

INDEPENDENT AUDITORS' REPORT

To
The Members of
Kopran Research Laboratories Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Kopran Research Laboratories Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

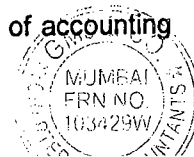
Management is responsible for the matters stated in Section 134(5) of the Companies Act 2013 (the 'Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in 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 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.

Auditors' 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 have 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's Internal Control. An audit also includes evaluating the appropriateness of accounting



policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the 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 written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.
 - f) with respect to 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 the best of our information and according to explanation given to us :
 - i. Company has disclosed the amount of pending litigations on its financial position in its Financial Statements which is in the nature of contingent liability being not required to be provided in the accounts.
 - ii. The Company does not anticipate any material foreseeable losses, on long- term contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For GMJ & Co.

Chartered Accountants

Firm's Regn. No. 103429W

CA Haridas Bhat

Partner M. No. 039070



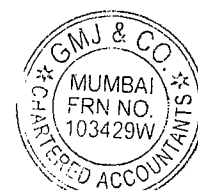
Mumbai, 28th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT of Kopran Research Laboratories Limited

The Annexure referred to in our Independent Auditors' Report to the members of company on the financial statement for the year ended 31 March 2015, in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of even date

We report that

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
b) The Fixed assets of the Company have been physically verified by the management which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies have been noticed on such verification.
- ii. a) In our opinion, physical verification of inventory lying with the company has been conducted at reasonable intervals by the management.
b) In our opinion, the procedures of physical verification of inventory followed by the management are adequate in relation to the size of the Company and the nature of its business.
c) The Company has maintained proper records of inventory. No material discrepancies have been noticed on physical verification between physical stock and book records.
- iii. In our opinion, and according to the information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained pursuant to section 189 of the Companies Act 2015. Hence, the reporting requirements under sub-clause (a) and (b) of clause 3 (iii) of the order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets, inventory and sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- v. In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits during the year under audit.
- vi. We have been informed by the company that the maintenance of cost record under section 148 (1) of the Act has not been prescribed by the Central Government.
- vii. a) according to the information and explanations given to us the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.



Further no dues are outstanding as at 31 March 2015 for more than six months from the date they become payable, excluding the liability if any on account of the Mahad Unit transferred from Holding Company during the year.

- b) According to the information and explanations given to us, No dues are payable to concerned authorities on account of dispute as at 31st March, 2015.

According to the information and explanations given to us, no amounts which were

- c) required to be transferred to the investor education and protection fund in accordance with the relevant provision of the Act and rules there under.

viii. The company has accumulated losses at the end of the financial year and has not incurred cash loss during the financial year and in the immediately preceding financial year.

ix. According to the information and explanations given to us the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

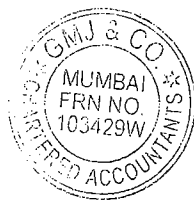
x. In our opinion, in respect of the guarantee given by the company for the loans taken by others, the terms and conditions thereof are not, prima facie, prejudicial to the interest of the company.

xi. The company did not have any term loan outstanding during the year.

xii. According to the information and explanation given to us , no material fraud on or by the company has not been noticed or reported during the year nor we have been informed of any such case by the management that causes the financial statements to be materially misstated.

For GMJ & Co.
Chartered Accountants
Firm's Regn. No. 103429W


CA Haridas Bhat
Partner
M. No. 039070



Mumbai
28th May, 2015

Kopran Research Laboratories Limited

Balance Sheet as at March 31, 2015

(In Rupees)

	Note	As at March 31, 2015	As at March 31, 2014
Equity and Liabilities			
Shareholders' Funds			
Share Capital	2	90,000,000	50,000,000
Reserves and Surplus	3	(163,025,639)	(313,587,829)
		(73,025,639)	(263,587,829)
Non-Current Liabilities			
Long-Term Borrowings	4	64,100,000	445,000,000
Deferred Tax Liabilities (Net)	5	-	-
Other Long-Term Liabilities	6	-	2,500,000
Long-Term Provisions	7	15,783,000	-
		79,883,000	447,500,000
Current Liabilities			
Short-Term Borrowings	8	329,713,702	27,901,909
Trade Payables	9	328,773,862	1,829,699
Other Current Liabilities	10	1,244,627,130	1,484,790
Short-Term Provisions	11	273,000	-
		1,903,387,694	31,216,398
Total		1,910,245,055	215,128,569
Assets			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	1,024,023,812	19,330,704
Intangible Assets		11,545,347	-
Capital Work-in-Progress		10,432,009	189,240,572
Intangible Assets Under Development		-	-
		1,046,001,168	208,571,276
Long-Term Loans and Advances	13	3,917,337	2,857,233
		1,049,918,505	211,428,509
Current Assets			
Inventories	14	312,464,491	-
Trade Receivables	15	505,954,001	-
Cash and Bank Balances	16	76,499	129,722
Short-Term Loans and Advances	17	41,831,559	3,570,338
		860,326,550	3,700,060
Total		1,910,245,055	215,128,569

The accompanying Notes are an integral part of these Financial Statements.

As per our report of even date.

For GMJ & Co.

Firm Registration Number: 103429W

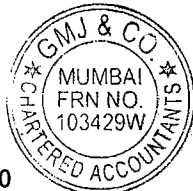
Chartered Accountants

Haridas Bhat

Haridas Bhat

Partner

Membership No. 039070



For and on behalf of the Board of Directors

Surendra Somani

Surendra Somani

Director

(DIN No:- 00600860)

Ajit Jain

Ajit Jain

Director

(DIN No:- 00147277)

Place: Mumbai

Date: 28th May, 2015

Place: Mumbai

Date: 28th May, 2015

Kopran Research Laboratories Limited

Statement of Profit and Loss for the year ended March 31, 2015

(In Rupees)

	Note	Year Ended March 31, 2015	Year Ended March 31, 2014
Revenue from Operations	18	975,000	900,000
Other Income	19	10,359	5,305,744
Total Revenue		985,359	6,205,744
Expenses			
Cost of Materials Consumed	20	453,787	341,458
Employee Benefits Expense	21	7,007	512,499
Finance Costs	22	1,927	-
Depreciation and Amortisation Expense	23	46,109	3,866,403
Other Expenses	24	162,519	93,983
Total Expenses		671,349	4,814,344
Profit(Loss) Before Tax & Exceptional items		314,010	1,391,401
Exceptional items (Refer Note No.35)		189,240,572	-
Profit (Loss) Before Tax		(188,926,562)	1,391,401
Tax Expense			
Current tax		-	-
Deferred Tax		-	-
Profit(Loss) for the Year		(188,926,562)	1,391,401
Earnings Per Equity Share [Face Value : Rs. 10 (Previous Year: Rs. 10)]			
Basic and Diluted	25	(37.05)	0.28

The accompanying Notes are an integral part of these Financial Statements.

As per our report of even date.

For GMJ & Co.

Firm Registration Number: 103429W
Chartered Accountants

Haridas Bhat

Partner

Membership No. 039070

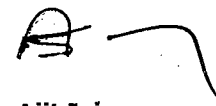


For and on behalf of the Board of Directors


Surendra Somani

Director

(DIN No:- 00600860)



Ajit Jain

Director

(DIN No:- 00147277)

Place: Mumbai

Date: 28th May, 2015

Place: Mumbai

Date: 28th May, 2015

Kopran Research Laboratories Limited
Cash Flow Statement for the year ended March 31, 2015

(In Rupees)

	Year ended March 31, 2015		Year ended March 31, 2014	
A. Cash flow from operating activities				
Profit (Loss) Before Tax		(188,926,562)		1,391,401
Adjustments for:				
Depreciation	46,109		3,866,403	
Interest income	(9,807)		(5,746)	
Finance costs	1,927		-	
Liabilities no Longer Required Written Back	(552)		(5,299,998)	
Exceptional items	189,240,572		-	(1,439,341)
Operating profit before working capital changes		189,278,249		(1,439,341)
		351,687		(47,941)
Changes in working capital:				
Increase / (Decrease) in trade payables	326,944,163		5,631,147	
Increase / (Decrease) in short-term provisions	273,000		(6,000)	
Increase / (Decrease) in long-term provisions	15,783,000		(378,000)	
Increase / (Decrease) in Other Long-Term Liabilities	(2,500,000)		-	
Increase / (Decrease) in other current liabilities	1,243,142,892		(259,024)	
(Increase) / Decrease in trade receivables	(505,954,001)		592,499	
(Increase) / Decrease in inventories	(312,464,491)		-	
(Increase) / Decrease in short-term loans and advances	(38,261,221)		-	
(Increase) / Decrease in long-term loans and advances	(962,604)		5,834	
		726,000,739		5,586,456
Operating profit after working capital changes		726,352,425		5,538,516
Direct taxes paid (net of refund)		(97,500)		-
Net cash from operating activities (A)		726,254,925		5,538,516
B. Cash flow from investing activities				
Purchase of tangible/ intangible assets (including capital work-in-progress & Capital Advance)		(1,045,802,822)		-
Interest received		9,807		5,746
Net cash used in investing activities (B)		(1,045,793,015)		5,746
C. Cash flow from financing activities				
Share issued During the year		400,000,000		-
Share Issue Expenses		(1,425,000)		-
Repayment of long-term borrowings		-		-
Proceeds from Long term borrowings (Net)		-		-
Interest and financial charges paid		(1,927)		-
Proceeds / (Repayment)short-term borrowings (Net)		(79,088,207)		(5,593,647)
Net cash from financing activities (C)		319,484,866		(5,593,647)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		(53,223)		(49,385)
Cash and cash equivalents at the beginning of the year		129,722		179,107
Cash and cash equivalents at the end of the year		76,499		129,722
Net increase/ (decrease) in cash and cash equivalents		(53,223)		(49,385)
Cash and cash equivalents comprise of:				
Cash on Hand		37,898		50,061
Bank Balances:				
In Current Accounts		38,601		79,661
In Fixed Deposits with original maturity less than 3 months		-		-
Cash and cash equivalents at the end of the year		76,499		129,722

Notes:
1 Figures in brackets indicate cash outgo.
2 Previous year's figures have been regrouped/ rearranged wherever necessary.

As per our report of even date.

For GMJ & Co.
Firm Registration Number/103429W
Chartered Accountants

Haridas Bhat
Haridas Bhat
Partner
Membership No. 039070



For and on behalf of the Board of Directors

Surendra Somani
Surendra Somani
Director
(DIN No:- 00600860)

Ajit Jain
Ajit Jain
Director
(DIN No:- 00147277)

Place: Mumbai
Date: 28th May, 2015

Place: Mumbai
Date: 28th May, 2015

1 Summary of Corporate information & Significant Accounting Policies

1.1 Corporate information

Kopran Research Laboratories Ltd (KRL) (the "Company") is an emerging research organisation with particular interests in the areas of drug discovery, polymer technology and synthesis of new molecules. Also carry the business of Manufacturing API & Bulk drug.

KRL is a Wholly owned subsidiary of Kopran Ltd.

1.2 Significant Accounting Policies

(a) Basis of Accounting and Preparation of Financial Statements

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) Use of Estimates

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

(c) Fixed Assets, Depreciation and Amortisation

(i) Fixed assets are stated at cost less accumulated depreciation, amortisation and impairment losses, if any. Cost includes inward freight, taxes and expenses incidental to acquisition and installation, up to the point the asset is ready for its intended use.

(ii) Capital work in progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes related acquisition expenses, construction cost, borrowing costs (In accordance with the Accounting Standard 16 on 'Borrowing Costs') capitalized and other direct expenditure.

(iii) 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.

(d) 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.

(e) Impairment of Assets

The carrying amounts of the Company's assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.



(f) Borrowing Cost

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on 'Borrowing Costs', are capitalized as part of the cost of qualifying assets. Other borrowing costs are expensed as incurred.

(g) Investments

The Company has presently classified all its investments as "Long Term" in accordance with Accounting Standard 13 on "Accounting for Investments." Long-term investments are stated at cost. However, provision is made to recognize a decline, other than temporary, in the value of investments.

(h) 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.

(i) Research and Development

Research and Development expenditure is recognized in the Profit and Loss Account as and when incurred. Capital expenditure, if any is shown under respective head of fixed assets.

(j) Foreign Currency Transactions

Initial recognition - Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

Conversion - Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the Balance Sheet.

Exchange differences - Exchange differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(k) Employee Benefits

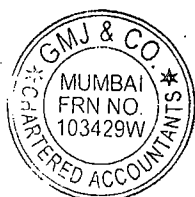
1. Defined Contribution Plan : Company's contribution paid/payable during the year to Provident Fund, ESIC and Labour Welfare Fund are charged to statement of Profit and Loss Account.

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

(l) 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.



(m) 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. Dividend

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

3. Other Income

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

Interest income is accounted on a time proportion basis.

(n) 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.

(o) Taxes on Income

The provision for current taxation is computed in accordance with the relevant tax regulations. Deferred tax is recognised on timing differences between the accounting and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses under tax laws are recognised and carried forward to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised in future. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax in respect of timing differences which originate and reverse during the tax holiday period is not recognized to the extent to which the Company's gross total income is subject to deduction during the tax holiday period.

(p) Earnings Per Share

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of shares, if any which would have been issued on the conversion of all dilutive potential equity shares.

(q) Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources 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 management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates. Provisions are recognised in the financial statements in respect of present probable obligations, for amounts which can be reliably estimated.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

(r) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.



2 Share Capital	As at March 31, 2015	As at March 31, 2014
Authorised 90,00,000 (Previous Year: 50,00,000) Equity Shares of ₹ 10 each	90,000,000	50,000,000
Issued 90,00,000 (Previous Year: 50,00,000) Equity Shares of ₹ 10 each	90,000,000	50,000,000
Subscribed and Paid up 90,00,000 (Previous Year: 50,00,000) Equity Shares of ₹ 10 each fully paid-up	90,000,000	50,000,000
	90,000,000	50,000,000

(a) Reconciliation of number of shares	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	In ₹	No. of Shares	In ₹
Equity Shares:				
Balance as at the beginning of the year and at the end of the year	5,000,000	50,000,000	5,000,000	50,000,000
Add: Shares issued during the year	4,000,000	40,000,000	-	-
Balance as at the end of the year	9,000,000	90,000,000	5,000,000	50,000,000

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per sharehold. The equity shareholders are entitled for dividend as may be proposed by the Board of Directors and approved by the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Share in the company held by holding company.

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company :-

Equity Shares	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% holding	No. of Shares	% holding
Kopran Limited	8,900,000	98.89%	5,000,000	100.00%
Kopran Life science Ltd *	100,000	1.11%		

*Wholly owned subsidiary of Kopran Ltd.

3 Reserves and Surplus

	As at March 31, 2015 In ₹	As at March 31, 2014 In ₹
Securities Premium		
Balance as at the beginning of the year	3,150	3,150
Add: Premium during the year	360,000,000	
Less:- Share Issue Expenses	(1,425,000)	
Balance as at the end of the year	358,578,150	3,150
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	(313,590,979)	(314,982,379)
Add :- Profit for the year	(188,926,562)	1,391,401
Add: Depreciation charge on transition to schedule II of the Companies Act, 2013 (refer note no. 32)	(19,086,248)	-
Balance as at the end of the year	(521,603,789)	(313,590,979)
Total	(163,025,639)	(313,587,829)



4 Long-Term Borrowings (Unsecured)	As at March 31, 2015 In ₹	As at March 31, 2014 In ₹
from Related Parties:		
i) Holding Company	-	445,000,000
ii) Directors *	64,100,000	-
Total	64,100,000	445,000,000
* The above borrowings is repayable commencing from April 01, 2016.		
5 Deferred Tax Liabilities		
Deferred Tax Liabilities:		
Depreciation	3,416,893	5,897,276
Deferred Tax Assets:		
Provision for Doubtful Debts	-	-
Unabsorbed Depreciation & Business Loss adjusted for timing difference	29,809,539	29,809,539
Disallowances u/s Income tax Act, 1961	5,457,434	-
	<u>35,266,974</u>	<u>29,809,539</u>
Deferred tax assets recognised to extent of Deferred tax liabilities	3,416,893	5,897,276
Deferred Tax Liabilities	<u>-</u>	<u>-</u>
6 Other Long- term liabilities		
Security Deposits	-	2,500,000
	<u>-</u>	<u>2,500,000</u>
7 Long-Term Provisions		
Provision for Employee Benefits:		
Provision for Gratuity	12,640,000	-
Provision for Compensated Absences	3,143,000	-
	<u>15,783,000</u>	<u>-</u>
8 Short-Term Borrowings		
Secured		
Cash Credit / Packing Credit - Refer Note (a)	250,000,000	-
Buyers Credit - Refer Note (a)	79,713,702	-
Unsecured		
Loans:		
From Holding Company	-	27,901,909
	<u>329,713,702</u>	<u>27,901,909</u>

(a) Cash Credit / Packing Credit & Buyers Credit

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.



Kopran Research Laboratories Limited
Notes to Financial Statements for the year ended March 31, 2015

(In Rupees)

	As at March 31, 2015	As at March 31, 2014
9 Trade Payables		
Sundry Creditors (Refer Note 34)	328,773,862	1,829,699
	<u>328,773,862</u>	<u>1,829,699</u>
10 Other Current Liabilities		
Advances from Customers	6,946,722	217,500
Security Deposits	2,750,000	-
Statutory Dues (including Provident Fund and Tax Deducted at Source)	659,162	4,494
Others		
Payable to Holding company	1,108,131,805	-
Creditors for Capital goods	19,280,584	-
Employees Related	20,320,174	1,222,346
Others	86,538,683	40,450
	<u>1,244,627,130</u>	<u>1,484,790</u>
11 Short-Term Provisions		
Provision for employee benefits:		
Provision for Gratuity	218,000	-
Provision for Compensated Absences	55,000	-
	<u>273,000</u>	<u>-</u>
13 Long-Term Loans and Advances		
[Unsecured, Considered Good (unless otherwise stated)]		
Capital Advances*	1,491,399	-
Security Deposits	1,539,543	2,500,000
Balances with Government Authorities	273,900	357,233
Others Loans and Advances	612,495	-
	<u>3,917,337</u>	<u>2,857,233</u>
14 Inventories *		
Raw Materials (Includes Stocks In Transit)	142,997,042	-
Work-in-Process	146,263,500	-
Finished Goods	5,932,454	-
Stores & Spares	13,052,891	-
Packing Materials	4,218,604	-
	<u>312,464,491</u>	<u>-</u>
* on slump Sale		



Kopran Research Laboratories Limited

12. Notes to Financial Statements for the year ended March 31, 2015

(In Rupees)

A. Tangible Assets

Particulars	Gross Block				Depreciation		Net Block		
	As at April 1, 2014	Additions	Disposal/ Transfer	As at March 31, 2015	As at April 1, 2014	Charge to Reserves**	For the Year	As at March 31, 2015	As at March 31, 2014
Land:									
Leasehold	-	64,800,000	-	64,800,000	-	-	-	64,800,000	-
Building	-	118,946,812	-	118,946,812	-	-	-	118,946,812	-
Plant and Machinery		837,250,261	-	837,250,261	-	-	-	837,250,261	-
R & D Equipment	81,069,684	-	-	81,069,684	61,797,066	19,028,163	46,109	198,346	19,272,618
Computers	328,020	312,820	-	640,840	326,359	1,661	-	312,820	1,661
Office Equipment	-	466,920	-	466,920	-	-	-	466,920	-
Furniture and Fixtures	957,088	1,692,814	-	2,649,902	916,372	40,716	-	1,692,814	40,716
Vehicles	599,054	355,839	-	954,893	583,346	15,708	-	355,839	15,708
Total	82,953,846	1,023,825,466	-	1,106,779,312	63,623,143	19,086,248	46,109	1,024,023,812	19,330,703
Previous Year	82,953,846	-	-	82,953,846	59,756,740	-	1,866,403	19,330,703	23,197,106

B Intangible Assets

Particulars	Gross Block				Depreciation		Net Block		
	As at April 1, 2014	Additions	Disposal/ Transfer	As at March 31, 2015	As at April 1, 2014	Charge to Reserves**	For the Year	As at March 31, 2015	As at March 31, 2014
Goodwill (On slump sale)	-	11,545,347	-	11,545,347	-	-	-	11,545,347	-
IPR	142,800,000	-	-	142,800,000	142,800,000	-	-	-	-
Total	142,800,000	11,545,347	-	154,345,347	142,800,000	-	-	11,545,347	-
Previous Year	142,800,000	-	-	142,800,000	142,800,000	-	-	11,545,347	-



Kopran Research Laboratories Limited
Notes to Financial Statements for the year ended March 31, 2015

(In Rupees)

	As at March 31, 2015	As at March 31, 2014
15 Trade Receivables		
Unsecured, considered good:		
Outstanding for a period exceeding six months from the date they are due for payment	16,156,470	-
Others - Outstanding for a period of less six months	489,797,531	-
Unsecured, considered doubtful:		
Outstanding for a period exceeding six months from the date they are due for payment	20,391,542	-
Less: Provision for Doubtful Debts	(20,391,542)	-
	505,954,001	-
16 Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on Hand	37,898	50,061
Bank Balances in :		
Current Accounts	38,601	79,661
	76,499	129,722
17 Short-Term Loans and Advances		
[Unsecured, Considered Good]		
Balance with statutory/ government authorities	34,966,180	-
Other Loans and Advances:		
Loan to Employees	1,113,056	-
Prepaid Expenses	3,190,854	-
Others	2,561,469	3,570,338
	41,831,559	3,570,338
	Year Ended March 31, 2015	Year Ended March 31, 2014
18 Revenue from Operations		
Other operating income	975,000	900,000
	975,000	900,000
19 Other Income		
Interest Income From Others	9,807	5,746
Liabilities no Longer Required Written Back	552	5,299,998
	10,359	5,305,744



Kopran Research Laboratories Limited
Notes to Financial Statements for the year ended March 31, 2015

(In Rupees)

	Year Ended March 31, 2015	Year Ended March 31, 2014
20 Cost of Materials Consumed		
Opening Inventory	-	-
Add: Purchases	453,787	341,458
Less: Closing Inventory	-	-
Cost of Raw Materials Consumed during the year	<u>453,787</u>	<u>341,458</u>
	<u>453,787</u>	<u>341,458</u>
21 Employee Benefits Expense		
Salaries, Wages and Bonus	-	460,891
Contribution to Provident and Other Funds	7,007	47,945
Staff Welfare Expenses	-	3,663
	<u>7,007</u>	<u>512,499</u>
	<u>7,007</u>	<u>512,499</u>
22 Finance Costs		
Others Finance Costs	1,927	-
	<u>1,927</u>	<u>-</u>
	<u>1,927</u>	<u>-</u>
23 Depreciation and Amortisation Expense		
Depreciation on Tangible Assets	46,109	3,866,403
	<u>46,109</u>	<u>3,866,403</u>
	<u>46,109</u>	<u>3,866,403</u>
24 Other Expenses		
Rates and Taxes	8,883	-
Travelling, Conveyance and Car Expenses	-	24,000
Legal, Professional and Secretarial Expenses	-	22,472
Auditors' Remuneration	150,000	44,944
Miscellaneous Expenses	3,636	2,567
	<u>162,519</u>	<u>93,983</u>
	<u>162,519</u>	<u>93,983</u>



25 Computation of Earnings per Share (Basic and Diluted):

The number of shares used in computing Basic and Diluted Earnings Per Share is the weighted average number of share outstanding during the year.

Particulars	<u>Year Ended March 31, 2015</u>	<u>Year Ended March 31, 2014</u>
I. Profit Computation for both Basic and Diluted Earnings Per Share of ₹ 10 each: Net Profit as per the Statement of Profit and Loss available for Equity	(188,926,562)	1,391,401
II. Weighted average number of Equity Shares for Earnings Per Share computation: Number of shares for Basic and Diluted Earnings Per Share	5,098,630	5,000,000
III. Earnings Per Share:		
Basic (in ₹)	(37.05)	0.28
Diluted (in ₹)	(37.05)	0.28

26 Auditors' Remuneration

	<u>Year Ended March 31, 2015</u>	<u>Year Ended March 31, 2014</u>
Audit Fees	150,000	44,944
Other Services	-	-
Total	<u>150,000</u>	<u>44,944</u>



27 Disclosure as per Accounting Standard 15 (Revised) -- Employee Benefits:

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

	Year Ended March 31, 2015	Year Ended March 31, 2014
Part A : Gratuity Benefits		
Gratuity Obligation transfer From Koprara Ltd (Refer Note :- 33)	12,858,000	-
Closing Net Liability	<u>12,858,000</u>	<u>-</u>
Part B : Leave Encashment		
Leave Encashment Obligation transfer From Koprara Ltd (Refer Note :- 33)	3,198,000	-
Closing Net Liability	<u>3,198,000</u>	<u>-</u>
Assumptions used to determine the benefit obligations:		
Discount Rate	8.00%	-
Rate of increase in Compensation levels	6.00%	-

28 Related Party Disclosures

(a) Names of related parties and nature of relationship

	Year Ended March 31, 2015	Year Ended March 31, 2014
(i) Holding Company	% of Holding	
1 Kopran Limited	98.89%	100%

(ii) Other Significantly influenced Related Parties with whom transactions have taken place during the year

1 Kopran Life science Ltd	Significantly influenced by Key Management Personnel (Controlled entities)
2 Oricon Enterprises Ltd	
3 Kopran Laboratories Ltd	
4 Shinrai Auto Services Limited	

(iii) Key Management Personnel

- 1 Shri Surendra Somani
- 2 Mrs Vandana Somani



Kopran Research Laboratories Limited
Notes to Financial Statements for the year ended March 31, 2015

(In Rupees)

(b) Related Party Disclosures

Nature of Transaction	Parties referred to in (i) above						Parties referred to in (ii) above			Parties referred to in (iii) above			Total			
	2014-2015		2013-2014		2014-2015		2013-2014		2014-2015		2013-2014		2014-2015		2013-2014	
Loan Received																
Kopran Limited	3,829,898	6,286,351	-	-	-	-	-	-	-	-	-	-	-	3,829,898	6,286,351	-
Mrs Vandana Somani	-	-	-	-	-	-	-	-	64,100,000	-	-	-	-	64,100,000	-	-
Total	3,829,898	6,286,351	-	-	-	-	-	-	64,100,000	-	-	-	3,829,898	6,286,351	-	-
Repayment of Loan taken																
Kopran Limited	68,600,000	6,580,000	-	-	-	-	-	-	-	-	-	-	-	68,600,000	6,580,000	-
Total	68,600,000	6,580,000	-	-	-	-	-	-	-	-	-	-	68,600,000	6,580,000	-	-
Slum Sale - Mahad Unit																
Kopran Limited	1,100,000,000	-	-	-	-	-	-	-	-	-	-	-	-	1,100,000,000	-	-
Total	1,100,000,000	-	-	-	-	-	-	-	-	-	-	-	1,100,000,000	-	-	-
Purchase																
Kopran Limited	-	28,933	-	-	-	-	-	-	-	-	-	-	-	-	-	28,933
Total	-	28,933	-	-	-	-	-	-	-	-	-	-	-	-	-	28,933
Share Issued to																
Kopran Limited	400,000,000	-	-	-	-	-	-	-	-	-	-	-	-	400,000,000	-	-
Total	400,000,000	-	-	-	-	-	-	-	-	-	-	-	400,000,000	-	-	-
Balance payable as at 31 March 2015																
Kopran Limited	1,108,131,805	472,901,907	-	-	-	-	-	-	-	-	-	-	-	1,108,131,805	472,901,907	-
Mrs Vandana Somani	-	-	-	-	-	-	-	-	-	-	-	-	-	64,100,000	-	-
Oricon Enterprises Ltd	-	-	-	-	70,704,549	-	-	-	-	-	-	-	-	70,704,549	-	-
Kopran Laboratories Ltd	-	-	-	-	24,720,815	-	-	-	-	-	-	-	-	24,720,815	-	-
Total	1,108,131,805	472,901,907	-	-	95,425,364	-	-	-	64,100,000	-	-	-	1,267,657,169	472,901,907	-	-



Kopran Research Laboratories Limited
Notes to Financial Statements for the year ended March 31, 2015

(In Rupees)

29 Disclosure of Derivatives:

- i The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at March 31, 2015 are as follows:

Particulars	Foreign Currency Denomination	Foreign Currency Amount		Amount
		March 31, 2015	March 31, 2014	
Payables	USD	2,795,859	-	-
	EURO	-	-	-
	GBP	-	-	-
Receivables	USD	2,075,854	130,093,789	-
	EURO	39,600	2,688,840	-
	GBP	42,883	3,973,921	-

The foreign currency outstanding has been translated at the rates of exchange prevailing on the Balance Sheet date in accordance with Accounting Standard 11 - "The Effects of Changes in Foreign Exchange Rates (Revised 2003)" notified under Section 211(3C) of the Act.

30 Capital Commitments & Contingent liabilities not provided for :

(a) Capital Commitments:

Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for

	Year Ended March 31, 2015	Year Ended March 31, 2014
	1,109,439	-

(b) Contingent liabilities not provided for :

- i Corporate guarantee given to Bank for finance provided to Kopran Limited

	1,920,000,000	770,000,000
--	---------------	-------------

ii Disputed tax Matters

- Excise duty demand disputed in appeal
- Service tax demand disputed in appeal

	1,955,797	-
	109,819	-



31 Segment Reporting:

The Company is primarily engaged in "Research and Development" which is the only one reportable segment in terms of AS-17 "Segment Reporting" issued by ICAI. As a result, separate segmental reporting disclosures are not applicable.

32 The Company has revised the estimate useful life of assets, as prescribed in schedule II of the Companies Act, 2013. The carrying value of assets where the remaining useful life was determined to be nil as on April 1, 2014 has been fully depreciated during the year and an amount of Rs. 1,90,86,248/- has been adjusted against the opening balance of profit and loss account in the balance sheet under Reserves and Surplus.

33 During the year, the company has purchased Active Pharmaceutical Ingredients business on a slump sale basis for a consideration of Rs. 110.22 Crores from its holding company.

34 Dues to Micro, Small and Medium Enterprises (MSME)

The Company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006 (the 'Act') and hence disclosure regarding following has not been provided.

- a) Amount due and outstanding to MSME suppliers as at the end of the accounting year.
- b) Interest paid during the year to MSME.
- c) Interest payable at the end of the accounting year.
- d) Interest accrued and unpaid at the end of the accounting year to MSME.

The Company is making efforts to get the confirmations from the suppliers as regards their status under the Act. Management believes that the figures for disclosure will not be significant.

35 Company had developed two New Chemical Entities – KNC-6 and KNC-1206, over the earlier years, which was carried at cumulative value of Rs.18,92,40,572/- as Capital WIP.

Company's operations would now have a focus on product/process development of Active Pharmaceutical Ingredients. Therefore the company has now decided not to invest further in the New Chemical Entities in the near future. In view of the above, the management has decided to write off the Capital WIP of Rs.18,92,40,572 /- invested over the years in the research of the New Chemical Entities.

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

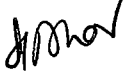
37 Previous year's figures have been regrouped or reclassified to conform with the current year's presentation wherever considered necessary.

Signatures to Notes "1" to "37" forming part of these Financial Statements.

As per our report of even date.

For GMJ & Co.

Firm Registration Number: 103429W
Chartered Accountants


Haridas Bhat
Partner
Membership No. 039070

Place: Mumbai
Date: 28th May, 2015



For and on behalf of the Board of Directors


Surendra Somani
Director
(DIN No:- 00600860)


Ajit Jain
Director
(DIN No:- 00147277)

Place: Mumbai
Date: 28th May, 2015