view of past carried forward losses, the Company is not mandated to carry CSR spending.

13. Related Party Transactions

All Related Party Transactions that were entered into during the financial year were in ordinary course of business and on arm's length basis, of repetitive nature and proposed to be entered during the Financial year are placed before the Board for prior omnibus approval at the commencement of Financial year. A statement giving details of all Related Party Transactions are placed before the Audit Committee on quarterly basis for their approval. There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company and hence, enclosing of Form AOC-2 is not required. Suitable disclosure as required by the accounting standard (AS-18) has been made in the note no.33 to the Standalone Financial Statements.

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

14. Corporate Governance

The Report on Corporate Governance as stipulated under SEBI (LODR) Regulations,2015 forms part of the Annual Report which is given in **Annexure C**. The requisite certificate from GMJ & Associates, Practicing Company Secretaries of the Company confirming compliance with the conditions of corporate governance as stipulated under the aforesaid SEBI (LODR) Regulations is attached to the Report on Corporate Governance.

15. Loans, Investments & Guarantees

Particulars of loans given, investments made and guarantees given along with the purpose for which the loan or guarantee is to be utilised by the recipient are provided in Note 41 to the Standalone Financial Statements.

16. Rating

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

17. Auditors

a) Statutory Auditors

Pursuant to the section 139 (2) of the Companies Act, 2013 read with Rule 6 of Companies (Audit & Auditors) Rules 2014, M/s. Batliboi & Purohit, Chartered Accountants (Firm Regn. No. 101048W), retire at the conclusion of the 58th Annual General Meeting.

Now it is proposed to appoint M/s. Khandelwal Jain & Co, Chartered Accountants (Firm Regn. No. 105049W) as Statutory Auditor of the Company for the period of 5 years i.e to hold office from the conclusion of the 58th Annual General Meeting until the conclusion of 63rd Annual General Meeting of the Company to be held in the year 2022 (subject to ratification of their appointment by the members at every Annual General Meeting held after the forthcoming Annual General Meeting). As required under the provisions of section 139 (1) of the Act, the Company has received written consent and certificate from M/s. Khandelwal Jain & Co., Chartered Accountants to the effect that their appointment, if made, would be in accordance with the provisions of the Companies Act, 2013 and the Rules framed thereunder and that they satisfy the criteria provided in section 141 of the Companies Act, 2013.

b) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act, the Board of Directors of the Company had appointed M/s. GMJ & Associates, Practicing Company Secretaries (Firm Regn. No.1432) to conduct the Secretarial Audit of the Company for the FY 2017- 18. M/s GMJ & Associates has issued the Secretarial Audit Report for FY 2016-17 given in **Annexure D**

Secretarial Audit Report for the financial year ended 31st March, 2017 does not contain any qualification, reservation or adverse remark.

c) Internal Auditors

The Board of Directors has appointed M/s. NGS & Co. LLP, Chartered Accountants (Firm Regn. No. 119850W) as Internal Auditor of the Company for the FY 2017-18.

18. Directors' Responsibility Statement

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

- i. In preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. They have selected such accounting policies listed in the financial statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year as on 31st March, 2017 and of the profit of the Company for that period;
- iii. They have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. They have prepared the annual accounts on a going concern basis;
- v. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. Extracts of Annual Return

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

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

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

21. Details of Unclaimed Suspense Account

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

22. Particulars of employees and related disclosures

Disclosures pertaining to remuneration and other details required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016 is annexed herewith as **Annexure H**. Any Shareholder interested in obtaining the information required under Rule 5(2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 may write to the Company Secretary at the Registered Office of the Company. None of the employees listed under the said provision is related to any Director of the Company.

23. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. A Complaint Redressal Committee has been set up by your Company to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the Financial year, no Complaints were received.



24. Other Disclosures/Reporting

Your Directors further state that during the year under review:

- a) No amount is transferred to General Reserve;
- b) The paid up Equity Share Capital as on 31st March, 2017 was ` 43.25 crores. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company;
- c) the Company has not accepted any deposits from the public and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014;
- d) There were no significant/material orders passed by the Regulators or Courts or Tribunals impacting going concern status of your Company and its operations in future;
- e) There was no change in nature of Business. There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which this financial statement relate and the date of this Report.

On behalf of the Board of Directors

Surendra Somani
Executive Vice Chairman
04th August, 2017

Annexure A

(TO THE DIRECTOR'S REPORT)

Management Discussion and Analysis

Global Outlook:

The US Pharmaceutical market commands 40% of the Global Pharmaceutical market, which is expected to touch USD 1.5 trillion by 2020.

The Health Care Industry, especially the Pharmaceutical Industry, is witnessing a phenomenal pricing pressure apart from the strict GMP norms laid down by the USFDA.

Governments all across are intervening to regulate health care costs leading to a metamorphosis in the Pharmaceutical market.

Several countries including Russia have reactivated domestic manufacture of Finished Dosage Forms and are making imports more difficult.

Demographics increased but the independence of all chronic ailments, ageing population, increasing income levels and improved access to health care will be the key drivers of growth in the pharmaceutical market in the coming years.

The New Products pipeline is very thin and skewed more towards Oncology and a few chronic ailments. Several block buster drugs are going off patent in the near future.

India accounts for 20% of global exports in Generics. India exported Pharmaceutical products worth USD 20 billion and is expected to touch USD 40 billion by 2020.

All the above factors are paving way for increased demand of Generic drugs.

Company Strategy:

To be competitive, integrated players making both the Active Pharmaceutical Ingredients and the Finished Dosage Forms would find themselves in a better position to exploit opportunities of the growing demand.

New products, new markets and integration continue to be the key strategies for the growth and improvement in profitability of your Company.

New products developed for the Finished Dosage Forms include Acetazolamide, Chlorthalidone, Metaxalone, Hydrochlorothiazide, Etodolac, Amoxyclav, and Solifenacin which are focused for the US/UK markets.

New Active Pharmaceutical Ingredients include Lymeccycline, Ticagrelor, Nitrocyline, Biapenem and Tebipenem.

Financial Performance

The Company had a healthy financial performance during the year. The focus was on execution of strategies, improving the product mix and gaining presence in the new markets.

Key financial highlights.

Year	FY 2016-17	FY 2015-16	Percentage (%) Increase/(Decrease)
Income from Operations	18,154	18,731	(0.03%)
EBITDA	2,620	2,457	6.63%
PBT	1,311	1,144	14.60%
PAT	1,287	1,144	12.5%
Material costs	8,229	8,625	(4.59%)
Employee benefit expenses	1,915	1,605	19.31%
Other expenses	3,580	3,253	10.05%
Shareholders' funds	20,951	19,665	6.54%
Non-current liabilities	2,206	2,453	(10.07%)
Current liabilities	7,890	5,757	37.05%
Non-Current assets	20,600	19,600	5.10%
Current assets	10,447	8,275	26.25%

The Company maintains a cordial and peaceful relationship with its employees.

Annexure B

(TO THE DIRECTOR'S REPORT)

FORM AOC-1

(Pursuant to section 129 (3) (1) read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures.

Part "A": Subsidiaries

Fig in `

		Name of Subsidiary & CIN		
		Kopran (H.K.) Ltd.	Kopran Research Laboratories Ltd. U74120MH2010PLC21112	Kopran Lifesciences Ltd. U24230MH1986PLC040601
1	Reporting Period for the Subsidiary Concerned, if different from holding company's reporting period	01-04-2016 to 31-03-2017	01-04-2016 to 31-03-2017	01-04-2016 to 31-03-2017
2	Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of Foreign subsidiaries.	HKD Rs. 8.33 = 1HKD	NA	NA
3	Share Capital	23,18,750	20,00,00,000	5,00,000
4	Reserves & Surplus	(15,593)	87,78,80,430	(1,04,563)
5	Total Assets	23,03,157	1,82,11,66,886	11,27,749
6	Total Liabilities	23,03,157	1,82,11,66,886	11,27,749
7	Investment	Nil	Nil	10,00,000
8	Turnover	19,61,426	1,49,75,75,009	Nil
9	Profit Before Taxation	1,161	8,88,92,056	(5,000)
10	Provision for Taxation	-	-	-
11	Profit after Taxation	1,161	8,88,92,056	(5,000)
12	Proposed Dividend	Nil	Nil	Nil
13	% of Shareholding	100%	99.50%	100%

Part "B": Associates and Joint Ventures : None

Annexure C

(TO THE DIRECTOR'S REPORT)

REPORT ON CORPORATE GOVERNANCE

A. Board

1. Company's Philosophy on the Code of Governance

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

2. Board of Directors

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

The Company has five Non-executive Directors of which four are Independent Directors and all the Non-executive Directors draw remuneration only by the way of sitting fees for attending the meeting of the Board and the Committees thereof. None of the Independent directors have any material pecuniary relationship or transaction with the Company, its promoters, its directors, its senior management or its subsidiary which may affect independence of the director. None of the Directors are related to each other.

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

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

a. Composition and other details of Board of Directors are as below

Name of the Director	Category	Position/Group
Mr. Susheel G Somani*	Non-Executive Director	Chairman of the Board
Mr. Surendra Somani	Executive Director	Vice Chairman (Promoter Group)
Dr. Arvind K Mehta	Non-Executive Director	Independent Director
Mr. Vijay K Bhandari	Non-Executive Director	Independent Director
Dr. Siddhan Subramanian	Non-Executive Director	Independent Director
Dr. Sunita Banerji	Non-Executive Director	Independent Director

* Mr. Susheel G. Somani appointed as Additional Director w.e.f.12th September, 2016 and holds position as Chairman of the Board w.e.f. 14th November, 2016

During the financial year, Mr. Vishnu N Khanna Independent Director, Chairman of the Board resigned w.e.f. 14th November, 2016.

b. Familiarization Programme of Independent Directors

A brief training program for Independent Directors was held on 07th February, 2017. The Training programme covered presentation on Basic Comparison from Existing Accounting Standard to change over to Indian Accounting Standards (IND-AS) which shall be effective

from Financial Year 2017-18. The new Accounting Standards will have significant impact on Financial Instruments (Disclosure & Presentation), Share based payments, Business combinations, Disclosure of interest in other entities, Fair Value measurement, Revenue from contracts with customers, Contingent Liabilities, concept of Contingent Assets, Related party disclosures and Borrowings costs, Effects of changes in foreign exchange rates, Employee benefits, etc. The Familiarisation Programmes imparted to Independent Directors is available on the Company's website at the weblink:-

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

3. Evaluation of Board and its Committee

a) Performance Evaluation of Independent Directors

Evaluation of Independent Directors is done by Board of Directors excluding the Director who is being evaluated on criteria of independence and other criteria herein mentioned below keeping in view the provisions of section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015

A. Integrity:- Evaluation of Directors on integrity i.e

- i. Disclosure of conflict of interest
- ii. Maintenance of the confidentiality of information relating to the Company which comes to their knowledge in the course of the discharge of their functions.
- iii. Enforce compliance with the Designated Employees and Key Managerial Persons of the Company, etc.

B. Knowledge and initiative

- i. Director's understanding and knowledge of the Company and the Committee in which he/she is Member/Chairman.
- ii. Director's initiative with respect to various areas pursuant to his knowledge and experiences.

C. Other Criteria:-

- i. Director's Commitment to the Board and Company.
- ii. Director's attendance and participation in the Meeting.
- iii. Fulfillment of assignment by Directors given by the Board /Committee.

b) Performance Evaluation of Non-Independent Directors, Board as a whole, Chairman.

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 01st February, 2017 as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 (3) of SEBI (LODR) Regulations, 2015. The Independent Directors at the Meeting:

- i. Reviewed the performance of Non-Independent Directors;
- ii. Reviewed the performance of the Board as a whole;
- iii. Reviewed the performance of the Chairman of the Company, taking into account the views of the Executive Vice Chairman; and
- iv. Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Performance Evaluation of the Directors is done by Nomination and Remuneration Committee and Performance Evaluation of Committees of the Board is done by Board of Directors.

The annual evaluation has been done keeping in view the SEBI Guidance Note on Board Evaluation issued on 05th January, 2017.

4. Category and Attendance of Directors

The names and categories of the Directors on the Board, their attendance at Board meetings during the financial year 2016-17 and at the last Annual General Meeting and the number of Directorships and Committee positions held by them in other Companies are given below:

Director	No. of Board Meeting attended during 2016-17	Attendance at AGM held on 10 th Sept 2016	No. of Directorships held in other Public Companies (as on 31.03.2017)	No. of Committee Memberships held in other Public Companies (as on 31.03.2017)		No. of Committee Chairmanships held in other Public Companies (as on 31.03.2017)	
				All Committees	Only Audit & Stakeholders Relationship Committee	All Committees	Only Audit & Stakeholders Relationship Committee
Mr. Vishnu N Khanna	3	No					
Mr. Surendra Somani	5	Yes	2	0	0	0	0
Mr. Susheel G Somani	2	NA	9	1	1	0	0
Mr. Vijay K Bhandari	4	Yes	7	9	5	4	4
Dr. Arvind K Mehta	4	Yes	1	1	1	1	1
Dr. Siddhan Subramanian	5	Yes	0	0	0	0	0
Dr. Sunita Banerji	3	No	2	1	1	1	1

Notes :

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

The Board meets regularly at quarterly intervals and holds additional meetings as and when appropriated and needed. Five meetings of the Board of Directors were held during FY 2016-17 on 30th May, 2016, 09th August, 2016, 12th September, 2016, 14th November, 2016 & 07th February, 2017. All operational and statutorily required information was placed before the Board and significant events reported to the Board.

5. Remuneration to Directors and their Shareholding during the Financial year 2016-17

Details of remuneration to Executive Directors and their Shareholding

Name of the Director	No. of Equity Shares	Remuneration (in `)
Mr. Surendra Somani	503075	97,50,100

Details of remuneration to Non-Executive Directors and their Shareholding

Name of the Director	No. of Equity Shares	Details of sitting Fees (in `)	
		Board	Committee
Mr. Vishnu N Khanna	52200	36,000	25,000
Mr. Susheel G Somani	871900	24,000	-
Dr. Arvind K Mehta	Nil	48,000	47,000
Mr. Vijay K Bhandari	Nil	48,000	27,000
Dr. Siddhan Subramanian	Nil	60,000	17,000
Dr. Sunita Banerji	Nil	36,000	17,000

6. Code of Conduct

The Code of Conduct for its Directors and Senior Management upholds the interest of the Company and its stakeholders and to fulfill all the fiduciary obligations towards them. The Code of Conduct further enjoins the Directors and Senior Management to act in accordance with the highest standard of honesty, integrity, fairness, good faith and due diligence in performing their duties. The Code of Conduct is signed by Directors and Senior Management within one week of the start of financial year. The Code of Conduct adopted by Board is available on the website of the Company

7. CEO / CFO Certification

The Executive Vice Chairman and Chief Financial Officer have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II to the Listing Regulations pertaining to CEO/CFO Certification for the Financial Year ended 31st March 2017. (Attached to Corporate Governance Report)

B. Committees

1. Audit committee

i. Brief Terms of reference

The Audit Committee has adequate powers to play an effective role as required under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015 which inter-alia include overseeing financial reporting processes, reviewing periodic financial results, financial statements and adequacy of internal control systems with the Management, financial statement and Investment of Unlisted subsidiary Company, Approval of payment to statutory auditors, review the annual financial statements, accounting policies and practices, major accounting entries involving estimates based on the exercise of judgment by management, disclosure of any related party transactions, the statement of uses/application of funds, adequacy of internal audit function, functioning of the Whistle Blower mechanism, Scrutinize inter-corporate loans and investments, risk management systems etc., Discuss with internal auditors of any significant findings and follow up thereon.

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

During the FY 2016-17 the Audit Committee meetings were held on 30th May 2016, 08th August 2016, 12th November 2016 & 06th February, 2017.

Name of the Member	Designation	Category	Meetings attended
Dr. Arvind K Mehta	Chairman	Independent Director	4
Mr. Vishnu N Khanna *	Member	Independent Director	3
Dr. Sunita Banerji **	Member	Independent Director	1
Mr. Surendra Somani	Member	Executive Director	4

* Mr. Vishnu N Khanna resigned w.e.f. 14th November, 2016

** Dr. Sunita Banerji appointed w.e.f. 14th November, 2016

2. Nomination and Remuneration Committee

i. Brief Terms of reference

In pursuant to the provisions of Section 178 of the Companies Act, 2013, the Company has constituted a Nomination & Remuneration Committee of Directors in May 2013. The terms of reference of the Committee are in line with Regulation 18 of SEBI (LODR) Regulations, 2015 and brief terms of reference are devising the criteria for the appointment, evaluation, policy matters for remuneration and performance appraisal, identifying and recommending the Appointment of Key Managerial Personnel(s) (KMP's), Independent Directors and also Directors, determining the appropriate size, diversity and composition of the Board, conduct meeting at regular intervals to carry out the functions as assigned by the Board, Working with the Board on the leadership succession plan.

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

The Composition of the Nomination & Remuneration Committee and the details of the Meetings attended by the Directors during the year are given below:

During the FY 2016-17 the Nomination & Remuneration Committee meetings were held on 08th September 2016, 12th November 2016 & 01st February, 2017.

Name	Designation	Category	Committee Meetings attended
Mr. Vijay K Bhandari	Chairman	Independent Director	3
Mr. Vishnu N Khanna *	Member	Independent Director	2
Dr. Arvind K Mehta	Member	Independent Director	3
Dr. Siddhan Subramanian **	Member	Independent Director	1

* Mr. Vishnu N Khanna resigned w.e.f. 14th November, 2016

** Dr. Siddhan Subramanian appointed w.e.f.14th November, 2016.

3. Stakeholders Relationship Committee

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

During the FY 2016-17, Stakeholders Relationship Committee Meeting was held on 03rd February, 2017.

Name	Designation	Category	Committee Meetings attended
Dr. Arvind K Mehta	Chairman	Independent Director	1
Mr. Susheel G Somani	Member	Non-Independent Director	1
Mr. Surendra Somani	Member	Executive Director	1

Status of Investor Complaints for FY 2016-17

Outstanding Complains at the beginning of the year	Received during the year	Resolved during the year	Outstanding Complains at the end of the year
0	3	3	0

4. Corporate Affairs Committee

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

During the FY 2016-17, Corporate Affairs Committee Meetings were held on 06th May 2016, 20th June 2016, 25th July 2016, 12th September 2016, 14th November 2016, 02nd March 2017 & 29th March 2017

Name	Designation	Category	Committee Meetings attended
Mr. Surendra Somani	Chairman	Executive Director	7
Dr. Arvind K Mehta	Member	Independent Director	7
Mr. Vishnu N Khanna	Member	Independent Director (Resigned w.e.f.14.11.2016)	4
Mr. Susheel G. Somani	Member	Non-Independent Director (Appointed w.e.f.14.11.2016)	3

C. Shareholder's Information

1. General Meetings

Location, date and time of Annual General Meetings held during the last three years and number of special resolutions passed

AGM *	Date	Day	Time	Location of the Meeting	No. of Special Resolutions passed
55 th	11 th September, 2014	Thursday	11.30 a.m.	Shri S.K. Somani Memorial Hall, HVB Academy, 79, Marine Drive, Mumbai - 400 020	Two **
56 th	19 th September, 2015	Saturday	3.00 p.m.	As above	None
57 th	10 th September, 2016	Saturday	3.00 p.m.	As above	None

*Details of voting pattern is available on Company website.

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

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

2. Means of communication

The Quarterly Financial Results of the Company for all the quarters i.e 1st quarter, 2nd quarter, 3rd quarter and 4th quarter was published in Business Standard (English) & Tarun Bharat(Marathi).The Financial Results / office news releases are also made available on the Company's website www.kopran.com and also on nseindia.com & bseindia.com

3. General Shareholders Information

- 1) Date, time and venue of 58th AGM : 02nd September, 2017, 10.30 am at Shri S.K. Somani Memorial Hall, 79, Marine Drive, Mumbai – 400 020.
- 2) Date of Book Closure : 31st August, 2017 to 02nd September, 2017 (both days inclusive)
- 3) Dividend payment date, if declared at the AGM : No dividend declared
- 4) Listing on Stock Exchanges : BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).
- 5) Listing fees : Paid as per the listing agreement.
- 6) ISIN No. : INE082A01010
- 7) BSE Scrip code : 524280
NSE Scrip Code : KOPRAN
- 8) Registered office : Kopran Ltd., Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018 Tel. No. 022-43661111
Fax No.022-24950363, Website : www.kopran.com.
CIN : L24230MH1958PLC011078.
- 9) Registrar & Share Transfer Agent : Bigshare Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai-400 059.
Tel. No. 022-62638200 Fax No. 022-62638299
Email : bhagwan@bigshareonline.com
Investor correspondence : Kopran Ltd., Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018 Tel. No. 022-43661111: Fax No.022-24950363, Email: investors@kopran.com
- 10) Compliance Officer : Mr. Sunil Sodhani, Company Secretary
Tel No. 022-43661251
- 11) Share Transfer system : The Company's shares are traded compulsorily in Demat segment in the Stock Exchange, Mumbai and National Stock Exchange. Shares in physical segment which are lodged for transfer are processed by our RTA and returned to the Shareholders within stipulated time period.
- 12) Financial Calendar : Annual Results – 24th May, 2017
Mailing of Annual Reports –by 08th August, 2017

Results for the Quarter ending:
 June 30, 2017 – By 14th September, 2017
 September 30, 2017 - By 15th November, 2017
 December 31, 2017 – By 14th February, 2018
 March 31, 2018 – 30th May, 2018

- 13) Dematerializations of shares : As on 31.03.2017, 42927073 shares representing 99.25% of Equity shares are held in demat mode.
- 14) Plant Location : Formulation Unit, Village: Savroli, Taluka: Khalapur, District: Raigad, Khopoli-410 202
 API Unit : Kopran Research Laboratories Ltd. (Subsidiary Company)
 K-4, Additional MIDC, Village Birwadi, Near Global Board, Mahad – 402 302

15) Distribution of Shareholding as on 31/03/2017

By size of shareholdings

Face Value of Equity:- ` 10/-

Range	No. of Shareholders	% of Shareholders	Holdings	% to Capital
01 to 5000	31032	98.19	11973172	27.68
5001 to 10000	297	0.94	2325559	5.38
10001 to 20000	132	0.42	1937564	4.48
20001 to 30000	39	0.12	977392	2.26
30001 to 50000	36	0.11	1404873	3.25
50001 to 100000	30	0.10	2153213	4.98
100001 and above	39	0.12	22480829	51.97
Grand Total	31605	100.00	43252602	100.00

16) Stock market price data for the year 2016-17:

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 Shares Traded
April-16	56.20	48.80	1734230	56.10	48.75	6232792
May-16	54.85	49.65	1332486	54.90	49.55	5909337
June-16	54.70	48.50	1320474	54.80	48.50	6481357
July-16	54.90	50.75	1490024	54.90	50.25	7575617
August-16	53.50	43.75	1714241	53.50	43.50	6557804
September-16	62.30	48.10	6067250	62.40	48.15	21433408
October-16	68.40	56.50	6130486	68.25	56.25	20918759
November-16	62.00	42.70	2098041	61.90	42.60	6189588
December-16	57.15	48.90	1675563	57.15	48.55	6045030
January-17	57.10	51.30	1002841	59.90	51.30	4173112
February-17	73.45	51.05	5680454	73.75	51.10	22910244
March-17	78.85	66.85	5503206	78.80	66.75	18804628

17) Yearly Stock Performance vs Benchmark Index:

NSE exchange	As on 31st March, 2016	As on 31st March, 2017	Change in %
Nifty (Closing Index)	7738	9174	+18.56%
Nifty Pharma	10989	10411	-5.26%
Kopran Ltd. (Closing Price)	49.20	75.95	+ 54.37%

D. General Information

1. Subsidiary Company

The Company has one Material Subsidiary incorporated in India .Regulation 24 of the Listing Regulations requires at least one Independent Director of the listed entity to be a Director on the Board of an unlisted material subsidiary incorporated in India. Two Independent Directors of the Company, viz. Dr. Arvind K Mehta and Dr. Sunita Banerji are appointed as Independent Directors on the Board of Subsidiary Company.

The Company monitors performance of subsidiary companies, inter alia by following means

- i. The Company's Audit Committee reviews the Financial Statement of the Subsidiary Companies also, including the investment made by subsidiaries.
- ii. The minutes of Board Meeting of the subsidiary companies are placed before the Board of Directors at regular interval.
- iii. All significant transaction of subsidiary company are reviewed periodically by the Company and placed before Board of Directors.
- iv. The Company has formulated a policy for determining material subsidiaries and the Policy is disclosed on the Company's website at <http://www.kopran.com/pdf/material%20subsidiary%20policy.pdf>

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

The Company has no Outstanding GDR / ADR/ Warrant or any convertible instruments as on 31st March, 2017.

3. Foreign Exchange Risk and hedging activities

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

4. Disclosures

- 1) There were no related party transactions that may have potential conflict with the interests of the Company at large. The Company has formulated a Related Party Transactions Policy and the same is displayed on the Company's website at the following web link:
<http://kopran.com/pdf/Policy%20on%20related%20party%20transaction.pdf>
- 2) The Company has complied with the requirements of the Stock Exchange, SEBI and other Statutory Authorities on all matters relating to Capital Markets during the last three years. No penalties or strictures were imposed on the Company by these authorities.
- 3) The Company has complied with all mandatory requirements of Listing Regulations with the Stock Exchanges as on 31st March, 2017.
- 4) Adoption / non adoption of non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations as at 31st March, 2017 is as under:
 - (a) The Company does not maintain an office for the Non-Executive Chairman
 - (b) As the Financial Results are published in the newspaper as well as displayed on the Company's website, the Results are not sent to household of each of the Shareholders.
 - (c) The auditors have issued an un-qualified opinion for financial statements for the year ended 31st March, 2017.
 - (d) The Company is already having separate posts for Chairman and Managing Director.

CEO & CFO Certificate

**The Board of Directors
Kopran Limited**

Dear members of the Board,

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

1. We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of the Company and all the notes on accounts and the Board's report for FY 2016-17;
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's auditors and the Company's Audit Committee of the Board of Directors;
5. We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;
6. We have disclosed, based on our most recent evaluation, wherever applicable, to the Company's Auditors and the Audit Committee of the Company's Board of Directors, all significant deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps taken or proposed to be taken to rectify the deficiencies;
7. We have indicated to the Auditors and the Audit Committee:
 - a. Significant changes in the Company's internal control over financial reporting during the year.
 - b. All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
 - c. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system over financial reporting;
8. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices;
9. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

Mumbai
Date: 24th May, 2017

Mr. Surendra Somani
Executive Vice Chairman

Mr. Basant Kumar Soni
Chief Financial Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO
THE MEMBERS OF KOPRAN LIMITED

We have examined the compliance of conditions of Corporate Governance procedures implemented by Kopran Limited for the year ended on 31st March, 2017 as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company. This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **GMJ & ASSOCIATES**
COMPANY SECRETARIES

(CS PRABHAT MAHESHWARI)
PARTNER
C.P. NO. 1432
F.C.S NO. 2405

PLACE: MUMBAI
DATE : 04TH AUGUST, 2017.

Annexure D

(TO THE DIRECTOR'S REPORT)

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kopran Limited** (hereinafter called "**the company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions of the applicable acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act");
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit period)
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

We further report that the Company has a compliance system in place and we have examined the relevant documents and records on test-check basis, with respect to other Acts as applicable which are as under:
- vi. Other applicable acts:
 - a) The Factories Act, 1948.
 - b) The Industrial Dispute Act, 1947. (ID Act)
 - c) The Equal Remuneration Act, 1976.
 - d) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
 - e) The Payment of Bonus Act, 1965.

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

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

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

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

We further report that:

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

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

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

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

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

For **GMJ & ASSOCIATES**
Company Secretaries

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

PLACE : MUMBAI
DATE : 04th AUGUST, 2017

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



ANNEXURE I

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

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

1. Maintenance of secretarial records is the responsibility of management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **GMJ & ASSOCIATES**
Company Secretaries

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

PLACE: MUMBAI
DATE : 04th AUGUST ,2017

Annexure E

(TO THE DIRECTOR'S REPORT)

Form No. MGT-9

Extract of annual return as on the financial year ended on 31.03.2017

(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L24230MH1958PLC011078
- ii) Registration Date : 26th April, 1958
- iii) Name of the Company : Kopran Limited
- iv) Category/Sub-Category of the Company : Public Company limited by shares
- v) Address of the registered office and contact details : Parijat House, 1076, Dr. E Moses Road, Worli, Mumbai-400 018
Tel. No.: 022-43661111; Fax No.: 022-24950363
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Bigshare Services Pvt. Ltd
CIN : U99999MH1994PTC076534
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East) Mumbai 400059
Tel No. : 022 62638200 Fax No. : 022 62638299

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main Products/ Services	NIC Code of the Product/ Services	% to total turnover of the company
1	Formulations	21001	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

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

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

i. Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (1) Indian									
a) Individual/HUF	5522700	0	5522700	12.77	5522700	0	5522700	12.77	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	13920813	0	13920813	32.18	13920813	0	13920813	32.18	0.00
e) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(1):-	19443513	0	19443513	44.95	19443513	0	19443513	44.95	0.00
(2) Foreign									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of promoter(A)= (A)(1)+(A)(2)	19443513	0	19443513	44.95	19443513	0	19443513	44.95	0.00
B. Public shareholding 1) Institutions									
a) Mutual Fund	0	500	500	0.00	0	500	500	0.00	0
b) Banks/FI	1194389	145	1194534	2.76	1188498	300	1188798	2.75	(0.01)
c) Central/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	300	300	0.00	0	300	300	0.00	0.00
h) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
i) Any Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
j) Foreign Portfolio Investor	0	0	0	0.00	459304	0	459304	1.06	1.06
Sub-total (B) (1):-	1194389	945	1195334	2.76	1647802	1100	1648902	3.81	1.05



2) Non-Institutions									
a) Bodies Corp.	2879229	0	2879229	6.66	2955731	19801	2975532	6.88	0.26
b) Individual									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	15865822	2981	15868803	36.69	13990289	304428	14294717	33.05	(3.64)
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	2799631	0	2799631	6.47	3652519	0	3652519	8.44	1.97
c) NBFC's registered with RBI	0	0	0	0.00	18799	0	18799	0.04	0.04
d) Others (Specify)									
i) Trusts	4250	0	4250	0.01	4050	0	4050	0.01	0.00
ii) Clearing Member	309439	0	309439	0.72	499048	0	499048	1.15	0.43
iii) Directors Relatives	52200	0	52200	0.12	0	0	0	0.00	(0.12)
iv) Non Resident Indians (NRIs)	700203	0	700203	1.62	715372	150	715522	1.65	0.03
Sub-total (B)(2):-	22610774	2981	22613755	52.28	21835808	324379	22160187	51.23	(1.05)
Total Public Shareholding (B)=(B) (1)+(B)(2)	23805163	3926	23809089	55.05	23483610	325476	23809089	55.05	0.00
C. Shares held by custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	43248676	3926	43252602	100.00	42927123	325479	43252602	100.00	0.00

(ii) Shareholding of Promoters

Sr.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in Shares holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered to total Shares	
1	Debonair Publication Pvt Ltd.	1000	0.00	0	1000	0.00	0	0.00
2	Kopran Lifestyle Ltd.	3950	0.01	0	3950	0.01	0	0.00
3	Sarla Sevantilal Prekh	6290	0.01	0	6290	0.01	0	0.00
4	Renuka Vinubhai Bhansali	8500	0.02	0	8500	0.02	0	0.00
5	Pravina Rameshchandra Virvadia	8500	0.02	0	8500	0.02	0	0.00
6	Anushree Somani	9000	0.02	0	9000	0.02	0	0.00
7	Vrinda Somani	9000	0.02	0	9000	0.02	0	0.00
8	G. Claridge & Company Ltd.	342500	0.79	0	342500	0.79	0	0.00
9	Somani Kumkum	35635	0.08	0	35635	0.08	0	0.00
10	Suhrid Somani	93300	0.22	0	93300	0.22	0	0.00
11	Practical Financial Services Pvt Ltd.	96900	0.22	0	96900	0.22	0	0.00
12	Hridai Susheel Somani	116900	0.27	0	116900	0.27	0	0.00
13	Morganite Trading Company Pvt. Ltd.	161150	0.37	0	161150	0.37	0	0.00
14	Adarsh Somani	181250	0.42	0	181250	0.42	0	0.00
15	Surendra Somani	503075	1.16	0	503075	1.16	0	0.00
16	Mridula Somani	228900	0.53	0	228900	0.53	0	0.00
17	Jaya Somani	258500	0.60	0	258500	0.60	0	0.00
18	Uni Recyclers Pvt. Ltd.	265395	0.61	0	265395	0.61	0	0.00
19	Nupur Somani	270000	0.62	0	270000	0.62	0	0.00
20	Rajendra Somani	2324250	5.37	0	2324250	5.37	0	0.00
21	Susheel G. Somani	871900	2.02	0	871900	2.02	0	0.00
22	Varun Somani	272500	0.63	0	272500	0.63	0	0.00
23	Vandana Somani	325200	0.75	0	325200	0.75	0	0.00
24	Parijat Shipping and Finale Ltd.	385209	0.89	0	385209	0.89	0	0.00
25	Oricon Properties Pvt. Ltd.	5961758	13.78	0	5961758	13.78	0	0.00
26	Sarvamangal Mercantile Co. Ltd.	2902951	6.71	0	2902951	6.71	0	0.00
27	Panorama Finvest Pvt. Ltd.	3800000	8.79	3300000	3800000	8.79	0	0.00
	Total	19443513	44.95	3300000	19443513	44.95	0	0.00

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	19443513	44.95	19443513	44.95
	DECREASE	Nil	Nil	Nil	Nil
	INCREASE	Nil	Nil	Nil	Nil
	At the End of the year	19443513	44.95	19443513	44.95

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

TOP TEN NON PROMOTERS MOVEMENT

Sr. No	Name	No. of Shares at the beginning /end of the year	Date	Increase/ Decrease in Shareholding	Reason	Number of Shares	Percentage of total Shares of the Company
1	Life Insurance Corporation of India	400000	31-Mar-16	0	Transfer	400000	0.92
			05-Sept-16	-400000	transfer	0	0.00
			07-Sept-16	400000	transfer	400000	0.92
		400000	31-Mar-17	0	Transfer	400000	0.92
2	Digvijay Commerce and Trading Pvt Ltd	385000	31-Mar-16	0	Transfer	385000	0.89
			29-Apr-16	-5697	Transfer	379303	0.88
			13-May-16	-5303	Transfer	374000	0.86
			27-May-16	-7109	Transfer	366891	0.85
			5-Sept-16	-366891	Transfer	0	0.00
			7-Sept-16	366891	Transfer	366891	0.85
			16-Sept-16	-6891	Transfer	360000	0.83
			30-Sept-16	18000	Transfer	378000	0.87
			07-Oct-16	-1000	Transfer	377000	0.87
			21-Oct-16	-1000	Transfer	376000	0.87
			10-Feb-17	-16000	Transfer	360000	0.83
		360000	31-Mar-17	0	Transfer	360000	0.83
3	Goldman Sachs (Singapore) PTE	0	31-Mar-16	0	Transfer	0	0.00
			3-Mar-17	67023	Transfer	67023	0.16
			10-Mar-17	216481	Transfer	283504	0.66
			17-Mar-17	53027	Transfer	336531	0.78
			31-Mar-17	2616	Transfer	339147	0.78
		339147	31-Mar-17	0	Transfer	339147	0.00



4	United India Insurance Company Limited	253744	31-Mar-16	0	Transfer	253744	0.59
			05-Sept-16	-253744	Transfer	0	0.00
			07-Sept-16	253744	Transfer	253744	0.59
		253744	31-Mar-17	0	Transfer	253744	0.59
5	Umesh Nath Kapur	182850	31-Mar-16	0	Transfer	182850	0.42
			05-Sept-16	-182850	Transfer	0	0.00
			07-Sept-16	182850	Transfer	182850	0.42
			03-Mar-17	-20000	Transfer	162850	0.38
			17-Mar-17	-10000	Transfer	152850	0.35
			24-Mar-17	-10000	Transfer	142850	0.33
		142,850	31-Mar-17	0	Transfer	142850	0.33
6	Ramesh Damani	0	31-Mar-16	0	Transfer	0	0.00
			23-Dec-16	35213	Transfer	35213	0.08
			30-Dec-16	3000	Transfer	38213	0.09
			03-Feb-17	11783	Transfer	49996	0.12
			10-Feb-17	50000	Transfer	99996	0.23
			17-Feb-17	65000	Transfer	164996	0.38
			31-Mar-17	6500	Transfer	171496	0.40
		171496	31-Mar-17	0	Transfer	171496	0.40
7	Arundhati Sunil Parekh	158780	31-Mar-16	0	Transfer	158780	0.37
			05-Sept-16	-158780	Transfer	0	0.00
			07-Sept-16	158780	Transfer	158780	0.37
		158780	31-Mar-17	0	Transfer	158780	0.37
8	Anandita Sunil Parekh	158610	31-Mar-16	0	Transfer	158610	0.37
			05-Sept-16	-158610	Transfer	0	0.00
			07-Sept-16	158610	Transfer	158610	0.37
		158610	31-Mar-17	0	Transfer	158610	0.37
9	Tarini Kumar	158610	31-Mar-16	0	Transfer	158610	0.37
			05-Sept-16	-158610	Transfer	0	0.00
			07-Sept-16	158610	Transfer	158610	0.37
		158610	31-Mar-17	0	Transfer	158610	0.37
10	Vimal Sagarmal Jain	0	31-Mar-16	0	Transfer	0	0.00
			10-Mar-17	154800	Transfer	154800	0.36
		154800	31-Mar-17	0	Transfer	154800	0.36

(v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the year				
1. Mr. Susheel G Somani	871900	2.02%	871900	2.02%
2. Mr. Surendra Somani	503075	1.16%	503075	1.16%
3. Mr. Vishnu N. Khanna	52200	0.13%	52200	0.13%
Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)				No Change
At the end of the year				
1. Mr. Susheel G Somani	871900	2.02%	871900	2.02%
2. Mr. Surendra Somani	503075	1.16%	503075	1.16%

Note : None of the Directors or KMP other than the above holds Equity Shares in the Company. Mr. Vishnu N. Khanna resigned w.e.f. 14th November, 2016.

V. INDEBTEDNESS

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

in lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year.				
i) Principal Amount	843.97	2,482.91	-	3,326.88
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.83	-	-	1.83
Total (i + ii + iii)	845.80	2,482.91	-	3,328.71
Change in Indebtedness during the financial year				
Addition	29,250.33	6,980.43	-	36,230.76
Reduction	27,900.86	6,905.00	-	34,805.86
Net Change	1,349.46	75.43	-	1,424.89
Indebtedness at the end of the financial year				
i) Principal Amount	2,193.43	2,558.34	-	4,751.77
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.39	-	-	1.39
Total (i + ii + iii)	2,194.82	2,558.34	-	4,753.16

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount (₹)
		Surendra Somani	
1.	Gross salary		
	a. Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	94,10,500	94,10,500
	b. Value of perquisites u/s 17(2) Income tax Act, 1961	3,39,600	3,39,600
	c. Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- As % of profit	-	-
	- Others, specify	-	-
5.	Others, please specify	-	-
	Total(A)	97,50,100	97,50,100
	Ceiling as per the Act	The Remuneration paid by the Company is with compliance of the conditions of section II of Schedule V of the Companies Act, 2013	

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount (₹)
		Vijay Kumar Bhandari	Susheel G. Somani	A.K. Mehta	Vishnu N. Khanna	Dr. Sunita Banerji	Dr. Siddhan Subramanian	
1.	Independent Directors							
	• Fee for attending							
	i) board meetings	48,000	-	48,000	36,000	36,000	60,000	2,28,000
	ii) committee meetings	27,000	-	47,000	25,000	17,000	17,000	1,33,000
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (1)	75,000	-	95,000	61,000	53,000	77,000	3,61,000
2.	Other Non-Executive Directors							
	• Fee for attending							
	i) board meetings	-	24,000	-	-	-	-	24,000
	ii) committee meetings	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Professional fees	-	-	-	-	-	-	-
	Total (2)	-	24,000	-	-	-	-	24,000
	Total (B)=(1+2)	75,000	24,000	95,000	61,000	53,000	77,000	3,85,000
	Total Managerial Remuneration	-	-	-	-	-	-	-
	Overall Ceiling as per the Act *							

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

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

Sr. No.	Particulars of Remuneration	Mr. Sunil Sodhani (Company Secretary)	Mr. Basant Kumar Soni (Chief Financial Officer)	Total
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	13,21,560	18,14,265	31,35,825
	b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	21,600	21,600
	c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- As % of profit	-	-	-
	- Others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	13,21,560	18,35,865	31,57,425

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES : None

Annexure F

(TO THE DIRECTOR'S REPORT)

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

A. CONSERVATION OF ENERGY

The Company has replaced 40W CFL conventional lights by energy efficient 18W LED lights. Auto Star delta converters were installed for Centrifuse to reduce power consumption (Micro Controller Based Cyclic Load Energy Saver). There are MD Controller panel for controlling usage of Electrical power at factory and temperature Monitoring Device along with controlling Cooling tower fan auto switching system to reduce fuel power consumption. VFD is installed at various loads where we can save electrical power.

B. TECHNOLOGY ABSORPTION

The Company has focused on new product development for both the Finished Dosage Forms and the Active Pharmaceutical Ingredients. During the year, several new products were developed in the field of Oncology, Pain Management, Anti-infective and Cardiac therapies. New products developed for the Finished Dosage Forms include Acetazolamide, Chlorthalidone, Metaxalone, Hydrochlorothiazide, Etodolac, Amoxycyclav, and Solifenacin which are focused for the US/UK markets. New products developed for Active Pharmaceutical Ingredients are Dabigatrin, Apixaban, Rivaroxaban, Chlorthalidone, Tebipenem, Imipenem, Ertapenem, and Azithromycin (Borohydride route).

1. Efforts made towards Technology Absorption
 - a. Literatures searched through Scifinder, internet, books etc. and identify scope of improvement of product development, cost reduction in existing products. Identify new molecules suitable for existing bench scale.
 - b. Conduct Laboratory trials for identified products, developed products, generate documents like SLP, TTD, PDR etc.
 - c. Conduct Pilot plant validation for developed products, kept for stability e.g. Nitroxelene, Ticagralor.
 - d. Transfer technology to Commercial level of new product e.g. Lymecline, Biapenem, Pregabalin (Enzyme route)
2. Benefits derived like product improvement, cost reduction, product development or import substitution
 - a. Developed new Resin technology in Atenolol to removal of waste e.g. Carbon.
 - b. Adopt press filter technology for filtration to improve quality as well as reduce time cycle in Atenolol.
 - c. Improved yield in CMMHA from 1.42 to 1.67 w/w ultimately reduced cost in Pregabalin
 - d. Improved yield in Metoprolol Succinate and Tartrate from 1.62 to 1.70 w/w. Plant validation of Metoprolol tartrate completed.
 - e. Improved yield in Azithromycin from 0.93 to 0.96 w/w

C. FOREIGN EXCHANGE EARNINGS & OUTGO

Earnings : ` 14,965 lacs (Previous Year: ` 14,965 lacs)

Outgo : ` 780 lacs (Previous Year: ` 781 lacs)

Annexure G

(TO THE DIRECTOR'S REPORT)

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

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

Annexure H

(TO THE DIRECTOR'S REPORT)

As per the provision of section 197 of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2016 every listed company are required to disclose following information in Board Report.

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

Name	Ratio to employees
Surendra Somani – Executive Vice Chairman	1:0.0177

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

Name	% increase
Surendra Somani – Executive Vice Chairman	51.84%
Basant Kumar Soni – Chief Financial Officer	6%
Sunil Sodhani – Company Secretary	6%

Percentage increase in the median remuneration of employee in the financial year	7%
Number of permanent employees on the Roll of the Company	347
Average percentile increase already made in the Salaries of the employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentile increase in the Managerial remuneration and justification there of and point out if there are any exceptional circumstances for increase in the Managerial remuneration.:	
Average increase in Managerial Remuneration is 7% and Average increase in Non-managerial person is NIL.	

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KOPRAN LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Kopran Limited ('the Company') which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profits and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1 As required by Companies (Auditors Report) Order, 2016 ('the Order') issued by Central Government of India in terms of sub section 11 of section 143 of the Act, we give in the Annexure –A a statement on the matters specified in paragraphs 3 and 4 of the order.
- 2 As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal Financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in 'Annexure B' and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 27 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and
 - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Company. Refer Note 32 to the standalone financial statements.

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

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : 24th May, 2017

Annexure – A to the Independent Auditor’s Report

(Referred to in paragraph 1 under ‘Report on other legal and Regulatory requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, however the register is not completely updated.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased periodical manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory once at the year-end, which, in our opinion, is reasonable. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.
- (iii) The Company has granted unsecured to two companies covered in the register maintained under section 189 of the Companies Act.
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loans have been granted to such companies, are not, prima-facie, prejudicial to the interest of the Company.
 - (b) In our opinion and according to the information and explanations given to us, the loans are repayable on demand and the borrowers are regular in repayment of interest.
 - (c) There were no overdue amounts in respect the loans granted to such companies.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made. The Company has not given any guarantee or provided any security in connection with loans to any other body corporate or person during the year.
- (v) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act in respect of its products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the accounts and records with a view to determine whether these are accurate or complete.
- (vii) a. The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities, though there have been delays in a few cases.

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

- b. According to the information and explanations given to us, dues outstanding of sales tax, value added tax, service tax and duty of excise that have not been deposited on account of any dispute are as follows:

Name of the Statute	Nature of Dues	Amount (` in Lakhs)	For the Period	Forum where dispute is pending
Central Excise Act	Excise Duty	14.06	1998-2002, 2002-2003, 2004-2005	Central Excise and Service Tax Appellate Tribunal
		1.46	2011-2012	Commissioner of Central Excise (Appeal)
		6.48	2012-2013, 1990-1991	Commissioner of Central Excise
		0.44	2014-2015	Commissioner of Central Excise
Finance Act, 1994	Service Tax	38.99	2001-2002	High Court (Mumbai)
Drug Price Control Order – 95	Difference in pricing	591.34	2000-2003	High Court (Mumbai)



- (viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks and financial institution. There were no outstanding dues to any debenture holders anytime during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, term loans were applied by the Company for the purpose for which those were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act, subject to the approval of shareholders by special resolution at ensuing annual general meeting.
- (xii) In our opinion and according to the information and explanations given to us the Company is not a Nidhi Company. Accordingly the paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xvi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934.

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

Place : Mumbai
Date : 24th May, 2017

Kaushal Mehta
Partner
Membership No.111749

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Kopran Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Mumbai
Date : 24th May, 2017

Kaushal Mehta
Partner
Membership No. 111749

BALANCE SHEET AS AT 31st MARCH, 2017

	Notes	As at 31st March, 2017	As at 31st March, 2016	
I EQUITY AND LIABILITIES				
1. Shareholders' funds				
a	Share Capital	2	51,82,89,080	51,82,89,080
b	Reserves and Surplus	3	1,57,68,59,369	1,44,81,88,907
			<u>2,09,51,48,449</u>	<u>1,96,64,77,987</u>
2. Non-current liabilities				
a	Long-term borrowings	4	19,47,81,589	21,97,57,511
b	Long-term provisions	5	2,58,33,305	2,55,41,702
			<u>22,06,14,894</u>	<u>24,52,99,213</u>
3. Current liabilities				
a	Short-term borrowings	6	21,50,50,691	6,88,98,562
b	Trade payables	7	35,90,83,074	35,63,75,393
c	Other current liabilities	8	18,12,77,831	14,66,47,374
d	Short-term provisions	9	3,35,56,716	37,83,218
			<u>78,89,68,312</u>	<u>57,57,04,547</u>
	Total		<u>3,10,47,31,655</u>	<u>2,78,74,81,747</u>
II ASSETS				
1. Non-current assets				
a	Fixed Assets			
	(i) Tangible assets	10	39,21,70,646	34,97,80,403
	(ii) Intangible assets	10	12,29,349	-
	(iii) Capital work-in-progress (Tangible assets)		2,96,11,187	19,25,115
	(iv) Intangible assets under development		1,48,17,142	-
b	Non-current investment	11	1,56,07,09,994	1,56,07,09,994
c	Long-term loans and advances	12	6,14,85,140	4,75,96,544
			<u>2,06,00,23,458</u>	<u>1,96,00,12,056</u>
2. Current assets				
a	Inventories	13	25,09,38,944	28,12,72,902
b	Trade receivables	14	39,86,16,356	19,62,67,732
c	Cash and Bank balances	15	1,73,39,252	4,34,99,030
d	Short-term loans and advances	16	37,78,13,645	30,64,30,027
			<u>1,04,47,08,197</u>	<u>82,74,69,691</u>
	Total		<u>3,10,47,31,655</u>	<u>2,78,74,81,747</u>
Significant accounting policies	1			

The notes referred to above form an integral part of the financial statements

Per our report attached

For and on behalf of the Board of Directors

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

SURENDRA SOMANI
Executive Vice Chairman

DR. ARVIND K. MEHTA
Director

Kaushal Mehta
Partner
Membership No. 111749

B. K. SONI
Chief Financial Officer

SUNIL SODHANI
Company Secretary

Place : Mumbai
Date : 24th May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

	Notes	For the year ended 31st March, 2017	For the year ended 31st March, 2016
I INCOME			
Revenue from operation (gross)	17	1,81,65,60,266	1,87,38,58,316
Less: Excise duty		11,14,917	7,25,555
Revenue from operation (net)		1,81,54,45,349	1,87,31,32,761
Other income	18	8,83,60,337	82,87,163
Total Income		1,90,38,05,686	1,88,14,19,924
II EXPENSES			
Cost of materials consumed	19	82,28,88,278	86,24,67,586
Purchase of traded goods		26,63,65,292	28,30,08,013
Changes in inventories of finished goods and work in progress	20	30,95,146	(75,76,006)
Employee benefit expense	21	19,14,94,369	16,05,17,596
Other expenses	22	35,80,12,437	32,52,89,000
Finance cost	23	9,75,37,832	9,99,45,654
Depreciation and amortisation expense	24	3,33,51,781	3,14,42,010
Total Expenses		1,77,27,45,135	1,75,50,93,853
Profit before exceptional items, extraordinary items and tax		13,10,60,551	12,63,26,071
Exceptional items Net Income / (Net Expenses)	25	-	(1,19,49,055)
Profit before extraordinary items and tax		13,10,60,551	11,43,77,016
Extraordinary items		-	-
Profit before tax		13,10,60,551	11,43,77,016
Tax expense			
Current tax (MAT)		2,93,56,000	-
Tax expense of earlier years (MAT)		91,41,395	-
Less: MAT credit entitlement		3,61,07,306	-
Net tax expense		23,90,089	-
Profit/(Loss) for the Year		12,86,70,462	11,43,77,016
Earnings per equity share (₹)			
Basic and Diluted-Par value of ₹ 10/- per share	26	2.97	2.76
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements

Per our report attached

For and on behalf of the Board of Directors

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

SURENDRA SOMANI
Executive Vice Chairman

DR. ARVIND K. MEHTA
Director

Kaushal Mehta
Partner
Membership No. 111749

B. K. SONI
Chief Financial Officer

SUNIL SODHANI
Company Secretary

Place : Mumbai
Date : 24th May, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

PARTICULARS	For the year ended 31st March, 2017	For the year ended 31st March, 2016
NET PROFIT BEFORE TAX	13,10,60,551	11,43,77,016
Adjusted for :		
Depreciation	3,33,51,781	3,14,42,010
Dividend income	(7,337)	(7,287)
Unclaimed balances/ excess provision written back	(8,25,813)	(4,48,431)
Finance cost	9,75,37,832	9,99,45,654
Interest income	(37,24,210)	(46,10,658)
Profit on sale of fixed assets	-	(13,22,362)
Profit on slump sale	-	(2,06,081)
Unrealised foreign exchange (gain) / loss (net)	88,12,958	30,73,930
Advances / Debts / balances written off	2,51,09,119	4,232
Provision for Doubtful debts	-	42,16,518
	16,02,54,330	13,20,87,526
	29,13,14,881	24,64,64,542
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS		
Adjustments for :		
Trade Receivables	(22,46,71,253)	6,95,97,287
Inventories	3,03,33,958	(14,15,08,096)
Loans and advances	(5,36,87,704)	2,63,21,454
Trade Payables	(88,91,766)	(1,02,21,041)
Other liabilities and provisions	3,94,66,740	(36,79,342)
Cash generated from operations	7,38,64,855	18,69,74,804
Direct Taxes (paid) / refund (net)	(90,61,415)	(3,90,408)
(a) NET CASH FLOW FROM / (USED IN) OPERATION ACTIVITIES	6,48,03,440	18,65,84,396
cash flow from investing activities:		
Purchase of fixed assets (including capital work in progress)	-	-
Intangibles under development and capital advances	(11,82,88,943)	(5,72,84,079)
Proceeds from slump sale	-	1,95,08,000
Sale of fixed assets	-	38,25,366
Withdrawal / (investment) of margin deposits	2,34,11,217	(90,39,240)
Interest received	60,40,854	65,07,580
Dividend received	7,337	7,287
(b) NET CASH FROM / (USED) IN INVESTING ACTIVITIES	(8,88,29,536)	(3,64,75,086)
Cash flow from financing activities		
Share issue expense paid (utilised against premium)	-	(47,11,500)
Proceeds / (Repayment) of borrowings (net)	12,11,76,208	(4,54,29,369)
Finance cost	(9,75,82,030)	(9,98,07,576)
Dividend paid	-	-
(c) NET CASH FROM/ (USED) IN FINANCING ACTIVITIES	2,35,94,178	(14,99,48,445)
Net increase / (decrease) in cash and cash equivalents (a+b+c)	(4,31,917)	1,60,866
Cash and cash equivalents as at the commencement of the year, comprising :		
Cash	11,036	11,18,742
Balances with scheduled banks on current accounts	46,58,058	33,89,486
	46,69,094	45,08,228
Cash and cash equivalents as at the end of the year, comprising :		
Cash	16,510	11,036
Balances with scheduled banks on current accounts	42,20,667	46,58,058
	42,37,177	46,69,094
NET INCREASE / (DECREASE) AS DISCLOSED ABOVE	(4,31,917)	1,60,866

Per our report attached

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

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : 24th May, 2017

For and on behalf of the Board of Directors

SURENDRA SOMANI
Executive Vice Chairman

DR. ARVIND K. MEHTA
Director

B. K. SONI
Chief Financial Officer

SUNIL SODHANI
Company Secretary

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2017

1) SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statement.

The financial statements have been prepared in accordance with the generally accepted accounting principles in India ("Indian GAAP") to comply with the accounting standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) rules, 2014 and relevant provisions of the Companies Act, 2013 and other accounting pronouncements of the Institute of Chartered Accountants of India. The financial statements have been prepared under historical cost convention and on accrual basis. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

(b) Uses of estimates

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

(c) Tangible assets, Intangible asset, depreciation and amortisation

i) Tangible assets :

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

ii) Depreciation on tangible assets :

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the plant and machinery, in whose case the estimated useful life has been assessed to be 20 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc.

iii) Intangible assets:

Capitalised Development costs

Indirect development costs for products are expensed. Development expenditure on an individual project/product is recognized as an Intangible asset when the Company can demonstrate the technical feasibility of completing the asset so that it will be available for use or sales, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and ability to measure the cost reliably during the development. Following the initial recognition of development expenditure, the assets are carried at cost less accumulated amortization and impairment losses. Amortisation begins when the development is complete and the asset is available for use.

iv) Amortisation of intangible asset:

Intangible asset are being amortised over the estimated useful life of 5 years using straight line method.

(d) Investments

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

(e) Inventories

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

(f) Research and development expenses

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

2. Capital expenditure is included in fixed assets under the respective heads.

(g) Foreign exchange transactions

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

(h) Revenue recognition

1. Sales of products and services

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

2. Export benefits

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

3. Dividend

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

4. Other Income

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

(i) Employee benefits

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

(j) Excise and customs duty

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

(k) Borrowing costs

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

(l) Prior period items

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

(m) Earning per share

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

(n) Income tax

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

(o) Intangible assets

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

(p) Impairment of assets

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

(q) Contingencies and provisions

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

(r) Cash and cash equivalents /Cash flow statement

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash Flow Statement is prepared as per 'Indirect Method' specified under AS 3 Cash Flow Statements.

(s) Operating Lease

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

(t) Other accounting policies

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

NOTES FORMING PART OF THE BALANCE SHEET

2) SHARE CAPITAL

	As at 31st March, 2017		As at 31st March, 2016	
	Number of Shares		Number of Shares	
Authorised				
(i) Equity shares of ₹ 10 each	5,62,50,000	56,25,00,000	5,62,50,000	56,25,00,000
(ii) 10% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each	1,37,50,000	13,75,00,000	1,37,50,000	13,75,00,000
Total	7,00,00,000	70,00,00,000	7,00,00,000	70,00,00,000
Issued				
(i) Equity shares of ₹ 10 each fully paid up				
At the beginning of the year	4,32,52,602	43,25,26,020	4,11,02,602	41,10,26,020
Add: Issued during the year	-	-	21,50,000	2,15,00,000
Less: Bought back during the year	-	-	-	-
At the end of the year	4,32,52,602	43,25,26,020	4,32,52,602	43,25,26,020
(ii) 10% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each				
At the beginning of the year	85,80,000	8,58,00,000	85,80,000	8,58,00,000
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
At the end of the year	85,80,000	8,58,00,000	85,80,000	8,58,00,000
Total	5,18,32,602	51,83,26,020	5,18,32,602	51,83,26,020
Subscribed and paid up				
(i) Equity Shares of ₹ 10 each fully paid up				
At the beginning of the year	4,32,52,602	43,25,26,020	4,11,02,602	41,10,26,020
Add: Issued during the year	-	-	21,50,000	2,15,00,000
Less: Bought back during the year	-	-	-	-
Less: Calls in-Arrears (Other than Director's)	-	36,940	-	36,940
At the end of the year	4,32,52,602	43,24,89,080	4,32,52,602	43,24,89,080
(ii) 10% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each				
At the beginning of the year	85,80,000	8,58,00,000	85,80,000	8,58,00,000
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
At the end of the year	85,80,000	8,58,00,000	85,80,000	8,58,00,000
Total	5,18,32,602	51,82,89,080	5,18,32,602	51,82,89,080

a) Terms / Rights attached to equity shares

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

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

b) Terms of redemption of preference shares

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

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

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

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

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

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

	As at 31st Mar 2017		As at 31st March 2016	
	Number of Shares	% Holding	Number of Shares	% Holding
Equity Shares of ₹ 10/- each fully paid				
Panorama Finvest Pvt Ltd	38,00,000	8.79%	38,00,000	8.79%
Sarvamangal Mercantile co. Ltd	29,02,951	6.71%	29,02,951	6.71%
Oricon Properties Pvt. Ltd	59,61,758	13.78%	59,61,758	13.78%
Rajendra Somani	23,24,250	5.37%	23,24,250	5.37%
10% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each				
Susheel G. Somani and Mridula Somani	12,00,000	14.00%	12,00,000	14.00%
Rajendra Somani and Surendra Somani	73,80,000	86.00%	73,80,000	86.00%

3) RESERVES AND SURPLUS

	As at 31st March, 2017	As at 31st March, 2016
(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	1,22,57,31,254	1,11,00,42,754
Less : Calls in - arrears (other than directors's)	(1,10,820)	(1,10,820)
	<u>1,22,56,20,434</u>	<u>1,10,99,31,934</u>
Add: Issued during the year	-	12,04,00,000
Less: Utilised against share issue expenses	-	47,11,500
Closing balance	<u>1,22,56,20,434</u>	<u>1,22,56,20,434</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	(73,66,601)	(12,17,43,617)
Add: Profit / (Loss) for the year	12,86,70,462	11,43,77,016
Closing balance	<u>12,13,03,861</u>	<u>(73,66,601)</u>
Total	<u>1,57,68,59,369</u>	<u>1,44,81,88,907</u>

4) LONG-TERM BORROWINGS

	As at 31st March, 2017	As at 31st March, 2016
Rupee loans		
Vehicles finance loans (Secured)	25,47,597	32,66,543
Other (Unsecured) *	-	15,82,00,000
Loan from Director (Unsecured)		
Mr. Surendra Somani	-	4,27,00,000
Inter corporate deposits (Unsecured)		
Related Parties	15,46,00,000	-
Others	3,76,33,992	1,55,90,968
Total	<u>19,47,81,589</u>	<u>21,97,57,511</u>

(a) Vehicle finance loans carry interest @9.99% to 10.25 % p.a. and is repayable in 35 to 60 equal monthly installments. The loans are secured by hypothecation of vehicles.

(b) Inter-corporate deposits from related parties and other parties carry Interest @10.50% to 13.50% p.a.

5) LONGTERM PROVISIONS

Provision for employee benefits		
Gratuity (Ref. Note No. 29)	2,17,28,415	1,89,15,837
Leave encashment (Ref. Note No. 29)	41,04,890	66,25,865
Total	<u>2,58,33,305</u>	<u>2,55,41,702</u>

6) SHORT-TERM BORROWINGS

Cash credit / packing credit *	15,14,23,258	65,86,170
Buyers credit	6,36,27,433	6,23,12,392
Total	<u>21,50,50,691</u>	<u>6,88,98,562</u>

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

7) TRADE PAYABLES

Trade payables (including acceptances)	35,90,83,074	35,63,75,393
Total	<u>35,90,83,074</u>	<u>35,63,75,393</u>

"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 be given."

8) OTHER CURRENT LIABILITIES

	As at 31st March, 2017	As at 31st March, 2016
Current maturities of long-term borrowings	6,62,97,062	4,40,31,434
Interest accrued but not due	1,39,208	1,83,406
Interest free trade deposits	9,68,804	9,68,804
Advance from customers	92,32,786	73,22,899
Statutory liabilities	53,82,852	40,05,824
Other payables		
Creditors for capital goods	59,32,331	91,89,507
Employees related	2,54,16,434	2,75,92,747
Others	6,79,08,353	5,33,52,753
Total	18,12,77,831	14,66,47,374

9) SHORT TERM PROVISIONS

Provision for employee benefits		
Gratuity (Ref. Note No. 29)	15,79,522	15,21,919
Leave encashment (Ref. Note No. 29)	26,21,194	22,61,299
Provision for tax (Net of advance tax)	2,93,56,000	-
Total	3,35,56,716	37,83,218

10) FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2016 ([₹])	Additions during the year ([₹])	Deductions During the year ([₹])	as at 31st March, 2017 ([₹])	Up to 1st April, 2016 ([₹])	For the year ([₹])	Deductions During the year ([₹])	Up to 31st March, 2017 ([₹])	As at 31st March, 2017 ([₹])	As at 31st March, 2016 ([₹])
(a) TANGIBLE ASSETS										
1. Free hold land	5,60,240	4,39,01,000	-	4,44,61,240	-	-	-	-	4,44,61,240	5,60,240
2. Buildings	15,61,76,611	-	-	15,61,76,611	6,54,84,763	46,52,706	-	7,01,37,469	8,60,39,142	9,06,91,847
3. Plant & machinery	57,88,29,091	2,58,92,130	-	60,47,21,221	34,07,33,700	2,40,06,907	-	36,47,40,607	23,99,80,614	23,80,95,388
4. Furniture and fixtures	3,10,52,238	17,22,495	-	3,27,74,733	2,43,23,758	10,03,628	-	2,53,27,386	74,47,347	67,28,480
5. Tube well	1,66,658	-	-	1,66,658	1,66,658	-	-	1,66,658	-	-
6. Office equipments	91,54,796	10,55,391	-	1,02,10,187	82,09,054	3,85,505	-	85,94,559	16,15,628	9,45,742
7. Computers	2,81,34,799	8,31,143	-	2,89,65,942	2,52,30,447	15,46,870	-	2,67,77,317	21,88,625	29,04,352
8. Vehicles	2,17,52,978	23,00,226	-	2,40,53,204	1,18,98,624	17,16,530	-	1,36,15,154	1,04,38,050	98,54,354
Total	82,58,27,411	7,57,02,385	-	90,15,29,796	47,60,47,004	3,33,12,146	-	50,93,59,150	39,21,70,646	34,97,80,403
Previous year	78,03,53,429	4,91,32,752	36,58,770	82,58,27,411	44,57,60,764	3,14,42,010	11,55,766	47,60,47,008	34,97,80,403	-
(b) INTANGIBLE ASSETS (Internally Generated)										
Product Development Cost	-	12,68,984	-	12,68,984	-	39,635	-	39,635	12,29,349	-
Total	-	12,68,984	-	12,68,984	-	39,635	-	39,635	12,29,349	-
Grand Total (a+b)	82,58,27,411	7,69,71,369	-	90,27,98,780	47,60,47,004	3,33,51,781	-	50,93,98,785	39,33,99,995	34,97,80,403

11) INVESTMENTS (AT COST)

Face Value	As at 31st March, 2017 Nos.		As at 31st March, 2016 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		4,26,243		4,26,243
		<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>
C. Investment in wholly owned subsidiary companies:(Unquoted)				
1 HK\$ Kopran (H.K.) Limited, Hong Kong	23,18,750	1,00,06,000	23,18,750	1,00,06,000
10 Kopran Lifesciences Ltd	50,000	5,00,000	50,000	5,00,000
10 Kopran Research Laboratories Ltd	1,99,00,000	1,54,90,60,750	1,99,00,000	1,54,90,60,750
		<u>1,55,95,66,750</u>		<u>1,55,95,66,750</u>
TOTAL(A+B+C)		<u>1,56,06,69,744</u>		<u>1,56,06,69,744</u>
TOTAL(I+II)		<u>1,56,07,09,994</u>		<u>1,56,07,09,994</u>
Aggregate cost of quoted investment		10,64,237		10,64,237
Aggregate market value of quoted investment		2,59,415		2,51,689
Aggregate cost of unquoted Investment		1,56,00,72,000		1,56,00,72,000
Aggregate provision for diminution in value		4,26,243		4,26,243

12) LONG TERM LOANS AND ADVANCES

(Unsecured considered good, unless stated otherwise)

Capital advances	31,04,244	75,47,059
Security Deposits	1,27,88,144	1,17,54,244
Balance with statutory/ government authorities	-	2,62,92,512
Minimum Alternate Tax (MAT) Credit Entitlements	3,61,07,306	-
Other loans and advances		
Loans to employees	94,25,226	18,68,178
Prepaid expenses	60,220	1,34,551
Total	<u>6,14,85,140</u>	<u>4,75,96,544</u>

13) INVENTORIES

(Valued at lower of cost or net realisable value)

	As at 31st March, 2017	As at 31st March, 2016
Stores and spares	27,34,139	30,72,328
Raw materials (Includes stocks in transit ` 3,27,85,197/-) (P.Y. ` 6,21,27,891)	18,05,49,482	21,05,14,147
Packing materials	3,55,47,805	3,24,83,763
Work-in-process	2,09,28,272	2,17,57,888
Finished goods	1,11,79,246	1,34,44,776
Total	<u>25,09,38,944</u>	<u>28,12,72,902</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

Debts due from related parties

Others

Considered doubtful

Less: Provision for doubtful debts

Other debts

Debts due from related parties

Others

Total

-	-
1,83,66,030	2,21,58,495
42,16,518	42,16,518
<u>2,25,82,548</u>	<u>2,63,75,013</u>
42,16,518	42,16,518
<u>1,83,66,030</u>	<u>2,21,58,495</u>
7,41,11,518	-
<u>30,61,38,808</u>	<u>17,41,09,237</u>
<u>39,86,16,356</u>	<u>19,62,67,732</u>

15) CASH AND BANK BALANCES

Cash and cash equivalent

Balance with Banks in current accounts

Cash on hand

Other bank balances

Margin money deposits (with original maturity up to 12 months)

Total

42,20,667	46,58,058
16,510	11,036
<u>1,31,02,075</u>	<u>3,88,29,936</u>
<u>1,73,39,252</u>	<u>4,34,99,030</u>

16) SHORT TERM LOANS AND ADVANCES

(Unsecured considered good, unless stated otherwise)

Loans to employees

Balance with statutory/ government authorities

Prepaid expenses

Advance income-tax (Net of provision of taxation)

Other advances recoverable in cash or kind :

Advances to Subsidiary

Others

Total

35,31,508	11,76,900
28,71,11,156	25,11,43,853
83,18,618	64,31,741
25,87,998	26,67,978
3,16,26,780	-
<u>4,46,37,585</u>	<u>4,50,09,555</u>
<u>37,78,13,645</u>	<u>30,64,30,026</u>

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS ACCOUNT

17) REVENUE FROM OPERATION

	Year ended 31st March, 2017	Year ended 31st March, 2016
Sale of products *	1,75,57,80,841	1,81,07,05,831
Other operating income		
Scrap sales	12,62,692	7,94,512
Other	5,95,16,733	6,23,57,973
Total	<u>1,81,65,60,266</u>	<u>1,87,38,58,316</u>
* Details of Sale of products		
Bulk drugs	21,62,58,575	25,38,88,255
Tablet /capsules/liquids	1,53,95,22,266	1,55,68,17,576
Total	<u>1,75,57,80,841</u>	<u>1,81,07,05,831</u>

18) OTHER INCOME

Dividend income		
long-term investments	7,337	7,287
Interest Income		
On fixed deposit	16,12,871	34,92,155
Others	21,11,339	11,18,503
Net profit on sale of assets	-	13,22,362
Liabilities written back	8,25,813	4,48,431
Foreign exchange gain (loss) (net)	8,30,10,707	17,58,201
Insurance claim	-	21,188
Miscellaneous income	7,92,270	1,19,036
Total	<u>8,83,60,337</u>	<u>82,87,164</u>

19) COST OF MATERIALS CONSUMED

Raw material consumption		
Opening stock	21,05,14,147	8,16,06,939
Add: Purchases	65,49,14,925	87,86,37,841
	<u>86,54,29,072</u>	<u>96,02,44,780</u>
Less : Closing stock	18,05,49,482	21,05,14,147
	<u>68,48,79,590</u>	<u>74,97,30,633</u>
Packing materials consumption:		
Opening stock	3,24,83,763	2,71,36,728
Add: Purchases	14,10,72,730	11,80,83,988
	<u>17,35,56,493</u>	<u>14,52,20,716</u>
Less : Closing stock	3,55,47,805	3,24,83,763
	<u>13,80,08,688</u>	<u>11,27,36,953</u>
Total	<u>82,28,88,278</u>	<u>86,24,67,586</u>
Raw Material Consumption		
1) Amoxicillin trihydrate	21,60,09,969	26,42,13,825
2) Erythromycin stearate	49,99,504	24,60,738
3) Ibuprofen	3,10,33,571	5,02,48,755
4) Fluloxacillin Sodium	4,94,64,851	5,41,83,028
5) Azithromycin Dihydrate	5,26,32,140	1,86,86,213
6) Others	33,07,39,555	35,99,38,074

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

	Year ended 31st March, 2017	Year ended 31st March, 2016
Opening stock		
Finished goods	1,34,44,776	88,91,924
Work in progress	2,17,57,888	1,87,34,734
	<u>3,52,02,664</u>	<u>2,76,26,658</u>
Less : Closing stock		
Finished goods	1,11,79,246	1,34,44,776
Work in progress	2,09,28,272	2,17,57,888
	<u>3,21,07,518</u>	<u>3,52,02,664</u>
Net(increase)/ decrease	Total <u>30,95,146</u>	<u>(75,76,006)</u>
Details of Inventory		
Finished goods		
Tablet /capsules/liquids	1,11,79,246	1,34,44,776
Work in progress		
Tablet /capsules/liquids	2,09,28,272	2,17,57,888
	Total <u>3,21,07,518</u>	<u>3,52,02,664</u>

21) EMPLOYEE BENEFIT EXPENSES

Salaries, wages and bonus	16,66,18,185	13,77,88,057
Contribution to provident and other fund	84,33,322	81,55,386
Staff welfare expense	1,64,42,862	1,45,74,153
	Total <u>19,14,94,369</u>	<u>16,05,17,596</u>

22) OTHER EXPENSES

Stores and spares consumed	1,73,03,297	1,72,10,087
Power and fuel	4,47,06,414	4,43,29,268
Rent	2,40,00,000	2,45,64,840
Repairs and maintenance		
Building	59,49,857	25,73,788
Machinery	10,31,827	16,26,753
Others	49,09,340	27,43,548
Insurance	25,07,833	25,37,779
Commission on sales	6,26,70,628	6,54,54,846
Selling and distribution expenses	64,41,379	62,67,630
Job work charges	4,35,85,324	3,73,45,461
Packing, freight and forwarding	2,93,39,177	2,72,00,749
Payment to auditors (refer details below)	5,00,000	5,00,000
Printing and stationery	38,94,947	42,06,598
Postage, telegram and telephone	48,11,656	46,42,487
Travelling and conveyance	1,72,31,810	1,72,45,467
Legal and professional fees	3,32,89,180	3,16,26,823
Rates and taxes	58,71,435	46,64,547
Labour charges	35,03,572	33,89,096
Directors' sitting fees	3,74,200	4,73,000
Sundry balances written off	10,238	4,232
Bad debts	2,50,98,881	-
Provision for doubtful debts	-	42,16,518
Corporate social responsibility expenses	-	39,200
Miscellaneous expenses	2,09,81,442	2,24,26,283
	Total <u>35,80,12,437</u>	<u>32,52,89,000</u>
Payment to auditors		
As auditor		
Audit fee	4,00,000	4,00,000
Tax audit fee	1,00,000	1,00,000
	Total <u>5,00,000</u>	<u>5,00,000</u>

23) FINANCE COST

	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest expense	5,82,81,661	4,98,16,217
Other borrowing cost	3,92,56,171	5,01,29,437
Total	<u>9,75,37,832</u>	<u>9,99,45,654</u>

24) DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31st March, 2017	Year ended 31st March, 2016
Depreciation on tangible assets	3,33,12,146	3,14,42,010
Amortisation of Intangible assets	39,635	-
Total	<u>3,33,51,781</u>	<u>3,14,42,010</u>

25) EXCEPTIONAL ITEMS

	Year ended 31st March, 2017	Year ended 31st March, 2016
Gain on slump sale of Consumer Care Division	-	2,06,081
Stamp duty demand	-	(1,21,55,136)
Total	<u>-</u>	<u>(1,19,49,055)</u>

26) EARNINGS PER EQUITY SHARE

	Year ended 31st March, 2017	Year ended 31st March, 2016
Number of equity shares	4,32,52,602	4,32,52,602
Weighted average number of equity shares	4,32,52,602	4,13,96,318
Face value per share	10	10
Profit after tax	12,86,70,462	11,43,77,016
Less: Dividend on preference shares	-	-
Profit after tax available to equity shareholders	12,86,70,462	11,43,77,016
Basic and diluted earning per share	2.97	2.76

27) CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :

	As on 31st March, 2017	As on 31st March, 2016
i) Guarantees given by the company's bankers on behalf of the company	85,82,634	99,93,150
ii) Corporate guarantee given for loans taken by subsidiary (to the extent amounts utilised)	41,63,36,479	-
iii) Bills discounted with banks	25,85,82,813	33,14,65,324
iv) Disputed tax matters		
a) Service Tax demand disputed in appeal	38,99,000	38,99,000
b) Excise Duty demand disputed in appeal	20,35,577	28,14,907
v) Other claims/demands against company not acknowledged as debts		
a) Demand under Drug Price Control Order - 95 (DPCO - 95) demand disputed in appeal	5,91,34,474	5,91,34,474
b) Others	29,09,052	29,09,052

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

28) Estimated amount of contracts remaining to be executed on capital account not provided for ` 2,18,04,232/- (Previous year ` 4,60,25,078/-)

29) EMPLOYEE BENEFITS :

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

A) Defined Contribution Plan

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

	Year ended 31st March 2017	Year ended 31st March 2016
Employer's contribution to provident fund	80,55,523	81,07,657

B) Defined Benefit plan

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

Part A : Gratuity benefits

	Gratuity benefit Unfunded	
	As on 31st March, 2017	As on 31st March, 2016
i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at the beginning of the year	2,04,37,756	2,68,35,000
Interest cost	16,26,845	21,46,800
Service cost	16,15,654	23,79,804
Liability transferred out (on account of discontinuing business operations)	-	(9,25,000)
Actuarial (gain)/ loss	3,34,171	(87,54,317)
Benefits paid	(7,06,489)	(12,44,531)
Obligation at the year end	2,33,07,937	2,04,37,756
ii) Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution	-	-
Actuarial (gain)/ loss	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-
Unfunded status	(2,33,07,937)	(2,04,37,756)
iii) Limits of corridor not considered since total actuarial gain/loss is being recognised as on 31st March,2017		
Actuarial gains for the year- obligation	3,34,171	87,54,317
Actuarial gain/(loss) for the year- plan assets	-	-
Sub - Total	3,34,171	87,54,317
Actuarial Gains recognised	3,34,171	(87,54,317)
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	(2,33,07,937)	(2,04,37,756)
Fair value of plan assets at the end of the year	-	-
Liability/(Asset) recognised in the balance sheet	(2,33,07,937)	(2,04,37,756)
v) Cost for the year		
Service cost	16,15,654	23,79,804
Interest cost	16,26,845	21,46,800
Expected return on plan assets	-	-
Actuarial (gain)/loss	3,34,171	(87,54,317)
Net cost recognised in the profit & loss account	35,76,670	(42,27,713)

vi) Movement in the liability recognised in the balance sheet		
Opening net liability	2,04,37,756	2,68,35,000
Expenses as above	35,76,670	(42,27,713)
Liability Transferred out (on account of discontinuing business operations)	-	(9,25,000)
Contribution paid	(7,06,489)	(12,44,531)
Closing net liability	2,33,07,937	2,04,37,756
vii) Assumptions used to determine the benefit obligations:		
Discount rate	7.57%	7.96%
Rate of increase in compensation levels	6.00%	6.00%

Part B : Leave Encashment

	Leave Encashment benefit Unfunded	
	As on 31st March, 2017	As on 31st March, 2016
i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at the beginning of the year	88,87,164	92,19,000
Interest cost	7,07,418	7,37,520
Service cost	4,80,727	8,00,362
Liability transferred out (on account of discontinuing business operations)	-	(7,16,000)
Actuarial (gain)/ loss	(21,16,144)	(5,33,997)
Benefits paid	(12,33,081)	(6,19,721)
Obligation at the year end	67,26,084	88,87,164
ii) Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution	-	-
Actuarial (gain)/ loss	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-
Unfunded Status	(67,26,084)	(88,87,164)
iii) Limits of Corridor not considered since total actuarial gain/loss is being recognised as on 31st March, 2017		
Actuarial (loss) for the year- obligation	(21,16,144)	(5,33,997)
Actuarial gain/(loss) for the year- plan assets	-	-
Sub- total	(21,16,144)	(5,33,997)
Actuarial Gains recognised	(21,16,144)	(5,33,997)
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	(67,26,084)	(88,87,164)
Fair value of plan assets at the end of the year	-	-
Liability/(Asset) recognised in the balance sheet	(67,26,084)	(88,87,164)
v) Cost for the year		
Service cost	4,80,727	8,00,362
Interest cost	7,07,418	7,37,520
Expected return on plan assets	-	-
Actuarial (gain)/loss	(21,16,144)	(5,33,997)
Net cost recognised in the profit & loss account	(9,27,999)	10,03,885
vi) Movement in the liability recognised in the balance sheet		
Opening net liability	88,87,164	92,19,000
Expenses as above	(9,27,999)	10,03,885
Liability Transferred out (on account of discontinuing business operations)	-	(7,16,000)
Contribution paid	(12,33,081)	(6,19,721)
Closing net liability	67,26,084	88,87,164
vii) Assumptions used to determine the benefit obligations:		
Discount rate	7.57%	7.96%
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:

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

(b) Geographical Segment:

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue from operation (net)		
In India	20,85,47,056	21,72,80,118
Outside India	1,54,72,33,785	1,59,34,25,713
Total	1,75,57,80,841	1,81,07,05,831

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 ON SPECIFIED BANK NOTES

During the year, the Company had specified Bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below

Particulars	Specified Bank Notes	Other denomination Notes	Total
Closing cash in hand as on 8 th November, 2016	63,500	7,88,610	8,52,110
(+) Permitted receipts	-	7,39,000	7,39,000
(-) Permitted payments	-	7,52,615	7,52,615
(-) Amount deposited in banks	63,500	-	63,500
Closing cash in hand as on 30 th December, 2016	-	7,74,995	7,74,995

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

I) Enterprises owned or controlled (Wholly Owned Subsidiaries)

Kopran Research Laboratories Limited

Kopran (H.K) Limited

Kopran Lifesciences Limited

II) Key Managerial Personnels (KMP)

Shri Surendra Somani - Executive Vice Chairman

Shri Ajit Jain -Director and Chief Operating Officer (upto 31st January, 2016)

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

Shri Ayush Jain

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

Oricon Enterprises Limited

Kopran Laboratories Limited

Shinrai Auto Services Limited

Oricon Properties Private Limited

Oriental Containers Ltd

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

Particulars	Year ended As on 31st March, 2017	Year ended As on 31st March, 2016
I) Enterprises owned or controlled (Wholly Owned Subsidiaries)		
a) Kopran Research Laboratories Ltd.		
Sale of materials	18,90,90,523	21,58,70,837
Purchases of materials	4,30,79,574	6,76,26,219
Advances repayment received	78,48,91,022	81,26,907
Loan given	81,49,98,534	-
Interest received	15,19,268	-
Interest receivable	13,67,341	-
Sales of fixed assets	-	40,43,683
Purchase and sale of fixed assets on behalf of KRLL	-	7,28,790
b) Kopran Life Science Ltd.		
Loan given	-	1,224
Loan repayment	-	3,264
c) Kopran Research Laboratories Ltd.		
Investments made during the year (conversion of loan)	-	1,10,00,00,000
II) Key Managerial Personnels (KMP)		
Remuneration paid to personnels	1,25,96,245	1,42,40,000
Loan taken	-	5,02,00,000
Loan repayment	4,27,00,000	5,52,00,000
III) Relatives of Key Managerial Personnels (with whom there are transactions)		
Remuneration paid	-	1,28,600
IV) Enterprises significantly influenced by KMP or their relatives (with whom there are transactions)		
a) Oricon Enterprises Ltd		
Purchase of materials	1,68,47,669	6,19,99,113
Rent expenses	2,40,00,000	2,40,00,000
Miscellaneous expenses	-	1,140
Purchase of fixed assets	4,21,86,690	60,33,912
b) Oricon Properties Private Limited		
Loan taken	51,50,00,000	-
Loan repayment	38,00,00,000	-
Interest paid	85,07,876	-
c) Oriental Containers Ltd		
Loan taken	15,60,00,000	-
Loan repayment	7,28,00,000	-
Interest paid	68,33,314	-
d) Kopran Laboratories Limited		
Purchase of materials	-	4,66,68,774
Loan given	95,00,000	-
Loan repayment	98,05,753	-
Interest received	3,05,753	-
c) Shinrai Auto Services Limited		
Repairs charges paid	20,85,837	8,12,487
Loan given	-	11,00,00,000
Loan repayment	-	11,00,00,000
Interest received	-	10,06,652
Motor car purchase	20,96,332	18,84,216
Outstanding Balances of Related party:		
Receivable		
a) Kopran Research Laboratories Ltd.	7,41,11,518	-
Payable		
a) Oricon Enterprises Limited	8,30,692	8,89,60,927
b) Kopran Laboratories Limited	24,35,599	24,35,599
c) Shinrai Auto Services Limited	1,03,609	4,84,927
d) Kopran Research Laboratories Ltd.	-	3,05,90,159
e) Oricon Properties Private Limited	13,50,00,000	-
f) Oriental Containers Ltd	8,32,00,000	-
Outstanding Borrowings		
a) Surendra Somani	-	4,27,00,000

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

35) DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE:

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

Purpose		Particulars of derivative	
		2016-2017	2015-2016
Forward exchange contracts (for export debtors)	USD	4,51,101	1,15,63,764
Forward contract value	`	2,92,49,389	76,70,24,486
Forward exchange contracts (for Import Creditors)	USD	3,82,000	-
Forward contract value	`	2,47,68,880	-

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

Particulars of derivative	2016-2017		2015-2016	
	Amount (`)	Foreign Currency	Amount (`)	Foreign Currency
Payables (Including Borrowings)	21,18,45,145 20,35,967	USD-32,67,198 EURO-29,400	11,69,47,829 -	USD-17,63,121 -
Receivables	28,75,49,489 73,83,042 1,40,12,624 8,38,898	USD -44,34,755 EURO-1,06,614 GBP-1,73,252 JYP-14,25,000	17,65,16,566 39,25,495 1,28,84,137 -	USD -26,61,187 EURO-52,277 GBP-1,35,494 -
Foreign currency bank account	3,20,444	USD - 4,942	26,20,172	USD - 39,502
Investments	1,93,19,895	HKD-23,18,750	1,99,73,249	HKD-23,18,750

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

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

Particulars	2016-2017	2015-2016
(i) Not later than one year	2,40,00,000	2,40,00,000
(ii) Later than one year and not later than five years	4,20,00,000	6,60,00,000
(iii) Later than five years	-	-

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

37) CONSUMPTION OF RAW MATERIALS AND STORES AND SPARES :

Items	Value	Percentage
a) Raw materials		
Imported (including purchase through canalising agencies and high seas)	15,96,59,586 (15,87,83,039)	23.31 (21.19)
Indigenous	52,52,20,004 (59,09,47,595)	76.69 (78.81)
b) Stores and Spares		
Indigenous	1,73,03,297 (1,72,10,087)	100.00 (100.00)

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

Items	Year ended 31st March, 2017	Year ended 31st March, 2016
a) Raw / Packing Materials	14,84,09,667	37,16,78,298
b) Capital Goods	29,94,200	60,33,912

39) EARNINGS IN FOREIGN EXCHANGE :

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
FOB value of exports	1,49,64,73,403	1,49,65,28,176

40) EXPENDITURE IN FOREIGN CURRENCY :

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Commission	6,26,65,237	6,51,67,418
Registration fees	51,47,211	14,53,385
Bank Interest on buyers credit	7,67,016	9,33,792
Export Promotion expenses	17,50,683	14,16,247
Travelling expenses	53,97,237	61,20,603
Plant Inspection charges	15,01,239	19,52,986
Professional Charges	-	11,21,008
Membership & Subscription	3,04,169	-
Others	4,67,182	6,260

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

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
(a) Loans and advances in the nature of loans to subsidiaries		
(i) Loan to subsidiary: Kopran Research Laboratories Ltd.		
Loans given during the year	81,65,17,802	-
Balance as at the year end	3,16,26,780	-
Maximum amount outstanding at any time during the year	15,60,50,124	81,26,907
Purpose: Working Capital		
(ii) Loan to subsidiary: Kopran Life Science Ltd.		
Loans given during the year	-	1,224
Balance as at the year end	-	3,264
Maximum amount outstanding at any time during the year	-	3,264
Purpose:		
(iii) Shinrai Auto Services Ltd.		
Loans given during the year	-	11,00,00,000
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	-	4,02,76,164
Purpose: Working Capital		

(iv) Siddhi Multi Trade Private Ltd.		
Loans given during the year	-	50,00,000
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	-	50,00,000
Purpose: Working Capital		
(v) Kopran Laboratories Ltd		
Loans given during the year	95,00,000	-
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	61,46,301	-
Purpose: Working Capital		
(b) Investment in the shares of the Subsidiary Company		
Investment made in subsidiary: Kopran Research Laboratories Ltd during the year	-	1,10,00,00,000
(c) Corporate Gaurantee given		
For loans sanctioned to Kopran Research Laboratories Ltd	62,50,00,000	-

42) Corporate Social Responsibility (CSR)

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

Particulars	2016-2017	2015-2016
(a) Gross amount required to be spent by the Company during the year	-	-
(b) Amount spent during the year (In Cash) on :-		
(i) Construction / Acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	39,200
(c) Amount unspent	-	-

43) PREVIOUSYEAR FIGURES

Previous year figures have been regrouped/ reclassified wherever necessary.

Per our report attached

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

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : 24th May, 2017

For and on behalf of the Board of Directors

SURENDRA SOMANI
Executive Vice Chairman

DR. ARVIND K. MEHTA
Director

B. K. SONI
Chief Financial Officer

SUNIL SODHANI
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of Kopran Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Kopran Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31st March, 2017 the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31st March, 2017 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of 3 subsidiaries whose financial statements reflect total assets of ` 18,461.43 lakhs as at 31st March, 2017, total revenues of ` 15,337.37 lakhs and net cash out flows amounting to ` 7.52 lakhs for the year ended on that date, as considered in the consolidated financial statements.

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on other Legal and Regulatory requirements below, is not modified in respect of the other matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 29 to the consolidated financial statements;
- ii. The Group did not have any material foreseeable losses on long term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
- iv. The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Company. Refer Note 34 to the consolidated financial statements.

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

Place : Mumbai
Date : 24th May, 2017

Kaushal Mehta
Partner
Membership No.111749

Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of Kopran Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other matters

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

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

Place : Mumbai
Date : 24th May, 2017

Kaushal Mehta
Partner
Membership No.111749

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2017

	Notes	As at 31st March, 2017	As at 31st March, 2016	
I EQUITY AND LIABILITIES				
1. Shareholders' funds				
a	Share Capital	2	51,82,89,080	51,82,89,080
b	Reserves and Surplus	3	81,64,21,229	56,88,65,293
			<u>1,33,47,10,309</u>	<u>1,08,71,54,373</u>
2. Non-current liabilities				
a	Long-term borrowings	4	30,55,89,298	28,68,57,511
b	Deferred tax liabilities (Net)	5	-	-
c	Other long term liabilities	6	-	-
d	Long-term provisions	7	4,59,43,430	4,31,13,576
			<u>35,15,32,728</u>	<u>32,99,71,087</u>
3. Current liabilities				
a	Short-term borrowings	8	49,45,19,023	37,99,55,459
b	Trade payables	9	47,13,80,454	57,03,54,300
c	Other current liabilities	10	30,15,37,407	26,64,18,479
d	Short-term provisions	11	3,35,56,716	40,71,831
			<u>1,30,09,93,600</u>	<u>1,22,08,00,069</u>
	Total		<u><u>2,98,72,36,637</u></u>	<u><u>2,63,79,25,529</u></u>
II ASSETS				
1. Non-current assets				
a	Fixed Assets			
	(i) Tangible assets	12	1,04,74,63,156	1,00,87,84,363
	(ii) Intangible assets	12	12,86,949	57,600
	(iii) Capital work-in-progress		4,80,91,530	3,13,41,634
	(iv) Intangible assets under development		1,48,17,142	-
b	Non-current investment	13	11,43,244	11,43,244
c	Long-term loans and advances	14	6,91,54,151	5,64,55,826
			<u>1,18,19,56,172</u>	<u>1,09,77,82,667</u>
2. Current assets				
a	Inventories	15	60,56,43,176	58,84,02,515
b	Trade receivables	16	74,91,14,422	56,88,60,805
c	Cash and Bank balances	17	6,89,13,376	4,71,32,551
d	Short-term loans and advances	18	38,16,09,491	33,57,46,991
			<u>1,80,52,80,465</u>	<u>1,54,01,42,862</u>
	Total		<u><u>2,98,72,36,637</u></u>	<u><u>2,63,79,25,529</u></u>
Significant accounting policies	1			

The notes referred to above form an integral part of the financial statements

Per our report attached

For and on behalf of the Board of Directors

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

SURENDRA SOMANI
Executive Vice Chairman

DR. ARVIND K. MEHTA
Director

Kaushal Mehta
Partner
Membership No. 111749

B. K. SONI
Chief Financial Officer

SUNIL SODHANI
Company Secretary

Place : Mumbai
Date : 24th May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

	Notes	For the year ended 31st March, 2017	For the year ended 31st March, 2016
I INCOME			
Revenue from operation (gross)	19	3,18,70,52,359	3,05,25,76,775
Less: Excise duty		8,98,43,805	8,93,85,413
Revenue from operation (net)		3,09,72,08,554	2,96,31,91,362
Other income	20	10,66,44,510	2,36,73,481
Total Revenue		3,20,38,53,064	2,98,68,64,843
II Expenses			
Cost of materials consumed	21	1,55,37,00,070	1,78,55,03,369
Purchase of traded goods		25,47,53,039	2,89,38,980
Changes in inventories of finished goods and work in progress	22	16,40,144	(1,17,84,414)
Employee benefit expense	23	31,40,58,172	28,02,41,820
Other expenses	24	60,93,40,398	57,80,45,437
Finance cost	25	13,66,70,015	12,56,08,115
Depreciation and amortisation expense	26	8,33,05,831	8,11,76,965
Total Expenses		2,95,34,67,669	2,86,77,30,272
Profit before exceptional items, extraordinary items and tax		25,03,85,395	11,91,34,571
Exceptional items Net Income / (Net Expenses)	27	-	(1,19,49,055)
Profit / (Loss) before extraordinary items and tax		25,03,85,395	10,71,85,516
Extraordinary items		-	-
Profit / (Loss) before tax		25,03,85,395	10,71,85,516
Tax Expense		-	-
Current tax (MAT)		2,93,56,000	-
Tax expense of earlier years (MAT)		91,41,395	-
Less: MAT credit entitlement		3,61,07,306	-
Net tax expense		23,90,089	-
Profit / (Loss) after tax		24,79,95,306	10,71,85,516
Earnings per equity share (`)	28		
Basic and Diluted-Par value of ` 10/- per share		5.73	2.59
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements

Per our report attached

For and on behalf of the Board of Directors

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

SURENDRA SOMANI
Executive Vice Chairman

DR. ARVIND K. MEHTA
Director

Kaushal Mehta
Partner
Membership No. 111749

B. K. SONI
Chief Financial Officer

SUNIL SODHANI
Company Secretary

Place : Mumbai
Date : 24th May, 2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

PARTICULARS	For the year ended 31st March, 2017	For the year ended 31st March, 2016
NET PROFIT BEFORE TAX	25,03,85,396	10,71,85,516
Adjusted for :		
Depreciation (including write back)	8,33,05,831	8,11,76,965
Dividend income	(7,337)	(7,287)
Finance cost	13,66,70,015	12,56,08,115
Interest income	(45,20,668)	(46,22,442)
Profit on sale of fixed assets	-	(1,69,330)
Gain on slump sale	-	(2,06,081)
Unrealised foreign exchange gain (net)	88,12,958	30,73,930
Balances - written off / provided for / (written back) net	2,41,30,433	(85,61,471)
	<u>24,83,91,232</u>	<u>19,62,92,399</u>
	<u>49,87,76,627</u>	<u>30,34,77,915</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS		
Adjustments for :		
Trade Receivables	(20,25,66,008)	23,03,93,643
Inventories	(1,72,40,661)	(13,61,73,218)
Loans and advances	(2,97,20,663)	2,62,52,220
Trade Payables	(11,05,73,293)	(12,49,79,012)
Other liabilities and provisions	5,03,37,630	(1,35,89,563)
Effect of changes in exchange fluctuation reserve	(4,39,370)	9,90,482
Cash generated from operations	18,85,74,261	28,63,72,467
Direct Taxes (paid) / refund (net)	(90,61,415)	(1,16,508)
(a) NET CASH FLOW FROM / (USED IN) OPERATION ACTIVITIES	<u>17,95,12,846</u>	<u>28,62,55,959</u>
Cash flow from investing activities:		
Purchase of fixed assets (including capital work in progress, Intangible assets under development and capital advances)	(16,11,76,619)	(10,98,88,409)
Sale of fixed assets	-	26,72,334
Proceeds from slump sale	-	1,95,08,000
Withdrawal / (Investment) of margin deposits	(2,29,64,694)	(57,43,749)
Interest received	68,37,312	27,25,520
Dividend received	7,337	7,287
(b) NET CASH FROM / (USED) IN INVESTING ACTIVITIES	<u>(17,72,96,664)</u>	<u>(9,07,19,017)</u>
Cash flow from financing activities		
Share issue expenses paid	-	(62,11,500)
Proceeds / (Repayment) of borrowings (net)	13,32,95,350	(6,17,86,174)
Finance cost	(13,66,95,401)	(12,53,70,624)
(c) NET CASH FROM/ (USED) IN FINANCING ACTIVITIES	<u>(34,00,051)</u>	<u>(19,33,68,298)</u>
Net increase in cash and cash equivalents (a+b+c)	<u>(11,83,869)</u>	<u>21,68,644</u>
Cash and cash equivalents as at the commencement of the year, comprising :		
Cash	9,10,446	18,04,360
Balances with scheduled banks on Current accounts	68,93,816	38,31,258
	<u>78,04,262</u>	<u>56,35,618</u>
Cash and cash equivalents as at the end of the year, comprising :		
Cash	6,46,249	9,10,446
Balances with scheduled banks on Current accounts	59,74,144	68,93,816
	<u>66,20,393</u>	<u>78,04,262</u>
NET INCREASE / (DECREASE) AS DISCLOSED ABOVE	<u>(11,83,869)</u>	<u>21,68,644</u>

Per our report attached

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

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : 24th May, 2017

For and on behalf of the Board of Directors

SURENDRA SOMANI
Executive Vice Chairman

DR. ARVIND K. MEHTA
Director

B. K. SONI
Chief Financial Officer

SUNIL SODHANI
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2017

1) OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

A OVERVIEW

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

Name of Subsidiaries	Financial year ending	Country	Ownership interest
Kopran (H.K) Limited (KHKL)	31st March, 2017	Hong Kong	100%
Kopran Lifesciences Limited (KLL)	31st March, 2017	India	100%
Kopran Research Laboratories Limited (KRLL)	31st March, 2017	India	100% (0.05% through Kopran Lifesciences Limited)

B SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statement.

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

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra group balances and intra group transactions and resulting unrealised profits are eliminated in full. Unrealised losses resulting from intra group transactions are also eliminated unless cost cannot be recovered.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

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

(b) Uses of Estimates

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

(c) Tangible assets, Intangible asset, depreciation and amortisation

i) Tangible assets :

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

ii) Depreciation on tangible assets :

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the plant and machinery, in whose case the estimated useful life has been assessed to be 20 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc.

iii) Intangible assets:

Capitalised Development costs

Indirect development costs for products are expensed. Development expenditure on an individual project/product is recognized as an Intangible asset when the Company can demonstrate the technical feasibility of completing the asset so that it will be available for use or sales, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and ability to measure the cost reliably during the development. Following the initial recognition of development expenditure, the assets are carried at cost less accumulated amortization and impairment losses. Amortisation begins when the development is complete and the asset is available for use.

iv) Amortisation of intangible asset:

Intangible asset are being amortised over the estimated useful life of 5 years using straight line method.

(d) Investments

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

(e) Inventories

Items of inventories are measured at lower of cost or net realisable value. Cost of Raw Materials, Stores & Spares and Packing Materials is determined using First in First out (FIFO) method. Cost of Work-in-Process and Finished Goods is determined on absorption costing method.

(f) Research and development expenses

1. Revenue Expenditure on Research and Development is charged to Profit and Loss Account under respective heads of account in the year in which it is incurred.
2. Capital Expenditure is included in Fixed Assets under the respective heads.

(g) Foreign Exchange Transactions

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

(h) Revenue Recognition

1. Sales of Products and Services

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

2. Export Benefits

The unutilised Export Benefits under DEPB Scheme / Advance License against export as on the balance sheet date are recognised as income on accrual basis.

3. Dividend

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

4. Other Income

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

(i) Employee Benefits :

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

(j) Excise and Customs duty

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

(k) Borrowing Costs

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

(l) Prior Period Items

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

(m) Earning per share

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

(n) Income Tax

Tax expense comprises of current tax, deferred tax charge or credit. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. The deferred tax charged or credit is recognised using prevailing enacted or 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.

(o) Intangible Assets

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

(p) Impairment of Assets

"In accordance with Accounting Standard (AS-28) on impairment of assets, at each Balance Sheet date, the management reviews the carrying amount of assets in each cash generating units to determine whether there is any indication that those assets were impaired, if any such indication exists the recoverable amount of the asset is estimated in order to determine:

- i. The provision for impairment loss, if the carrying amount of an asset exceeds its recoverable amount or
- ii. The reversal, if any, required of impairment loss recognised in previous years."

(q) Contingencies and Provisions

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

(r) Cash and cash equivalents / Cash flow statement

All highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, are considered to be cash equivalents. Cash Flow Statement is prepared as per 'Indirect Method' specified under AS 3 Cash Flow Statements.

(s) Operating Lease

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

(t) Other Accounting Policies

These are consistent with the generally accepted accounting practices.

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

2) SHARE CAPITAL

	As at 31st March, 2017		As at 31st March, 2016	
	Number of Shares		Number of Shares	
Authorised				
(i) Equity shares of ₹ 10 each	5,62,50,000	56,25,00,000	5,62,50,000	56,25,00,000
(ii) 10% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10/- each	1,37,50,000	13,75,00,000	1,37,50,000	13,75,00,000
Total	7,00,00,000	70,00,00,000	7,00,00,000	70,00,00,000
Issued				
(i) Equity shares of ₹ 10 each fully paid up				
At the beginning of the year	4,32,52,602	43,25,26,020	4,11,02,602	41,10,26,020
Add: Issued during the year	-	-	21,50,000	2,15,00,000
Less: Bought back during the year	-	-	-	-
At the end of the year	4,32,52,602	43,25,26,020	4,32,52,602	43,25,26,020
(ii) 10% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each				
At the beginning of the year	85,80,000	8,58,00,000	85,80,000	8,58,00,000
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
At the end of the year	85,80,000	8,58,00,000	85,80,000	8,58,00,000
Total	5,18,32,602	51,83,26,020	5,18,32,602	51,83,26,020
Subscribed and paid up				
(i) Equity shares of ₹ 10 each fully paid up				
At the beginning of the year	4,32,52,602	43,25,26,020	4,11,02,602	41,10,26,020
Add: Issued during the year	-	-	21,50,000	2,15,00,000
Less: Bought back during the year	-	-	-	-
Less: Calls in-Arrears (Other than Director's)	-	36,940	-	36,940
At the end of the year	4,32,52,602	43,24,89,080	4,32,52,602	43,24,89,080
(ii) 10% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each				
At the beginning of the year	85,80,000	8,58,00,000	85,80,000	8,58,00,000
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
At the end of the year	85,80,000	8,58,00,000	85,80,000	8,58,00,000
Total	5,18,32,602	51,82,89,080	5,18,32,602	51,82,89,080

a) Terms / Rights attached to equity Shares

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

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

b) Terms of redemption of preference shares

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

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

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

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

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

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

	As at 31st March, 2017		As at 31st March, 2016	
	Number of Shares	% Holding	Number of Shares	% Holding
Equity Shares of ₹ 10/- each fully paid				
Panorama Finvest Pvt Ltd	38,00,000	8.79%	38,00,000	8.79%
Sarvamangal Mercantile co. Ltd	29,02,951	6.71%	29,02,951	6.71%
Oricon Properties Pvt. Ltd	59,61,758	13.78%	59,61,758	13.78%
Rajendra Somani	23,24,250	5.37%	23,24,250	5.37%
10% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each				
Susheel G. Somani and Mridula Somani	12,00,000	14.00%	12,00,000	14.00%
Rajendra Somani and Surendra Somani	73,80,000	86.00%	73,80,000	86.00%

3) RESERVES AND SURPLUS

	As at 31st March, 2017	As at 31st March, 2016
(a) Capital reserve		
Opening balance	14,84,74,390	14,84,74,390
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	14,84,74,390	14,84,74,390
(b) Securities premium account		
Opening balance	1,22,28,06,254	1,10,86,17,754
Less : Calls In -Arrears (Other than Director's)	(1,10,820)	(1,10,820)
Net opening balance	1,22,26,95,434	1,10,85,06,934
Add : Premium on shares issued during the year	-	12,04,00,000
Less : Share issue expenses written off	-	(62,11,500)
Closing balance	1,22,26,95,434	1,22,26,95,434
(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		
	93,12,718	97,52,088
(f) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(89,35,17,303)	(1,00,07,02,819)
Add: Profit / (Loss) for the year	24,79,95,306	10,71,85,516
Closing balance	(64,55,21,997)	(89,35,17,303)
Total	81,64,21,229	56,88,65,293

4) LONG-TERM BORROWINGS

	As at 31st March, 2017	As at 31st March, 2016
Rupee loans from Banks (Secured)		
Vehicles Finance Loans (Secured)	32,55,306	32,66,543
Other(Unsecured)	-	15,82,00,000
Loan from Directors/ Relatives (Unsecured)		
Mr. Surendra Somani	7,00,000	4,34,00,000
Mrs. Vandana Somani	6,64,00,000	6,64,00,000
Inter Corporate Deposits (Unsecured)		
Related Parties (Ref. Note No. 35)	19,76,00,000	-
Others	3,76,33,992	1,55,90,968
Total	30,55,89,298	28,68,57,511

- a. Vehicle finance loans carry interest @ 9.99% to 10.25 % p.a. and is repayable in 35 to 60 equal monthly installments. The loans are secured by hypothecation of vehicles.
- b. Inter-corporate deposits from related parties and other parties carry Interest @ 10.50% to 13.50% p.a.

5) DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2017	As at 31st March, 2016
Deferred tax liabilities:		
Depreciation	3,48,22,071	1,94,79,116
	<u>3,48,22,071</u>	<u>1,94,79,116</u>
Deferred tax assets:		
Unabsorbed depreciation and carry forward losses	4,34,63,850	57,74,688
Disallowances under Income Tax Act	62,14,029	55,18,890
	<u>4,96,77,878</u>	<u>1,12,93,578</u>
Deferred tax assets recognised to the extent deferred tax liabilities	3,48,22,071	1,94,79,116
Total	-	-

6) OTHER LONG TERM LIABILITIES

Trade deposits	-	-
Total	-	-

7) LONG TERM PROVISIONS

Provision for employee benefits		
Gratuity (Ref. Note No. 31 Part A)	3,75,92,674	3,27,91,659
Leave encashment (Ref. Note No. 31 Part B)	83,50,756	1,03,21,917
Total	4,59,43,430	4,31,13,576

8) SHORT-TERM BORROWINGS

	As at 31st March, 2017	As at 31st March, 2016
From Banks:		
Cash Credit / Packing Credit *	29,81,59,636	26,49,38,403
Buyers Credit	19,63,59,387	11,50,17,056
Total	<u>49,45,19,023</u>	<u>37,99,55,459</u>

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.

9) TRADE PAYABLES

	As at 31st March, 2017	As at 31st March, 2016
Trade payables (including acceptances)		
Others	47,13,80,454	57,03,54,300
Total	<u>47,13,80,454</u>	<u>57,03,54,300</u>

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

10) OTHER CURRENT LIABILITIES

	As at 31st March, 2017	As at 31st March, 2016
Current maturities of long-term borrowings	6,66,16,452	4,40,31,434
Interest accrued but not due on borrowings	3,28,482	3,53,868
Interest free trade deposits	37,18,804	37,18,804
Advance from customers	92,86,553	90,76,664
Statutory liabilities	1,00,70,644	98,81,139
Other payables:		
Creditors for capital goods	1,20,55,826	2,32,83,595
Employees related	4,08,05,622	4,87,27,809
Others	15,86,55,024	12,73,45,166
Total	<u>30,15,37,407</u>	<u>26,64,18,479</u>

11) SHORT TERM PROVISIONS

Provision for employee benefits		
Gratuity (Ref. Note No. 31 Part A)	15,79,522	17,46,608
Leave encashment (Ref. Note No. 31 Part B)	26,21,194	23,25,223
Provision for tax (Net of advance tax)	2,93,56,000	-
Total	<u>3,35,56,716</u>	<u>40,71,831</u>

12) FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April 2016	Additions during the year	Deductions during the year	As at 31st March 2017	As at 1st April 2016	For the year	Deductions during the year	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
Tangible assets										
1. Lease hold Land	51,64,552	-	-	51,64,552	10,61,241	53,067	-	11,14,308	40,50,244	41,03,311
2. Free Hold Land	5,60,240	4,39,01,000	-	4,44,61,240	-	-	-	-	4,44,61,240	5,60,240
3. Buildings	33,92,12,030	39,39,776	-	34,31,51,806	13,97,46,299	81,73,696	-	14,79,19,995	19,52,31,811	19,94,65,730
4. Plant & Equipments	2,45,34,78,989	6,62,32,389	-	2,51,97,11,378	1,67,27,94,743	6,96,82,056	-	1,74,24,76,799	77,72,34,579	78,06,84,244
5. Furniture and Fixtures	4,25,58,104	21,09,967	-	4,46,68,071	3,27,96,425	15,01,527	-	3,42,97,952	1,03,70,119	97,61,679
6. Tube Well	1,66,658	-	-	1,66,658	1,66,658	-	-	1,66,658	-	-
7. Office Equipments	1,19,56,247	12,05,410	-	1,31,61,657	1,09,79,911	4,03,878	-	1,13,83,789	17,77,868	9,76,336
8. Computers	3,67,29,960	10,10,995	-	3,77,40,955	3,35,69,948	16,65,496	-	3,52,35,444	25,05,511	31,60,012
9. Vehicles	2,68,03,837	33,37,330	-	3,01,41,167	1,69,31,691	17,21,929	-	1,86,53,620	1,14,87,547	98,72,146
10. R & D Equipment	8,11,33,335	2,08,120	-	8,13,41,455	8,09,32,671	64,547	-	8,09,97,218	3,44,237	2,00,664
Tangible assets total	2,99,77,63,952	12,19,44,987	-	3,11,97,08,939	1,98,89,79,587	8,32,66,196	-	2,07,22,45,783	1,04,74,63,156	1,00,87,84,363
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
3. Product Development Cost	-	12,68,984	-	12,68,984	-	39,635	-	39,635	12,29,349	-
Intangible assets total	14,28,57,600	12,68,984	-	14,41,26,584	14,28,00,000	39,635	-	14,28,39,635	12,86,949	57,600

13) INVESTMENTS (AT COST)

Face Value

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
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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

Less: Provision for diminution in value of investments

10,64,237	10,64,237
4,26,243	4,26,243
6,37,994	6,37,994

B. Unquoted shares

Trade investments:

10	Kapol Co-Op Bank Ltd	20,000	2,00,000	20,000	2,00,000
10	The Saraswat Co-Op Bank Ltd	1,000	10,000	1,000	10,000
10	The New India Co-Op Bank Ltd	500	5,000	500	5,000
10	Mandvi Co-Op Bank Ltd.	25,000	2,50,000	25,000	2,50,000

TOTAL (A+B)

11,02,994	11,02,994
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TOTAL (I+II)

11,43,244	11,43,244
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Aggregate cost of quoted investment
 Aggregate market value of quoted investment
 Aggregate cost of unquoted investment
 Aggregate provision for diminution

10,64,237	10,64,237
2,59,415	2,51,689
4,65,000	4,65,000
4,26,243	4,26,243

14) LONG TERM LOANS AND ADVANCES

(Unsecured considered good, unless stated otherwise)

	As at 31st March, 2017	As at 31st March, 2016
Capital advances	48,08,413	96,40,572
Security deposits	1,79,37,552	1,66,64,661
Balance with statutory/ government authorities	2,99,453	2,65,43,428
Minimum alternate tax (MAT) credit entitlements	3,61,07,306	-
Other loans and advances		
Loans to employees	98,88,227	32,81,011
Prepaid expenses	1,13,200	3,26,154
Total	<u>6,91,54,151</u>	<u>5,64,55,826</u>

15) INVENTORIES

(Valued at lower of Cost and net realisable value)

Stores and Spares	1,55,57,173	1,73,78,070
Raw Materials	35,70,43,225	34,29,85,327
Packing Materials	4,30,75,896	3,64,32,092
Work-in-Process	16,40,84,711	15,34,37,340
Finished Goods	2,58,82,171	3,81,69,686
Total	<u>60,56,43,176</u>	<u>58,84,02,515</u>

16) TRADE RECEIVABLES

(Unsecured, considered good unless other wise stated)

Debts outstanding for a period exceeding six months from the date they are due for payment

Debts due from related parties	-	-
Considered good	2,19,93,447	2,21,58,495
Considered doubtful	1,11,67,578	1,23,08,060
	<u>3,31,61,025</u>	<u>3,44,66,555</u>
Less: Provision for doubtful debts	<u>(1,11,67,578)</u>	<u>(1,23,08,060)</u>
	2,19,93,447	2,21,58,495
Other debts		
Others	72,71,20,975	54,67,02,310
Total	<u>74,91,14,422</u>	<u>56,88,60,805</u>

17) CASH AND BANK BALANCES

Cash and cash equivalent

Balance with Banks in Current accounts	59,74,144	68,93,816
Cash on hand	6,46,249	9,10,446

Other Bank Balances

Margin Money Deposits (with Original Maturity up to 12 Months)	6,22,92,983	3,93,28,289
Total	<u>6,89,13,376</u>	<u>4,71,32,551</u>

18) SHORT TERM LOANS AND ADVANCES

(Unsecured considered good, unless stated otherwise)

Loans to employees	45,19,003	14,89,100
Balance with statutory/ government authorities	31,62,99,380	26,66,04,175
Prepaid expenses	1,08,39,953	92,58,995
Advance income-tax (Net of provision of taxation)	25,87,998	26,67,978
Others	4,73,63,157	5,57,26,743
Total	<u>38,16,09,491</u>	<u>33,57,46,991</u>

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

19) REVENUE FROM OPERATION

	Year ended 31st March, 2017	Year ended 31st March, 2016
Sale of products	3,10,27,31,131	2,97,19,74,385
Other operating income		
Scrap sales	22,67,125	18,40,280
Other	8,20,54,103	7,87,62,110
Revenue from operations	<u>3,18,70,52,359</u>	<u>3,05,25,76,775</u>

20) OTHER INCOME

Dividend Income		
long-term investments	7,337	7,287
Interest Income	-	-
On Fixed Deposit	32,45,108	34,99,063
Others	12,75,560	11,23,379
Provision for doubtful debts written back	-	1,23,00,000
Net profit on sale of assets	-	1,69,330
Liabilities written back	10,06,809	4,85,414
Foreign exchange gain (net)	10,02,91,289	48,56,236
Insurance Claim	-	10,54,213
Miscellaneous Income	8,18,407	1,78,559
Total	<u>10,66,44,510</u>	<u>2,36,73,481</u>

21) COST OF MATERIALS CONSUMED

Raw material consumption		
Opening Stock	34,29,85,327	22,46,03,981
Add: Purchases	1,40,77,40,368	1,77,04,88,323
	<u>1,75,07,25,695</u>	<u>1,99,50,92,304</u>
Less : Closing Stock	35,70,43,225	34,29,85,327
	<u>1,39,36,82,470</u>	<u>1,65,21,06,977</u>
Packing Materials Consumption:		
Opening Stock	3,64,32,092	3,13,55,332
Add: Purchases	16,66,61,404	13,84,73,152
	<u>20,30,93,496</u>	<u>16,98,28,484</u>
Less : Closing Stock	4,30,75,896	3,64,32,092
	<u>16,00,17,600</u>	<u>13,33,96,392</u>
Total	<u>1,55,37,00,070</u>	<u>1,78,55,03,369</u>

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

Opening stock		
Finished goods	3,81,69,686	1,48,24,378
Work in progress	15,34,37,340	16,49,98,234
	<u>19,16,07,026</u>	<u>17,98,22,612</u>
Less : Closing stock		
Finished goods	2,58,82,171	3,81,69,686
Work in progress	16,40,84,711	15,34,37,340
	<u>18,99,66,882</u>	<u>19,16,07,026</u>
Total	<u>16,40,144</u>	<u>(1,17,84,414)</u>

23) EMPLOYEE BENEFIT EXPENSES

	Year ended 31st March, 2017	Year ended 31st March, 2016
Salaries, wages and bonus	27,51,36,512	24,41,99,618
Contribution to provident and other fund	1,41,54,469	1,36,68,898
Staff welfare expense	2,47,67,191	2,23,73,304
Total	31,40,58,172	28,02,41,820

24) OTHER EXPENSES

Stores and spares consumed	4,76,37,214	5,47,94,713
Power and fuel	13,70,62,544	14,09,88,563
Rent	2,40,00,000	2,40,00,000
Repairs and maintenance		
Building	97,25,095	1,01,84,904
Machinery	1,27,43,829	1,47,05,350
Others	66,13,115	44,74,803
Insurance	75,50,280	62,75,912
Commission on sales	7,53,36,888	8,14,05,871
Job work charges	7,13,68,388	5,02,46,301
Selling and distribution expenses	92,41,680	1,20,59,616
Packing, freight and forwarding	5,05,83,170	4,47,31,430
Payment to auditors (refer details below)	9,30,020	9,30,851
Printing and stationery	57,02,346	62,27,934
Postage, telegram and telephone	57,91,388	54,36,945
Travelling and conveyance	2,48,46,536	2,43,12,300
Legal and professional fees	3,76,29,307	3,60,75,411
Rates and taxes	1,07,43,449	82,95,779
Labour charges	1,03,45,137	1,02,00,095
Director's sitting fees	4,08,700	4,73,000
Provision for doubtful debts	-	42,16,518
Bad debts written off	2,50,98,881	-
Sundry balances written off	38,361	7,425
Corporate social responsibility expenses	-	39,200
Miscellaneous expenses	3,59,44,070	3,79,62,517
Total	60,93,40,398	57,80,45,437

Payment to auditors

As auditor		
Audit fee	7,30,020	7,30,851
Tax audit fee	2,00,000	2,00,000
Total	9,30,020	9,30,851

25) FINANCE COST

Interest expense	8,75,37,886	6,96,93,014
Other borrowing cost	4,91,32,129	5,59,15,101
Total	13,66,70,015	12,56,08,115

26) DEPRECIATION AND AMORTISATION

Depreciation on tangible assets	8,32,66,196	8,11,76,965
Amortisation of intangible assets	39,635	-
Total	8,33,05,831	8,11,76,965

27) EXCEPTIONAL ITEMS INCOME / (EXPENSES)

Gain on slump sale of Consumer Care Division	-	2,06,081
Stamp duty Expense	-	(1,21,55,136)
Total	-	(1,19,49,055)

28) EARNINGS PER EQUITY SHARE

	Year ended 31st March, 2017	Year ended 31st March, 2016
Number of equity shares	4,32,52,602	4,32,52,602
Weighted average number of equity shares	4,32,52,602	4,13,96,318
Face value per share	10	10
Profit / (Loss) after tax	24,79,95,306	10,71,85,516
Less: Dividend on preference shares	-	-
Profit after tax available to equity shareholders	24,79,95,306	10,71,85,516
Basic and diluted earning per share	5.73	2.59

29) CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :

	As on 31st March, 2017	As on 31st March, 2016
i) Guarantees given by the bankers on behalf of the Group	85,82,634	99,93,150
ii) Bills discounted with Banks	28,19,79,272	33,14,65,324
iii) Disputed tax matters:-		
a) Service tax demand disputed in appeal	43,53,301	43,53,301
b) Excise duty demand disputed in appeal	49,63,619	51,11,067
iv) Other claims/demands against company not acknowledged as debts		
a) Demand under drug Price control order - 95 (DPCO - 95) demand disputed in appeal	5,91,34,474	5,91,34,474
b) Others	29,09,052	29,09,052

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

30. Estimated amount of contracts remaining to be executed on capital account not provided for ` 2,81,92,499/- (Previous year ` 5,91,97,744/-)

31. Employee Benefits :

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

A) Defined Contribution Plan

A) Defined Contribution Plan

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

	Year ended 31st March 2017	Year ended 31st March 2016
Employer's contribution to provident fund	1,35,35,530	1,36,09,649

B) Defined benefit plan

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

Part A : Gratuity Benefits

	Gratuity benefit Unfunded	
	As on 31st March, 2017	As on 31st March, 2016
i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at the beginning of the year	3,45,38,267	3,96,93,000
Obligation of subsidiary company reversed	-	-
Interest cost	27,49,246	31,75,440
Service cost	29,91,460	37,35,109
Liability transferred out (on account of discontinuing business operations)	-	(9,25,000)
Actuarial (gain)/ loss	3,17,598	(95,76,901)
Benefits paid	(14,24,375)	(15,63,381)
Obligation at the year end	3,91,72,196	3,45,38,267
ii) Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution	-	-
Actuarial (gain)/ loss	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-
Unfunded status	(3,91,72,196)	(3,45,38,267)
iii) Limits of corridor not considered since total actuarial gain/loss is being recognised as on 31st March, 2017		
Actuarial gain / (loss) for the year- obligation	3,17,598	95,76,901
Actuarial gain/(loss) for the year- plan assets	-	-
Sub- Total	3,17,598	95,76,901
Actuarial loss recognised	3,17,598	95,76,901
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	(74,43,678)	(3,45,38,267)
Fair value of plan assets at the end of the year	-	-
Liability/(Asset) recognised in the balance sheet	(74,43,678)	(3,45,38,267)
v) Cost for the year		
Service cost	29,91,460	37,35,109
Interest cost	27,49,246	31,75,440
Expected return on plan assets	-	-
Actuarial (gain)/loss	3,17,598	(95,76,901)
Net cost recognised in the profit & loss account	60,58,304	(26,66,352)
vi) Movement in the liability recognised in the balance sheet		
Opening net liability	3,45,38,267	3,96,93,000
Expenses as above	60,58,304	(26,66,352)
Obligation of subsidiary company reversed	-	-
Liability transferred out (on account of discontinuing business operations)	-	(9,25,000)
Contribution paid	(14,24,375)	(15,63,381)
Closing net liability	3,91,72,196	3,45,38,267
vii) Assumptions used to determine the benefit obligations:		
Discount rate	7.57%	7.96%
Rate of increase in compensation levels	6.00%	6.00%

Part B : Leave Encashment

	Gratuity benefit Unfunded	
	As on 31st March, 2017	As on 31st March, 2016
i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at the beginning of the year	1,26,47,140	1,24,17,000
Obligation of subsidiary company reversed	-	-
Interest cost	10,06,712	9,93,360
Service cost	9,24,568	13,00,537
Liability transferred out (on account of discontinuing business operations)	-	(7,16,000)
Actuarial (gain)/ loss	(17,11,418)	(2,70,710)
Benefits paid	(18,95,052)	(10,77,047)
Obligation at the year end	1,09,71,950	1,26,47,140
ii) Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution	-	-
Actuarial (gain)/ loss	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-
Unfunded status	(1,09,71,950)	(1,26,47,140)
iii) Limits of corridor not considered since total actuarial gain/loss is being recognised as on 31st March, 2017		
Actuarial gain / (loss) for the year- obligation	(17,11,418)	(2,70,710)
Actuarial gain /(loss) for the year- plan assets	-	-
Sub- Total	(17,11,418)	(2,70,710)
Actuarial loss recognised	(17,11,418)	(2,70,710)
iv) Unrecognised actuarial gains / (losses) at the end of the year reconciliation of present value of the obligation and the fair value of plan assets		
present value of the defined benefit obligations at the end of the year	(1,09,71,950)	(1,26,47,140)
Fair value of plan assets at the end of the year	-	-
Liability/(Asset) recognised in the balance sheet	(1,09,71,950)	(1,26,47,140)
v) Cost for the year		
Service cost	9,24,568	13,00,537
Interest cost	10,06,712	9,93,360
Expected return on plan assets	-	-
Actuarial (gain)/loss	(17,11,418)	(2,70,710)
Net cost recognised in the profit & loss account	2,19,862	20,23,187
vi) Movement in the liability recognised in the balance sheet		
Opening net liability	1,26,47,140	1,24,17,000
Obligation of subsidiary company reversed	-	-
Expenses as above	2,19,862	20,23,187
Liability transferred out (on account of discontinuing business operations)	-	(7,16,000)
Contribution paid	(18,95,052)	(10,77,047)
Closing net liability	1,09,71,950	1,26,47,140
vii) Assumptions used to determine the benefit obligations:		
Discount rate	7.57%	7.96%
Rate of increase in compensation levels	6.00%	6.00%

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

(a) Business Segment:

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

(b) Geographical segment:

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Revenue from operation (net)		
In India	77,00,94,441	78,28,85,352
Outside India	2,33,26,36,690	2,18,90,89,033
Total	3,10,27,31,131	2,97,19,74,385

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

34) DISCLOSURE ON SPECIFIED BANK NOTES

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below

Particulars	Specified Bank Notes	Other denomination Notes	Total
Closing cash in hand as on 8th November, 2016	1,68,500	8,73,144	10,41,644
(+) Permitted receipts	-	16,48,000	16,48,000
(-) Permitted payments	-	11,54,035	11,54,035
(-) Amount deposited in Banks	1,68,500	-	1,68,500
Closing cash in hand as on 30th December, 2016	-	13,67,109	13,67,109

35) 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 (up to 31st January, 2016)

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

Shri Ayush Jain

Mrs Vandana Somani

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

Oricon Enterprises Limited

Oricon Properties Private Limited

Oriental Containers Ltd

Kopran Laboratories Limited

Shinrai Auto Services Limited

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

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
i) Key Management Personnels		
Remuneration paid to personnels	1,89,71,067	1,42,40,000
Loan Taken (Mr Surendra Somani)	-	5,02,00,000
Loan Repayment (Mr Surendra Somani)	4,27,00,000	5,52,00,000
ii) Relatives of Key Managerial Personnels (with whom there are transactions)		
Remuneration paid (Mr Ayush Jain)	-	1,28,600
Loan Taken (Mrs Vandana Somani)	-	23,00,000
iii) Enterprises significantly influenced by KMP or their relatives (with whom there are transactions)		
a) Oricon Enterprises Ltd		
Purchase of Materials	9,37,47,813	26,35,85,223
Rent Expenses	2,40,00,000	2,40,00,000
Purchase of Land	4,21,86,690	-
Miscellaneous Expenses	9,59,882	1,34,978
Purchase of Fixed assets	-	60,33,912
Loan Taken	4,30,00,000	-
Loan Repayment	-	-
b) Oricon Properties Private Limited		
Loan Taken	54,50,00,000	-
Loan Repayment	41,00,00,000	-
Interest Paid	85,07,876	-
c) Oriental Containers Ltd		
Loan Taken	30,60,00,000	-
Loan Repayment	22,28,00,000	-
Interest Paid	94,79,889	-
d) Kopran Laboratories Limited		
Purchase of Materials	4,01,56,412	16,37,16,288
Loan Given	4,35,00,000	-
Loan Repayment	4,35,00,000	-
Interest Received	9,67,889	-
Miscellaneous Expenses	14,93,506	1,34,978
e) Shinrai Auto Services Limited		
Repairs Charges Paid	20,85,837	8,12,487
Loan Given	-	11,00,00,000
Loan Repayment	-	11,00,00,000
Interest Received	-	10,06,652
Motor Car Purchase	20,96,332	18,84,216
Outstanding Balances of Related party		
Receivable		
a) Kopran Laboratories Limited	1,44,95,464	-
Payable		
a) Oricon Enterprises Limited	4,39,57,604	15,43,84,766
b) Kopran Laboratories Limited	-	4,70,64,618
c) Shinrai Auto Services Limited	1,03,609	4,84,927
d) Oricon Properties Private Limited	13,50,00,000	-
e) Oriental Containers Ltd	8,32,00,000	-
Outstanding Borrowings		
a) Mr Surendra Somani	7,00,000	4,34,00,000
b) Mrs Vandana Somani	6,64,00,000	6,64,00,000

36) 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.

37) Derivative instruments and unhedged foreign currency exposure:

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

Purpose		Particulars of Derivative	
		2016-2017	2015-2016
Forward exchange contracts (for export debtors) Forward contract value	USD `	9,16,851 5,94,48,619	1,15,63,764 76,70,24,486
Forward exchange contracts (for Import Creditors) Forward contract value	USD `	3,82,000 2,47,68,880	- -

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

Particulars of derivative	2016-2017		2015-2016	
	Amount (`)	Foreign Currency	Amount (`)	Foreign Currency
Payables (Including Borrowings)	46,30,75,066 20,35,967	USD 71,41,811 EURO 29,400	22,13,31,440	USD 19,20,492
Receivables	43,74,11,587 73,83,042 1,40,12,624 8,38,898	USD 67,46,015 EURO 1,06,614 GBP 1,73,252 JYP 14,25,000	30,07,64,583 43,30,981 1,28,84,137 -	USD 45,34,367 EURO 57,677 GBP 1,35,494 -
Foreign currency bank account	3,20,444	USD 4,942	26,20,172	USD 39,502

38) 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 amount ` **2,40,00,000/-** (Previous year ` 2,40,00,000/-)

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

Particulars	2016-2017	2015-2016
(i) Not later than one year	2,40,00,000	2,40,00,000
(ii) Later than one year and not later than five years	4,20,00,000	6,60,00,000
(iii) Later than five years	-	-

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

39) Corporate Social Responsibility (CSR)

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

Particulars	2016-2017	2015-2016
(a) Gross amount required to be spent by the company during the year	-	-
(b) Amount spent during the year (In Cash) on :-		
(i) Construction / Acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	39,200
(c) Amount unspent	-	-



- 40) 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.
- 41) Previous years' figures have been regrouped wherever necessary.

The notes referred to above form an integral part of the financial statements

Per our report attached

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

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : 24th May, 2017

For and on behalf of the Board of Directors

SURENDRA SOMANI
Executive Vice Chairman

DR. ARVIND K. MEHTA
Director

B. K. SONI
Chief Financial Officer

SUNIL SODHANI
Company Secretary

KOPRAN LIMITED

CIN: 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 58th Annual General Meeting of the members of Kopran Limited will be held on Saturday, 02nd September, 2017 at 10.30 a.m. at Shri S.K. Somani Memorial Hall, 79, Marine Drive, Mumbai - 400 020 to transact the following business:

Ordinary Business

Item no. 1: Adoption of Financial Statements

To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31st March, 2017 including Balance Sheet, Profit and Loss and the Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

Item no. 2: Appointment of Auditors

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s. Khandelwal Jain & Co., Chartered Accountants, (Firm Registration No. 105049W), be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this 58th Annual General Meeting till the conclusion of the 63rd Annual General Meeting of the Company (subject to ratification of their appointment by Members at every intervening Annual General Meeting) at such remuneration apart from reimbursement of out-of pocket expenses as shall be fixed by the Board of Directors of the Company.”

Special Business

Item No. 3: Appointment of Mr. Susheel Somani as a Director

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and 161 of the Companies Act, 2013 and the Rules made thereunder, Mr. Susheel Somani (DIN 00601727), an Additional Director of the Company who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Susheel Somani as a candidate for the office of a Director of the company, be and is hereby appointed as Director of the Company, who is liable to retire by rotation at the Annual General Meeting.”

Item No 4: Re-appointment of Mr. Surendra Somani as Executive Vice Chairman

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, the Company hereby approves the appointment of Mr. Surendra Somani (DIN:- 00600860) as Whole-time Director designated as Executive Vice Chairman of the Company for a period of three years with effect from 01st January, 2017 (the date of appointment) upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Surendra Somani.”

Item No 5: Reclassification of Promoters shareholdings

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution

“**RESOLVED THAT** pursuant to Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and the applicable provisions of the Companies Act, 2013 read with the rules

framed thereunder (including any statutory modification(s) or reenactment(s) thereof) the consent of the Members of the Company be and is hereby accorded for re-classification of the mentioned herein below Promoters shareholding from “Promoter & Promoter Group Category” to “Public Category” of the Company.”

Sr. No.	Name of the Promoter & Promoter Group Entities	No. of Shares held	% of total equity shares of the Company
1.	Morganite Trading Company Private Ltd	161150	0.37%
2.	Sarla Sevantil Parekh	6290	0.01%
3.	Pravina Rameshchandra Virvadia	8500	0.02%
4.	Uni Recyclers Private Limited	265395	0.61%
5.	Practical Financial Services Private Ltd	96900	0.22%
6.	Renuka Vinubhai Bhansali	8500	0.02%
7.	Anushree Somani	9000	0.02%
8.	Vrinda Somani	9000	0.02%
	Total Shares	564735	1.29%

“**RESOLVED FURTHER THAT** the promoters herein mentioned above seeking re-classification along with the Promoter group entities and the persons acting in concert do/shall not:

- Have any special rights through formal or informal arrangements and/or hold more than 10% of paid up Capital of the Company.
- Act as Key Managerial Personnel for a period of more than three years from the date of shareholders’ approval and

On meeting of the above conditions, the herein mentioned Promoters in the resolution shall cease to be Promoters of the Company.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution including filing of necessary forms/returns with the Ministry of Corporate Affairs/ Stock Exchanges/ other concerned Authorities.”

Notes:

- 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.**
- Proxies in order to be effective must be received not less than 48 hours before the meeting at the Registered Office at Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided such person shall not act as a proxy for any other person or shareholder.
- Members / Proxies should bring duly filled in and signed Attendance Slip for attending the meeting.
- Members holding physical shares desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to fill up the form no. SH-13 available on company’s website and submit the same to Registrar and Transfer Agent of the Company. Nomination for Demat Account holders can only be done through their Depository Participant (DP).
- The company’s Register of Members and Share Transfer Books shall be closed from 31st August, 2017 to 02nd September, 2017 (both days inclusive).
- The Notice of the AGM along with Annual Reports 2016-17 is being sent by electronic mode to those members whose E-mail addresses are registered with the Depositories. Members desirous of physical copy of the same can send their request to the registered office of the Company or to the E-mail ID : investors@kopran.com

8. To support the 'green initiative', the members who have not registered their E-mail addresses are requested to register the same with their depositories.
9. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members shall be provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL on all resolutions set forth in this Notice.

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

- (i) The voting period begins on 30th August, 2017 at 9.00 am and ends on 01st September, 2017 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 26th August, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant KOPRAN LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on 30th August, 2017 at 9.00 am and ends on 01st September, 2017 at 5.00 pm. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 26th August, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

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

Pursuant to Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 2 to 5 of the accompanying Notice dated 04th August, 2017.

Item No.2

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

M/s Batliboi & Purohit Co., Chartered Accountants (Firm Registration No. 101048W) have been the Auditors of the Company and have completed their term as Auditor upon the conclusion of this AGM with respect to limits prescribed under section 139 of the Companies Act, 2013 to be the Auditor of the Company.

The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on 04th August, 2017 proposed the appointment of M/s Khandelwal Jain & Co. Chartered Accountants (Firm Registration No.105049W) as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of this AGM till the conclusion of the Sixty Third (63rd) AGM of the Company to be held in 2022, subject to ratification of their appointment at every AGM as required under the Act on a remuneration and any out-of-pocket expenses incurred in connection with the Audit as may be decided by the Board of Directors in consultation with the Auditors

M/s Khandelwal Jain & Co. Chartered Accountants have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board recommends the Ordinary Resolution set out at Item No.2 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution at Item No.2 of the Notice.

Item No.3

Pursuant to the provisions of Sections 152, 161(1) and other applicable provisions of the Act read with applicable Rules framed thereunder and the Articles of Association of the Company, the Board of Directors has, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Susheel Somani as an Additional Director of the Company with effect from 12th September, 2016. Mr. Susheel Somani holds office upto the date of the Annual General Meeting and is eligible for appointment as a Director of the Company.

Brief Profile of Mr. Susheel Somani

Name	Mr. Susheel Somani
DIN	00601727
Date of Birth	11 th January, 1941
Age	76 years
Date of first Appointment	12.09.2016
Expertise in Specific Functional Area	Mr. Susheel Somani has overall four decades of experience in the area of finance and human resource management.
Directorships held in other Public Companies	1. G. Claridge & Co. Ltd 2. Oricon Enterprises Ltd 3. Claridge Moulded Fibre Ltd 4. Shinrai Auto Services Ltd 5. Debonair Publications Ltd 6. United Maleable Co. Ltd 7. Hotel Empire Ltd. 8. Kopran Lifesciences Ltd 9. CMFL Packaging Ltd
Memberships/Chairmanships of Committees in other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	Oricon Enterprises Ltd-Audit Committee
Shareholding in Kopran Limited (No. of Shares)	871900
Relationships between Directors inter-se	None
Terms and conditions of appointment/ re-appointment	Appointed as Non-Executive Director liable to retire by rotation

The Board of Directors has received a notice from a member proposing the candidature of Mr. Susheel Somani as a Director to be appointed under the provisions of Section 149 and 152 of the Companies Act, 2013. The Company has received from Mr. Susheel Somani consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The Resolution seeks the approval of members for the appointment of Mr. Susheel Somani as a Director of the Company who is liable to retire by rotation at the Annual General Meeting. In the opinion of the Board of Directors, Mr. Susheel Somani proposed to be appointed, as a Director, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder.

None of the Directors or Key Managerial Personnel of the Company and/ or their relatives is interested or concerned in the Resolution.

Item No.4

The Board of Directors of your Company has, at its meeting held on 14th November, 2016 re-appointed Mr. Surendra Somani (DIN:- 00600860) as Executive Vice Chairman of the Company with effect from 01st January, 2017 on recommendation received from the Nomination and Remuneration Committee . The Board unanimously approved re-appointment resolution subject to approval by member's in ensuing General Meeting as per the provisions of Section 196, 197 and Part II Section II of Schedule V and other applicable provision under the Companies Act, 2013.

Further, the recommendation was received from Nomination & Remuneration Committee on 01st February, 2017 for repackaging of the salary structure of Mr. Surendra Somani, Executive Vice Chairman which was approved by the Board at its meeting held on 07th February, 2017.

The required Disclosure under Schedule V of the Companies Act, 2013 and Reg 36(3) of SEBI (LODR) Regulations, 2015:

Term of Appointment:

Three years from 01st January 2017 to 31st December, 2019 as Executive Vice Chairman.

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 58 years.
2. Financial Performance based on given indicators.

in Lacs

Particulars	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2017
Sales	33,207	18,814	18,165
PBDIT	3,810	2,577	1,645
Net Profit	1,548	1,144	1,287

3. Foreign investments and collaboration : Foreign Investment in wholly owned subsidiary Kopran (H.K.) Ltd., Hongkong ` 23.19 lacs.

B) 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 63 years, 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 31st December, 2016.
Number of shares	503075 Equity Shares.
Past Remuneration	` 89.90 Lacs per annum
Remuneration Proposed	Basic Salary: ` 8,25,000 per month House Rent Allowance: ` 4,12,500 per month Perquisites 1. Furniture for Residence and electricity charges will be provided by the Company. 2. Reimbursement of medical expenses incurred.

	<p>3. Reimbursement of membership fee for one club in India including admission and life membership fees.</p> <p>4. Gratuity as per Gratuity Act.</p> <p>5. Leave with full pay or encashment thereof as per the Rules of the Company.</p> <p>6. Free use of car with driver, free telephone and computer facilities at residence for the Company's business.</p> <p>7. Within the overall pay structure as mentioned above, the Executive Vice Chairman may be given any other allowances, benefits and perquisites as per the Nomination and Remuneration Committee, may decide from time to time.</p> <p>Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.</p>
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 01 st January, 2017
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.
Relationships between Directors inter-se	None of the Directors or Key Managerial Persons are related
Directorships held in other Public Companies	<ol style="list-style-type: none"> 1. Kopran Lifesciences Ltd 2. Oricon Enterprises Ltd
Memberships / Chairmanships of Committees in other Public Companies	None
Shareholding in Kopran Limited (No. of Shares)	503075

C) Other Information.

Reason of loss or inadequate profits	Company has currently improved its performance and turn in black in current financial year.
Steps taken or proposed to be taken for improvements	Detailed note is available in the Directors Report and Management Discussion and Analysis.
Expected increase in productivity and profits in measurable terms	The management is having a positive view on Company's performance on the steps taken to explore sales at different geographical locations is yielding results.

The Board recommends the Special Resolution as set out at Item no. 4 of the Notice for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company and/or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item no. 4 of the Notice

Item No.5

The Company is required to identify the individuals and entities forming part of its 'Promoter & Promoter Group Category' and 'Public Category' and disclose them under various provisions of the Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations'), Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading)

Regulations, 2015 and other applicable laws as in force. Regulation 31A of the Listing Regulations empowers the Stock Exchange to allow re-classification or modification of the existing status of individuals or entities from 'Promoter & Promoter Group Category' to 'Public Category' or vice-versa, only subject to the fulfillment of the conditions as provided therein.

The Company has received the request letters from the Promoter to re-classify their status from "Promoter and Promoter Group Category" to "Public Category" of the Company in terms of Regulation 31A of the Listing Regulations. The names of the Outgoing Entities from whom the Company has received request for re-classification, together with their shareholding as on the date of this Notice is given below:

Name of the outgoing Promoter	No. of Shares held	% of total equity shares of the Company
Morganite Trading Company Private Ltd	161150	0.37%
Sarla Sevantilal Parekh	6290	0.02%
Pravina Rameshchandra Virvadia	8500	0.02%
Uni Recyclers Private Limited	265395	0.61%
Practical Financial Services Private Ltd	96900	0.22%
Renuka Vinubhai Bhansali	8500	0.02%
Anushree Somani	9000	0.02%
Vrinda Somani	9000	0.02%
Total	564735	1.29%

None of the above Shareholders

- holds more than 10% of the total share capital of the Company (either individually or in concert);
- have any direct or indirect control over the affairs of the Company;
- holds any key managerial position in the Company;
- have any representations on the Board of Directors in the Company;
- is engaged in any management or day to day affairs of the Company;
- have any influences on the decision taken by the Company;
- have any special right through formal or informal arrangements with the Company

Post re-classification the remaining members of the existing 'Promoter and Promoter Group Category' of the Company will hold 43.66% shareholding in the company.

The Board of Director at their meeting held on 04th August, 2017 has accorded their approval to the said re-classification subject to the approval of the Members of the Company and relevant regulatory authorities. The Board recommends the Resolution as set out at Item no. 5 of the Notice for approval of the Members.

Except Mr. Surendra Somani and his relative, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item no. 5 of the Notice.

For Kopran Limited

Sunil Sodhani
Company Secretary

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

Place: Mumbai
Date : 04th August, 2017

PROXY FORM

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

Kopran Limited

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

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

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

(1) Name:	Signature
Address:	
E-mail Id: or failing him;	
(2) Name:	Signature
Address:	
E-mail Id: or failing him;	
(3) Name:	Signature
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 58th Annual General Meeting of the Company to be held on Saturday, 02nd September, 2017 at 10.30 a.m. at Shri S. K. Somani Memorial Hall, 79 Marine Drive, Mumbai – 400 020 and at any adjournment thereof in respect of such resolution as are indicated below:

Item No.	RESOLUTIONS		
	Ordinary Business	For	Against
1.	Consider and adopt Annual Financial Statement of the Company for the year ended 31 st March, 2017 together with Reports of Board of Directors and Auditor's thereon		
2.	Appointment of M/s Khandelwal Jain & Co.as Statutory Auditor		
	Special Business		
3.	Appointment of Mr. Susheel Somani as a Director		
4.	Re-appointment of Mr. Surendra Somani as Executive Vice Chairman		
5.	Re-classification of Promoter's Shareholdings		

Signed this day of 2017

Signature of the Shareholder

Affix Revenue Stamp

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

Kopran Limited

(CIN:- L2430 MH1958PLC 011078)

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

Form No. MGT-12

Polling Paper

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

BALLOT PAPER

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

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

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

No.	Item No.	Number of Shares held by me	I assent to the Resolution	I dissent from the Resolution
1	Consider and adopt Annual Financial Statement of the Company for the year ended 31 st March, 2017 together with Reports of Board of Directors and Auditor's thereon			
2	Appointment of M/s Khandelwal Jain & Co. as Statutory Auditor			
	Special Business			
3	Appointment of Mr. Susheel Somani as a Director			
4	Re-appointment of Mr. Surendra Somani as Executive Vice Chairman			
5	Reclassification of Promoters shareholdings			

Place: Mumbai

Date : 02nd September, 2017

(Signature of the Shareholder)

Kopran Limited

CIN:- L24230MH1958PLC011078

Registered office: 1076, Dr. E. Moses Road, Worli, Mumbai – 400018

Attendance Slip

(To be presented at the entrance)

I/We hereby record my / our presence at the 58th Annual General Meeting of the Company at Shri S. K. Somani Memorial Hall, 79 Marine Drive, Mumbai – 400 020 on Saturday, 02nd September, 2017 at 10.30 a.m.

Shareholders Details:

Full name (Block Letters)

Folio No.:

DP ID No.:

Client ID No.:

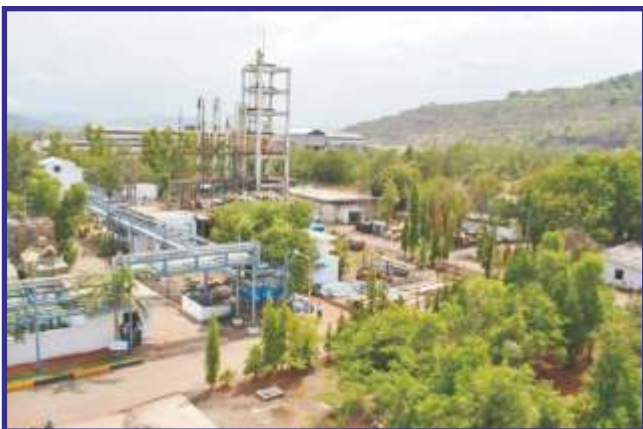
Name of Proxy holder

.....
Signature of Proxy holder

.....
Signature of Shareholders



**Khopoli Plant -
Finished Dosage Forms**



**Mahad Plant -
Active Pharmaceutical Ingredients**



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If mail undelivered please return to:



KOPRAN LIMITED

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