



Kopran

Sparkle

KOPRAN LIMITED
ANNUAL REPORT
2012-2013



BOARD OF DIRECTORS :

Mr. Susheel G. Somani	Chairman
Mr. Surendra Somani	Executive Vice-Chairman
Dr. A. K. Mehta	Director
Mr. V. N. Khanna	Director
Mr. Ajit Jain	Executive Director and Chief Operating Officer
Mr. Amit Rajan	Director
Mr. V. K. Bhandari	Director (Appointed w.e.f. 12th February, 2013)

COMPANY SECRETARY :

Mr. Abhinav Mathur

AUDITORS :

M/s. Batliboi & Purohit
Chartered Accountants, Mumbai

BANKERS :

State Bank of India
The Federal Bank Limited

REGISTERED OFFICE :

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

FORMULATION UNIT :

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

API UNIT:

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

NOTICE

NOTICE is hereby given that the 54th Annual General Meeting of the company will be held on Saturday, 14th September, 2013 at 12:00 Noon at Shri. S. K. Somani Memorial Hall, 79 Marine Drive, Mumbai - 400 020 to transact the following business :

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Susheel G. Somani, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Amit Rajan who retires by rotation and being eligible offers himself for reappointment.
4. To appoint M/s. Batliboi & Purohit, Chartered Accountants, Mumbai, as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

Special Business

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

"RESOLVED THAT Mr. Vijay Kumar Bhandari who was appointed as an Additional Director by the Board of Directors under section 260 of Companies Act 1956 in the meeting of the Board of Directors held on 12th February, 2013 and whose term expires at the ensuing Annual General Meeting of the company and in respect of whom the company has , pursuant to section 257 of the Companies Act, 1956 ,received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the company , liable to retire by rotation."

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

"RESOLVED THAT pursuant to sections 269,198, 309, Schedule XIII of Companies Act 1956 and other applicable provisions of the Companies Act, 1956, Mr. Ajit Jain be and is hereby reappointed as the Whole Time Director and Chief Operating Officer (COO) of the Company for a period of three (3) years, with effect from 1st February, 2013, and for payment of remuneration to Mr. Ajit Jain as detailed herein below:

a) Basic Salary : In the scale of ₹ 2,84,000 per month from 1st February, 2013 till 31st March, 2013 and there after ₹ 3,20,000 per month from 1st April, 2013 with an annual increment upto 25% of the Basic Salary, to be decided each year by the Remuneration Committee of the Directors based on performance and financial results of the company.

b) Perquisites :

- (i) House rent allowance @ 50% of the Basic salary per month.
- (ii) Educational Allowance of ₹ 200 per month.
- (iii) Conveyance Allowance of ₹ 800 per month.
- (iv) Reimbursement of actual medical expenses incurred including hospitalization, nursing home and surgical charges for himself and the family, not exceeding ₹ 15,000 per annum.
- (v) Reimbursement of Leave / Holiday Travel expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred on one or more occasions in a year whether in India or abroad in respect of himself and family subject to the condition that total reimbursement shall not exceed one month's basic salary per annum. The entitlement for any one year to the extent not availed shall be allowed to be accumulated up to next two years.
- (vi) Group Personal Accident Insurance Policy as per the Rules of the company for a sum, so that the premium of the policy does not exceed ₹ 10,000/- per annum.
- (vii) Mediclaim Policy for self and family as per the Rules of the Company .
- (viii) The Company's contribution to Provident Fund @12% of basic salary as per Rules of the company, to the extent it is not taxable under the Income Tax, Act, 1961.
- (ix) Gratuity as per Gratuity Act.
- (x) Paid Leave as per Rules of the Company.
- (xi) Within the overall pay structure as mentioned above, the Director & COO may be given any other allowances, benefits and perquisites as the Remuneration Committee, may decide from time to time.

c) Amenities :

- (i) Conveyance : The Company shall provide suitable conveyance facilities for the office work, as may be required by the Director & COO.
- (ii) Communication : The Company shall provide telephone, fax & other communication facilities at the residence of the Director & COO.

In the event of loss or inadequacy of profits in any financial year during the tenure of his service, Mr. Ajit Jain shall be entitled to receive the same remuneration, perquisites and benefits as above.



“RESOLVED FURTHER THAT Board of Directors of the Company, be and is hereby authorized to take such steps as may be necessary, to give effect to this resolution.”

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

For & on behalf of the Board

Abhinav Mathur
Company Secretary

Place : Mumbai
Date : 29th May, 2013

NOTES:

- 1. MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- Proxies in order to be effective must be received not less than 48 hours before the meeting at the Registered Office or at the Registrar & Share Transfer Agent's office at Bigshare Services Pvt. Ltd, E-2 / 3, Ansa Industrial Estate, Saki Naka, Saki Vihar Road, Andheri East, Mumbai – 400072.
- Members / Proxies should bring duly filled in and signed Attendance Slip for attending the meeting.
- The company's Register of Members and Share Transfer Books will be closed from Wednesday, 11th September, 2013 to Saturday, 14th September, 2013 (both days inclusive).
- As per Section 109 A of the Companies Act, 1956 shareholders are entitled to make nomination in respect of shares held by them. Shareholders who desire to avail the facility may send their request in Form 2 B (which will be made available on request) to the Registrar & Share Transfer Agents viz. Bigshare Services Pvt. Ltd at the address mentioned above.
- 6. Members are requested to:**
 - Quote their Folio / DP ID & Client ID numbers in all correspondence with the Company / Registrar & Share Transfer Agent.
 - Inform promptly any change in address to the DP / Company / Registrar & Share Transfer Agent.
 - Bring their copy of the Annual Report.
 - Intimate to the company 10 days in advance, if they desire to seek any further information on the Annual Report, at the ensuing Annual General Meeting.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item no.5

Mr. Vijay Kumar Bhandari was appointed as an Additional Director by the Board of Directors w.e.f. 12th February, 2013 in accordance with the provisions of Section 260 of the Companies Act, 1956 and according to which, the above director holds office up to the date of the ensuing Annual General Meeting.

The company has received valid notice and deposit as per section 257 of the Companies Act 1956 proposing candidature of Mr. Vijay Kumar Bhandari for the office of Director.

Mr. Vijay Kumar Bhandari is a Fellow Member of Institute of Chartered Accountants of India. He has vast experience in Banking Field and retired as General Manager of Central Bank of India. He is also on the Board of various Companies of repute.

The Board feels that presence of Mr. Vijay Kumar Bhandari on the Board is desirable and would be beneficial to the company and hence recommend this resolution for adoption.

None of the Directors, except Mr. Vijay Kumar Bhandari is concerned or interested in this resolution.

The Board recommends this resolution to be passed as ordinary resolution.

Item No. 6

The present term of appointment of Mr. Ajit Jain as the Whole time Director of the Company was expired on 31st January, 2013. Accordingly the Board of Directors reappointed Mr. Ajit Jain as the Whole Time Director of the Company w.e.f. 1st February, 2013 for a period of 3 years at its meeting held on 12th February, 2013 subject to approval of members of the Company after taking into consideration the financial position of the Company, trends in industries and Mr. Ajit Jain's performance.

Mr. Ajit Jain is associated with the Parijat Group for the last 25 years in various managerial capacities. He joined the Company in 2006 as COO and was appointed as the Whole Time Director of the Company w.e.f. 1st February, 2010 for 3 years and has been instrumental in effective functioning of the Company.

None of the Directors, except Mr. Ajit Jain is concerned or interested in this resolution.

The Board recommends this resolution to be passed as ordinary resolution

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

For & on behalf of the Board

Abhinav Mathur
Company Secretary

Place : Mumbai
Date : 29th May, 2013

DIRECTORS' REPORT

TO,
THE MEMBERS

Your Directors have pleasure in presenting the 54th Annual Report of the company along with the Audited Statements of Accounts for the year ended on 31st March, 2013.

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	For the Financial Year 2012-13	For the Financial Year 2011-12
Total Revenue	25,194	20,447
Profit before Depreciation, Interest and Tax	3,601	2,725
Net Profit/(Loss) for the period	1,206	617

DIVIDEND

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

FINANCIAL PERFORMANCE

Standalone

The company achieved total revenue of ₹ 25,194 lakhs in the current year as against total revenue of ₹ 20,447 lakhs in the previous year.

During the year, the company earned net profit of ₹ 1,206 lakhs (Previous Year: ₹ 617 lakhs), thus achieving a growth of 96% in profits.

Consolidated

Consolidated revenue for the year was ₹ 25,203 lakhs as against consolidated revenue of ₹ 20,456 lakhs in the previous year.

Consolidated net profit for the year was ₹ 1,114 lakhs (Previous Year: ₹ 534 lakhs) thus achieving a growth of 109% in consolidated profits.

SUBSIDIARIES

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

Pursuant to the provision of section 212(8) of the said Act, the Ministry of Corporate Affairs vide its circular dated February 8,2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with the Balance Sheet of the Company. Therefore Board of Directors at its Meeting held on 29th May, 2013 has decided not to attach Annual Report of the Subsidiary Companies with this Annual Report.

A shareholder can inspect the accounts of Subsidiary companies at the Registered office of the company and company will also provide copy of Annual Report on request of the shareholder.

CONSOLIDATED FINANCIAL STATEMENTS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- I. In the preparation of the Final Accounts for the year ended 31st March, 2013, the applicable Accounting Standards have been followed and that no material departures have been made from the same.
- II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the period under review and of the profit or loss of the company for that period.
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- IV. The Directors have prepared the Accounts for the period ended 31st March, 2013 on a going concern basis.

CASH FLOW STATEMENT

In conformity with provisions of clause 32 of the Listing Agreement, the Cash Flow Statement for the year ended 31st March, 2013 is included in this Annual Report.



LISTING

Your Company is listed with Bombay Stock Exchange Ltd at P.J.Towers, Dalal Street ,Mumbai-400001 and National Stock Exchange of India Limited at Bandra Kurla Complex, Bandra (E),Mumbai. Listing Fee for the year 2013-14 has been paid by the Company within the time prescribed by the Stock Exchanges.

INDUSTRIAL RELATIONS AND PERSONNEL

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

DIRECTORS

Mr. Susheel G.Somani and Mr. Amit Rajan, Directors, retire by rotation and being eligible, offer themselves for reappointment. The Board of Directors recommends their appointments as Directors, as being in the interest of the company.

Mr.Vijay Kumar Bhandari has been appointed as a Director in the company w.e.f. 12th February, 2013. Mr. Ajit Jain has been reappointed as the Whole time Director of the Company w.e.f. 1st February, 2013.

STATUTORY AUDITORS

The Statutory Auditors of the company M/s. Batliboi & Purohit, Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if reappointed. The Audit Committee and the Board of Directors recommend their appointment as statutory auditors of the company for the financial year 2013-2014.

The observations of the Auditors in their Report and Notes there on are self explanatory.

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS & OUTGO

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

FIXED DEPOSITS

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

PARTICULARS OF EMPLOYEES

As none of the employee was paid remuneration exceeding the limit prescribed under section 217(2A) of the Companies Act 1956 , hence particulars under this section read with Particulars of employees(Rules), 1975 need not to be given.

ACKNOWLEDGEMENTS

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

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

Place : Mumbai
Date : 29th May, 2013

For & on behalf of the Board

Susheel G. Somani
Chairman

ANNEXURE I TO THE DIRECTORS' REPORT - CORPORATE GOVERNANCE

(As Per Clause 49 of the Listing Agreement)

Corporate Governance

The aim of Corporate Governance is to invite and focus attention of the management at all levels to strive for higher level of Accountability, Transparency, Authority commensurate with Responsibility, Free & Fair dealing and Performance Delivered in all aspects of Operations. Company's strategies, business plans and all actions are to be successful within the framework of Corporate Governance.

Corporate Ethics

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

Code of Conduct

The Board of Directors has adopted a Code of Conduct for its members and senior management at the Board Meeting held on 30th January, 2006, which outlines company's value system, principles and guidelines including statements on behavioral ideals, exhortations or prohibitions. The Code of Conduct impresses upon Directors and Senior Management to uphold the interest of the company and its stakeholders and to fulfill all the fiduciary obligations towards them. The Code of Conduct further enjoins the Directors and Senior Management to act in accordance with the highest standard of honesty, integrity, fairness, and good faith and due diligence in performing their duties.

Prevention of Insider Trading

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

Risk Management

The company has thought out and communicated the procedures, to all concerned in the organization as to identification, measurement and evaluation of risks, their classification and mitigation.

Board of Directors

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

Sr. No.	Name of Director	Category / Position
1	Mr. Susheel G. Somani	Non-executive Chairman
2	Mr. Surendra Somani	Executive Vice-Chairman
3	Mr. V. N. Khanna	Non-executive / Independent
4	Dr. A. K. Mehta	Non-executive / Independent
5	Mr. Ajit Jain	Executive Director & Chief Operating Officer
6	Mr. Amit Rajan	Non executive Director/Non independent
7.	Mr. Vijay Kumar Bhandari	Additional Director /Independent(Appointed w.e.f. 12th February, 2013)

Directors' Attendance

Sr.No.	Name of Director	No. of Board Meetings		AGM held on 15-09-2012
		Held	Attended	Attendance
1	Mr. Susheel G. Somani	6	3	Yes
2	Mr. Surendra Somani	6	6	Yes
3	Dr. Suresh K. Parikh (Resigned w.e.f. 13th July, 2012)	6	1	No
4	Mr. V. N. Khanna	6	6	Yes
5	Dr. A. K. Mehta	6	6	Yes
6	Mr. Ajit Jain	6	6	No
7.	Mr. Amit Rajan	6	2	No
8.	Mr. Vijay Kumar Bhandari (Appointed w.e.f. 12th February, 2013)	6	2	No

Directorships, Chairmanships, Committee memberships in other companies

(As on 31st March 2013)

Sr.No	Name of director	No. of Directorships Held in other Public Companies	No. of Committee Memberships in other Public Companies	
			Chairman	Member
1	Mr. Susheel G. Somani	8	Nil	Nil
2	Mr. Surendra Somani	4	Nil	Nil
3	Mr. V. N. Khanna	2	Nil	1
4	Dr. A. K. Mehta	Nil	Nil	Nil
5	Mr Ajit Jain	3	Nil	Nil
6	Mr.Amit Rajan	Nil	Nil	Nil
7.	Mr. Vijay Kumar Bhandari	6	2	4

Number & Dates of Board Meetings

Total Number of Board Meetings held in 2012-13: **6 (Six)**

Held on: 15th May, 2012, 13th July, 2012, 14th August, 2012, 10th November, 2012, 12th February, 2013 and 23rd March, 2013

Remuneration to Directors

Sr.No.	Names of the Directors	Sitting Fees (₹)		Salary & Perks (₹)	Total (₹)
		Board	Committee		
1.	Mr. Susheel G. Somani	6,000	-	-	6,000
2.	Mr. Surendra Somani	-	-	30,27,600	30,27,600
3.	Dr. Suresh K. Parikh	2000	2000	-	4000
4.	Mr. V. N. Khanna	12,000	10000	-	22,000
5.	Dr. A. K. Mehta	12000	6000	-	18,000
6.	Mr Ajit Jain	-	-	56,69,760	56,69,760
7.	Mr. Amit Rajan	4000	-	-	4000
8.	Mr. Vijay Kumar Bhandari	4000	-	-	4000

Committees of the Board

Audit Committee (As on 31st March, 2013)

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

Sr. No.	Name	Designation	Category	Committee meetings held / attended
1.	Mr. V. N. Khanna	Chairman	Non-executive Independent	5
2.	Mr.A.K.Mehta	Member	Non-executive Independent	3
3.	Mr. Surendra Somani	Member	Executive Vice-Chairman	5

Investor's Grievance Committee (As on 31st March, 2013)

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

Sr. No.	Name	Designation	Category
1.	Mr.V.N.Khanna	Chairman	Non-executive-Independent
2.	Dr. A. K. Mehta	Member	Non-executive-Independent
3.	Mr. Surendra Somani	Member	Executive Vice-Chairman

Remuneration Committee (As on 31st March, 2013)

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

Sr. No.	Name	Designation	Category
1.	Mr. V. N. Khanna	Chairman	Non-executive-Independent
2.	Dr. A. K. Mehta	Member	Non-executive-Independent
3.	Mr.V.K.Bhandari	Member	Non-executive Independent

Disclosure of Directors seeking Appointment / Reappointment

Particulars of Directors as required under Para VI(A) of Clause 49 of the Listing Agreement seeking Appointment/ Reappointment at the ensuing Annual General Meeting are as under:

Name of Directors	Mr.Vijay Kumar Bhandari	Mr. Susheel G. Somani	Mr. Amit Rajan	Mr.Ajit Jain
Qualifications	B.Com(Hons),FCA	MSC	M.Tech (I.I.T. Delhi)	FCA
Expertise in Functional Area	Expertise and rich experience in banking and finance field.	Expertise and rich experience in technical, operational and marketing aspects of industrial products.	Expertise and rich experience in Regulatory affairs and Quality Assurance	Finance, Commercial, Restructuring, M & A and pharmaceutical operations.
Director Of other Ltd. Companies	1.Jayant Agro-Organics Ltd. 2.Guru Nanak Auto Enterprises. Ltd. 3.Capital Local Area Bank Ltd., Jalandhar(Punjab). 4.Super Smelters Ltd. 5.HSIL Ltd. 6.Golden Tobacco Ltd	1.Oricon Enterprises Ltd. 2.Hotel Empire Ltd. 3.G. Claridge & Co. Ltd. 4.United Malleable Co. Ltd. 5.Claridge Moulded Fibre Ltd. 6.Kopran Research Laboratories Ltd. 7.Shinrai Auto Services Ltd. 8.Debonair Publication Ltd.	Nil	1. First Flight Couriers Ltd. 2. Kopran Research Laboratories Ltd. 3. Kopran Lifesciences Ltd.
Membership of Committee of Board of Directors of other Companies.	1.Super Smelters Ltd.- Chairman of Audit Committee of the Board 2.Jayant Agro-Organics Ltd.- Member of Audit Committee of the Board 3.HSIL Ltd.- Member of Audit Committee of the Board 4. Capital Local Area Bank Ltd., Jalandhar(Punjab)-Member of: a) Credit Sanctioning Committee b) Risk Management Committee c) Management Committee	Nil	Nil	Nil

Transfers of Shares

Details of Share Transfers during 1st April, 2012 to 31st March, 2013

Type	Transfer Sr. Nos.	No. of Transfers / documents	No. of shares transferred
NSDL	64361-64394	34	5050
CDSL	767-778	12	1200
Physical	47256-47264	9	1400
Total (Previous Year Total Number of shares transferred : (17877)			7650

General Meetings

Details of previous General Meetings/Postal Ballots:

AGM	Date	Time	Location of the meeting	No. of Special Resolutions passed
49th	27th September, 2008	12.00 Noon	Shri. S. K. Somani Memorial Hall, HVB Academy, 79, Marine Drive, Mumbai 400 020	NIL
Postal Ballot	27th February, 2008	N. A.	Regd. Office Parijat House, 1076, Dr. E. Moses Road,	2 (Two)
Postal Ballot	17th August, 2009	N. A.	Worli, Mumbai – 400 018	2 (Two)
50th	26th September, 2009	10.00 a.m.	Shri. S. K. Somani Memorial Hall, HVB Academy, 79, Marine Drive, Mumbai 400 020	2 (Two)
51st	25th September, 2010	10.30 a.m.	Shri. S. K. Somani Memorial Hall, HVB Academy, 79, Marine Drive, Mumbai 400 020	1(One)
52nd	24th September, 2011	12:00 Noon	Shri. S. K. Somani Memorial Hall, HVB Academy, 79, Marine Drive, Mumbai 400 020	NIL
53rd	15th September, 2012	10:00 a.m.	Shri. S. K. Somani Memorial Hall, HVB Academy, 79, Marine Drive, Mumbai 400 020	NIL

Disclosures

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

Means of Communication

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

Shareholders' Information

54th Annual General Meeting

Day, Date & Time : Saturday, 14th September, 2013 at 12:00 Noon.

Venue : Shri. S. K. Somani Memorial Hall,
Gr. Floor, 79, Marine Drive, Mumbai-400 020

Financial Calendar (April 2013 to March 2014)

Reporting of Unaudited Financial Results

- for Quarter ending 30-June-2013 : On or before 14-August-2013
 for Quarter ending 30-September-2013 : On or before 14-November-2013
 for Quarter ending 31-December-2013 : On or before 14-February-2014
 for Quarter ending 31-March-2014 : On or before 15-May-2014

Or if Audited Results are given, then by 30th May, 2014

Book Closure

The Register of Members and Share Transfer Books will remain closed from Wednesday, 11th September, 2013 to Saturday, 14th September, 2013 (both days inclusive).

Registered Office

Address of the Registered Office of the Company is: Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 18.

Listing

The company's equity shares are listed on the Bombay Stock Exchange Ltd (Stock Code - 524280) and the National Stock Exchange of India Ltd (Stock Code – KOPRAN). The listing fees have been paid up to date to both stock exchanges.

Stock Market Data

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

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High (₹)	Low (₹)	Volume of Shares Traded	High (₹)	Low (₹)	Volume of High Shares Traded
April-12	19.80	15.00	4,55,752	18.80	14.65	4,38,202
May-12	17.15	13.75	2,82,307	18.50	13.75	2,53,109
June-12	17.35	13.50	6,59,374	17.35	13.55	8,91,276
July-12	19.95	15.50	10,23,443	20.00	15.50	14,71,898
August-12	18.90	16.30	7,59,029	18.90	16.35	9,70,679
September-12	24.60	16.10	28,63,303	24.75	16.15	40,67,770
October-12	24.50	19.65	10,92,210	24.55	19.50	17,55,182
November-12	23.55	20.25	8,19,688	23.60	18.65	10,91,239
December-12	24.45	20.80	7,34,063	24.50	20.65	13,27,603
January-13	22.60	18.65	4,88,642	22.60	18.75	6,90,825
February-13	20.00	14.50	5,47,761	20.90	14.40	13,18,888
March-13	16.85	11.80	15,86,066	16.40	11.55	12,04,691

Status of Shareholders' Complaints as on 31st March, 2013

Nature of Complaint	Number of Complaints		
	Received	Resolved	Pending
Non receipt of dividend warrant	1	1	0
Non receipt of annual report	1	1	0
Total	2	2	0

Distribution of Shareholding as on 31st March, 2013

By size of shareholdings

No. of Equity Share held	No. of Share holders	% of Share holders	No. of Shares held	% of Shares held
01 to 500	22,229	82.51	39,16,470	10.03
501 to 1000	2,367	08.79	20,26,507	05.19
1001 to 2000	1,103	04.10	17,45,399	04.47
2001 to 3000	386	01.43	10,04,973	02.57
3001 to 4000	173	00.64	6,33,068	01.62
4001 to 5000	158	00.59	7,53,481	01.93
5001 to 10000	254	00.94	18,92,702	04.85
10001 and above	270	01.00	2,70,80,002	69.34
Grand Total	26,940	100.00	3,90,52,602	100.00

Mode of Share holding

	No. of Shares	% of Shares
No. of Shares in Physical Mode	3,58,803	00.92
No. of Shares in Electronic Mode	38,693,799	99.08

By Category of Shareholders:

No. of Equity Share held	No. of Share holders	% of Share holders	No. of Share held	% of Share held
Indian Promoters	32	00.12	13,539,403	34.67
Banks	4	00.01	895	00.00
Financial Institutions	6	00.02	10,39,593	02.66
Mutual Funds	3	00.01	500	00.00
FII/NRI/OCBs/	142	00.53	7,16,923	01.84
Trust	2	00.01	4,500	00.01
Resident Individuals	26,128	96.98	1,77,46,087	45.45
Body Corporate (Others)	582	02.16	59,31,970	15.19
Clearing members	41	00.16	72,731	00.18
Total	26,940	100.00	3,90,52,602	100.00

Location of Plants

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

API Unit : K- 4, Additional MIDC, Village Birwadi,
Near Global Board, Mahad - 402 302

Address for Investors Correspondence

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

Tel. No. 022-43661111 ; Fax No. 022-24950363.

Website: www.kopran.com

The Compliance Officer of the Company is Mr. Abhinav Mathur, Company Secretary of the Company.



Registrar & Share Transfer Agent (both Physical & Electronic)

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

Shareholders holding shares in Demat form should address all their correspondence to their respective Depository Participant or to Registrar & Share Transfer Agents.

Outstanding ADRs / GDRs / Warrants / Any other convertible instrument

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

Green Initiative

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

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

In view of the above, Shareholders are requested to pass their e-mail address to their Depository Participant

In case of Share holders holding shares in physical form, they are requested to pass there e-mail address to Registrar and Share Transfer Agent of the company.

Compliance Certificate

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

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

Place : Mumbai
Date : 29th May, 2013

For & on behalf of the Board

Susheel G. Somani
Chairman

DECLARATION BY CEO

I, Surendra Somani, Executive Vice Chairman of Kopran Limited, having its Registered Office at "Parijat House" 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018, do hereby certify and acknowledge that the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and have given confirmation for the same.

Place : Mumbai
Date : 29th May, 2013

Surendra Somani
Executive Vice-Chairman

CFO / CEO CERTIFICATION

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

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

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

Place : Mumbai
Date : 29th May, 2013

Surendra Somani
Executive Vice Chairman

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

To the members of Kopran Limited

We have examined the compliance of conditions of Corporate Governance by Kopran Limited ("the Company") for the 12 month period ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

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

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

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

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

Place : Mumbai
Date : 29th May 2013

For Batliboi & Purohit
Chartered Accountants

Kaushal Mehta
Partner
Membership No.111749

ANNEXURE II TO THE DIRECTOR'S REPORT

Management Discussion & Analysis

Industrial Overview

The Indian Pharmaceutical Industry has gained recognition in the global market. India is one of the largest suppliers of Generic Products in the world. The Indian Pharmaceutical manufacturers continue to attract global attention due to its proficient R&D personnel, Contract Manufacturing and Clinical trial facilities. India has been ranked as the highest amongst third world countries and is the most preferred country for sourcing for the Regulated markets like the US and Europe.

Company Strategy

Your Company has taken up several new projects and also produced new products. The Company has successfully registered its products across the African and South East Asian markets. Various Drug Master Files and Dossiers of Finished Dosage Forms are being filed for the Regulated markets giving an opportunity to have a balanced business between the Regulated markets and the rest of the world. New markets are being explored continuously for growth purpose.

The Company has already launched new products in the critical segments like Oncology and Penems including the Chronic and CNS groups. The Company is moving towards vertically integrated models of operations, especially in light of oncology products.

Internal Control Systems and their Adequacy

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

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

Financial Performance & Review

During the year, the company achieved a total revenue of ₹ 251.93 crores (Previous Year ₹ 204.47 crores) and a Profit before Depreciation, Interest & Tax of ₹ 36.01 crores (Previous Year: ₹ 27.25 crores) and there is a Net Profit of ₹ 12.06 crores (Previous Year: ₹ 6.17 crores).

There was 96 % increase in profitability of the company during Financial Year 2012-13 in comparison to Previous Year 2011-12. Ratio of domestic and international sales revenue amounted to the ratio of 23:77.

Human Resources / Industrial Relations

Human resources management is a key focus area for the Company. All efforts are made to attract good talent and retain them. To achieve this, your company continuously reviews HR policies and practices and carries out necessary improvements to build intellectual capital.

The Company strives to enhance the technical work related and general skills of the employees through dedicated training programmes on a continuous basis.

The Company has maintained cordial relations with all the employees across all the locations.

Quality

Your Company firmly believes that quality has to be present in every area of operation of the company. Various continuous quality improvement programmes are built into the annual business and operating plans to sustain inherent efficiency and competitiveness in value delivery to the stake holders and to the society at large. Benchmarking the Good Manufacturing Practices with best in class is continuously pursued in all endeavors to improve efficacy in use of the resources and accomplish the deliverables.

Safety Health & Environment

Your Company continues to look for new opportunities to enhance health and safety training and awareness for employees and contractors.

Cautionary Statement

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

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

Place : Mumbai
Date : 29th May, 2013

For & on behalf of the Board

Susheel G. Somani
Chairman

ANNEXURE III TO THE DIRECTOR'S REPORT

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

CONSERVATION OF ENERGY

1. Energy conservation is accorded highest priority by the company and substantial energy saving was achieved earlier through measures such as Auto Power factor controller, even distribution of electrical load, temperature control in brine plant, recycling of condensate recovery. Therefore, these energy saving measures are continued in 2012-13.

2. TOTAL ENERGY CONSUMPTION IS GIVEN IN FORM A AS FOLLOWS:

FORM A

Power and fuel consumption:

Particulars	Current Year 2012-13	Previous Year 2011-12
a) Electricity		
Units (lacs)	105.20	94.06
Total amount (₹ in lakhs)	819.54	602.75
Rate / Units (₹)	7.79	6.41
b) Briquette		
Quantity(kg)	3462718	329316
Amount (₹ in lakhs)	186.99	164.66
Average Rate (₹)	5.40	5.00
c) Furnace Oil		
Oil Quantity(M.T.)	24.30	Nil
Total amount (₹ in lakhs)	6.72	Nil
Average rate (₹)	27.66	Nil
d) HSD Oil (Ltrs)		
Total amount (₹ in lakhs)	45611	41527
Average Rate (₹)	21.57	17.98
	47.29	43.30
e) Others / Internal generation	N.A.	N.A.

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

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

FOREIGN EXCHANGE EARNINGS & OUTGO

Earnings : ₹ 18,337 lakhs (Previous Year: ₹ 12,352 lakhs)

Outgo : ₹ 634 lakhs (Previous Year: ₹ 590 lakhs)

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

Place : Mumbai
Date : 29th May, 2013

For & on behalf of the Board

Susheel G. Somani
Chairman

AUDITOR'S REPORT

TO THE MEMBERS OF KOPRAN LIMITED

Report on the financial statements

We have audited the accompanying financial statements of **KOPRAN LIMITED ("the Company")**, which comprise the balance sheet as at 31st March, 2013 and the statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of chartered accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for qualified opinion

attention is invited to note 31 to the financial statements regarding the investment and advances aggregating to ₹ 500.61 lakhs and ₹ 4,731.96 lakhs respectively given to subsidiary company, Kopran Research Laboratories Limited, whose accumulated losses have exceeded the net worth. No provision for investments and doubtful advances has been made by the management of the company. Consequently, the effect, if any, on the carrying value of investment and advances given cannot be ascertained. Our audit report on the financial statements for the year ended 31st March, 2012 contained a similar modification.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the basis for qualified opinion paragraph*, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2013;
- (b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

- 1) As required by the companies (auditor's report) order, 2003 ("the order") as amended issued by the central government in terms of section 227(4A) of the companies Act, 1956, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 2) As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The balance sheet, statement of profit and loss, and cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the accounting standards referred to in subsection (3C) of section 211 of the companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : 29th May, 2013

ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in our report to the members of Kopran Limited ('the Company') for the year ended 31st March, 2013.

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner, which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The inventories have been physically verified by the management during the year. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company has maintained proper records of inventory. The discrepancies noticed on verification between book records and physical stock of inventory, were not material and have been properly dealt with in the books of accounts.
- (iii) (a) The company has granted loan, to its wholly owned subsidiary, covered in the register maintained under section 301 of the companies Act, 1956. The maximum amount involved during the year was ₹ 4,731.96 lakhs and the year- end balance of loans granted to such party was ₹ 4,731.96 lakhs (also refer matter described in the basis for qualified opinion paragraph)
- (b) In our opinion and according to the information and explanations given to us, the loan referred in clause (iii) (a) above is interest free and other terms and conditions for such loan are not *prima facie* prejudicial to the interest of the company.
- (c) The loan granted to the above party is long term in nature, without any stipulation in respect of repayment of principal amount.
- (d) In respect of overdue amount of loans granted to the above party listed in the register maintained under section 301 of the companies Act, 1956 refer our comments in matter described in the basis for qualified opinion paragraph.
- (e) The company has taken loan from two parties covered in the register maintained under section 301 of the companies Act, 1956. The maximum amount outstanding during the period under audit was ₹ 6,013.50 lakhs and the year-end balance of loan taken from such parties was ₹ 5,600.25 lakhs.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not *prima facie* prejudicial to the interest of the company. Loan taken from one party is interest free.
- (g) In respect of loans taken, repayment of principal amount is as stipulated and the payment of interest has been regular.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control systems in respect of these areas.
- (v) In respect of the contract or arrangements entered in the register maintained in pursuance of section 301 of the companies Act, 1956 to the best of our knowledge and belief and according to the information and explanation given to us:
- (a) The particulars of contracts or arrangements referred to in section 301 that need to be entered in the register maintained under the said section have been so entered.
- (b) Where each of such transactions is in excess of ₹ 5 lakhs in respect of any party and having regard to our comments in paragraph (iv) above, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits during the year from the public within the meaning of the provisions of section 58A, 58AA or any other relevant provisions of the companies Act, 1956 and rules made there under.
- (vii) The company has an internal audit system, the scope and coverage of which, in our opinion, requires to be enlarged to commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956, and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not carried out any detailed examination of such accounts and records.
- (ix) (a) According to the information and explanations given to us and based on the books as produced and examined, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it, except slight delays in few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees state insurance, income tax, wealth tax, service tax, sales tax, customs duty and excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the company, the dues outstanding of income tax, excise duty and service tax on account of any dispute are as follows:



Name of the Statute	Nature of dues	Amount (₹ in Lakhs)	For the Period	Forum where the Dispute is pending
Central excise Act	Excise duty	4.39	1998-2002	Commissioner (appeals)
Central excise Act	Excise duty	10.32	2002-2003	Central excise and service tax appellate tribunal
Central excise Act	Excise duty	1.16	2004-2005	Central excise and service tax appellate tribunal
Central excise Act	Service tax	18.71	2001-2002	Commissioner (appeals)
Central excise Act	Service tax	32.95	2001-2002	High court (Mumbai)
Drug price control order – 95	Difference in pricing	591.34	2000-2003	High court (Mumbai)

- (x) The company has accumulated losses amounting to ₹ 4,229.03 lakhs as at the end of the year under audit. However the net worth as at the end of the period under report is positive and the accumulated losses i.e. debit balance in statement of profit and loss is not more than fifty percent of its net worth. The company has not incurred cash losses during the year under audit or in the immediately preceding financial year.
- (xi) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to banks or financial institutions and it has not issued any debentures.
- (xii) Based on our examination of the records and the information and explanations given to us, the company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the companies (auditor's report) order, 2003 (as amended) are not applicable to the company.
- (xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the companies (auditor's report) order, 2003 (as amended) are not applicable to the company.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans raised by the company have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and an overall examination of the balance sheet and cash flow statement of the company, we report that funds raised on short term basis have *prima facie* not been used for long term investment.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the companies Act, 1956.
- (xix) The company did not have any outstanding debentures during the year.
- (xx) The company has not raised any money by way of public issues during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

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

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : 29th May, 2013

BALANCE SHEET AS AT 31st MARCH, 2013

	Notes	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹	
I EQUITY AND LIABILITIES				
1. Shareholders' funds				
a	Share Capital	2	476,289,080	476,289,080
b	Reserves and Surplus	3	804,821,885	684,191,829
			<u>1,281,110,965</u>	<u>1,160,480,909</u>
2. Non-current liabilities				
a	Long-term borrowings	4	694,818,552	645,862,073
b	Long-term provisions	5	35,654,000	31,318,000
			<u>730,472,552</u>	<u>677,180,073</u>
3. Current liabilities				
a	Short-term borrowings	6	243,734,061	311,252,710
b	Trade payables	7	468,333,242	417,092,169
c	Other current liabilities	8	205,583,107	226,914,023
d	Short-term provisions	9	1,190,000	1,149,000
			<u>918,840,410</u>	<u>956,407,902</u>
	Total		<u>2,930,423,927</u>	<u>2,794,068,884</u>
II ASSETS				
1. Non-current assets				
a	Fixed Assets			
	(I) Tangible assets	10	1,061,799,568	1,116,021,672
	(ii) Capital work-in-progress		9,268,186	-
b	Non-current investment	11	68,709,994	68,709,994
c	Long-term loans and advances	12	559,663,641	543,148,624
			<u>1,699,441,389</u>	<u>1,727,880,290</u>
2. Current assets				
a	Inventories	13	367,405,597	351,470,175
b	Trade receivables	14	496,097,737	375,161,627
c	Cash and Bank balances	15	36,326,955	95,155,420
d	Short-term loans and advances	16	331,152,249	244,401,372
			<u>1,230,982,538</u>	<u>1,066,188,594</u>
	Total		<u>2,930,423,927</u>	<u>2,794,068,884</u>
Significant accounting policies	1			

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

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

Kaushal Mehta
Partner
Membership No. 111749

ABHINAV MATHUR
Company Secretary

SURENDRA SOMANI
Executive Vice-Chairman

SUSHEEL G. SOMANI
Chairman

For and on behalf of the Board of Directors

Place : Mumbai
Date : 29th May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013

	Notes	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
I INCOME			
Revenue from operation (gross)	17	2,573,375,891	2,049,627,005
Less: Excise duty		71,184,254	60,573,368
Revenue from operation (net)		2,502,191,637	1,989,053,637
Other income	18	17,198,119	55,624,579
Total Income		2,519,389,756	2,044,678,216
II EXPENSES			
Cost of materials consumed	19	1,582,263,129	1,194,558,621
Purchase of Traded goods		38,979	4,272,717
Changes in inventories of finished goods and work in progress	20	(40,805,531)	69,833,492
Employee benefit expense	21	204,823,547	175,196,270
Other expenses	22	412,929,169	328,357,357
Finance cost	23	118,757,770	96,627,249
Depreciation and amortisation expense	24	120,752,638	114,157,057
Total Expenses		2,398,759,701	1,983,002,763
Profit before exceptional items and tax		120,630,055	61,675,453
Exceptional items		-	-
Profit before tax		120,630,055	61,675,453
Tax expense		-	-
Profit/(Loss) for the period		120,630,055	61,675,453
Earnings per equity share (₹)	25		
Basic and Diluted-Par value of ₹ 10/- per share		3.09	1.58
Significant accounting policies	1		

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

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

For and on behalf of the Board of Directors

Kaushal Mehta
Partner
Membership No. 111749

ABHINAV MATHUR
Company Secretary

SURENDRA SOMANI
Executive Vice-Chairman

SUSHEEL G. SOMANI
Chairman

Place : Mumbai
Date : 29th May, 2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

PARTICULARS	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	120,630,055	61,675,453
Adjusted for :		
Depreciation	120,752,638	114,157,056
Dividend income	(22,961)	(21,524)
Unclaimed balances/ excess provision written back	(224,443)	(4,126,384)
Finance cost	118,757,770	96,627,249
Interest income	(17,963,032)	(23,167,608)
Profit on sale of fixed assets	(85,881)	-
Loss on sale of investments	-	-
Sundry balances written off	36,160	31,147
	<u>341,880,306</u>	<u>245,175,389</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS		
Adjustments for :		
Trade Receivables	(120,936,110)	(41,529,878)
Inventories	(15,935,422)	(30,357,844)
Loans and advances and other assets	(86,486,580)	7,562,193
Trade Payables	51,241,074	110,686,489
Other liabilities and provisions	(32,723,681)	59,112,125
Cash generated from operations	137,039,586	350,648,474
Direct Taxes (paid) / refund (net)	(609,713)	474,118
(a) NET CASH FLOW FROM / (USED IN) OPERATION ACTIVITES	<u>136,429,873</u>	<u>351,122,592</u>
Cash flow from investing activities:		
Purchase of fixed assets (including capital work in progress)	(75,965,897)	(108,676,993)
Sale of fixed assets	253,058	-
Withdrawal / (investment) of margin deposits	(6,714,011)	2,576,097
Purchase of investments	-	-
Sales of investments	-	-
Interest received	1,561,300	6,552,413
Dividend received	22,961	21,524
(b) NET CASH FROM /(USED) IN INVESTING ACTIVITIES	<u>(80,842,589)</u>	<u>(99,526,959)</u>
Cash flow from investing activities:		
Proceeds from issue of share capital (net of expenses)	-	-
Repayment of borrowings (net)	(2,567,962)	(80,143,843)
Finance cost	(118,757,770)	(104,659,546)
Dividend Paid	-	(3,600,000)
(c) NET CASH FROM/ (USED) IN FINANCING ACTIVITIES	<u>(12,13,25,733)</u>	<u>(188,403,389)</u>
Net increase / (decrease) in cash and cash equivalents (a+b+c)	<u>(65,738,449)</u>	<u>63,192,244</u>
Cash and cash equivalents as at the commencement of the year, comprising :		
Cash	1,551,125	1,470,173
Cheques on hand	57,000,000	-
Balances with scheduled banks on current accounts	12,100,006	5,988,714
	<u>70,651,131</u>	<u>7,458,887</u>
Cash and cash equivalents as at the end of the year, comprising :		
Cash	149,570	1,551,125
Cheques on hand	-	57,000,000
Balances with scheduled banks on current accounts	4,763,113	12,100,006
	<u>4,912,683</u>	<u>70,651,131</u>
NET INCREASE /(DECREASE) AS DISCLOSED ABOVE	<u>(65,738,449)</u>	<u>63,192,244</u>

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

For and on behalf of the Board of Directors

Kaushal Mehta
Partner
Membership No. 111749
Place : Mumbai
Date : 29th May, 2013

ABHINAV MATHUR
Company Secretary

SURENDRA SOMANI
Executive Vice-Chairman

SUSHEEL G. SOMANI
Chairman

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2013

1) SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statement.

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

(b) System of accounting

The company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.

(c) Uses of Estimates

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

(d) Fixed Assets and Depreciation

i) Fixed Assets :

1. Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost is inclusive of borrowing cost, pilot plant batch expenses and other incidental charges incurred upto the date of installation /put to use.
2. Cenvat Credit availed on purchase of fixed assets is reduced from the cost of respective assets.
3. Adjustments arising from foreign exchange rate fluctuation relating to liabilities attributable to fixed assets are taken to the Profit and Loss account.

ii) Depreciation :

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

(e) Investments

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

(f) Inventories

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

(g) Research and development expenses

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

(h) Foreign exchange transactions

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

(i) Revenue recognition

1. Sales of products and services
Sales comprise of sale of goods and services, net of trade discounts and include excise duty.
2. Export benefits
The unutilised export benefits under DEPB scheme / advance license against export as on the balance sheet date are recognised as income on accrual basis.
3. Dividend
Dividend is recognised when the company's right to receive the payment is established .

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

(j) Employee benefits :

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

(k) Excise and customs duty

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

(l) Borrowing Costs

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

(m) Prior Period Items

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

(n) Earning per share

In accordance with the Accounting Standard -20 (AS-20) "Earning Per Share" issued by the Institute of chartered accountants of india, earning per share is computed by dividing the profit after tax with the weighted average number of shares outstanding, at the year end.

(o) Income Tax

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

(p) Intangible assets

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

(q) Impairment of assets

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

(r) Contingencies and provisions

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

(s) Other accounting policies

These are consistent with the generally accepted accounting practices.

NOTES FORMING PART OF THE BALANCE SHEET

2) SHARE CAPITAL

	As at 31st March, 2013		As at 31st March, 2012	
	Number of Shares	₹	Number of Shares	₹
Authorised				
(i) Equity shares of ₹ 10 each	56,250,000	562,500,000	56,250,000	562,500,000
(ii) 10% Non convertible Non cumulative redeemable preference shares of ₹10 each	13,750,000	137,500,000	13,750,000	137,500,000
Total	<u>70,000,000</u>	<u>700,000,000</u>	<u>70,000,000</u>	<u>700,000,000</u>
Issued				
(i) Equity shares of ₹10 each fully paid up				
At the beginning of the year	39,052,602	390,526,020	39,052,602	390,526,020
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
At the end of the year	<u>39,052,602</u>	<u>390,526,020</u>	<u>39,052,602</u>	<u>390,526,020</u>
(ii) 10% Non convertible non cumulative redeemable preference shares of ₹10 each				
At the beginning of the year	8,580,000	85,800,000	8,580,000	85,800,000
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
At the end of the year	<u>8,580,000</u>	<u>85,800,000</u>	<u>8,580,000</u>	<u>85,800,000</u>
Total	<u>47,632,602</u>	<u>476,326,020</u>	<u>47,632,602</u>	<u>476,326,020</u>
Subscribed and paid up				
(i) Equity shares of ₹ 10 each fully paid up				
At the beginning of the year	39,052,602	390,526,020	39,052,602	390,526,020
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Less: Calls in-Arrears (Other than Director's)		36,940		36,940
At the end of the year	<u>39,052,602</u>	<u>390,489,080</u>	<u>39,052,602</u>	<u>390,489,080</u>
(ii) 10% Non convertible non cumulative redeemable preference shares of ₹ 10 each				
At the beginning of the year	8,580,000	85,800,000	8,580,000	85,800,000
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
At the end of the year	<u>8,580,000</u>	<u>85,800,000</u>	<u>8,580,000</u>	<u>85,800,000</u>
Total	<u>47,632,602</u>	<u>476,289,080</u>	<u>47,632,602</u>	<u>476,289,080</u>

a) Terms / Rights attached to equity Shares

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

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

b) Terms of redemption of preference shares

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

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

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

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

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



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

	As at 31st March, 2013		As at 31st March, 2012	
	Number of Shares	% holding	Number of Shares	% holding
Equity Shares of ₹ 10/- each fully paid				
Ponorama Finvest Pvt Ltd	3,800,000	9.73%	3,800,000	9.73%
Sarvamangal Mercantile co. Ltd	2,167,956	5.55%	2,167,956	5.55%
10% Non convertible non cumulative redeemable preference shares of ₹10 each				
Sarvamangal Mercantile Co. Ltd	6,380,000	74.00%	5,580,000	65.00%
Kopran Laboratories Ltd	1,000,000	12.00%	1,000,000	12.00%
Susheel G. Somani and Mridula Somani	1,200,000	14.00%	1,200,000	14.00%
Mohit Kabra	-	-	800,000	9.00%

3) RESERVES AND SURPLUS

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
(a) Capital reserve		
Opening balance	148,474,390	148,474,390
Closing balance	<u>148,474,390</u>	<u>148,474,390</u>
(b) Securities premium account		
Opening balance	995,242,754	995,242,754
Less : Calls In -Arrears (Other than Directors's)	(110,820)	(110,820)
Closing balance	<u>995,131,934</u>	<u>995,131,934</u>
(c) General reserve		
Opening balance	81,420,684	81,420,684
Closing balance	<u>81,420,684</u>	<u>81,420,684</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	(540,875,179)	(602,550,632)
Add: Profit / (Loss) for the year	120,630,055	61,675,453
Closing balance	<u>(420,245,124)</u>	<u>(540,875,179)</u>
Total	<u>804,821,885</u>	<u>684,191,829</u>

4) LONG-TERM BORROWINGS

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Rupee loans		
Term loans from banks (secured)	27,830,844	30,000,101
Working capital term loans (WCTL) from banks (secured)	-	24,712,393
Vehicles finance loans (secured)	1,613,749	143,126
Other (Unsecured) *	80,000,000	-
Inter corporate deposits (unsecured)		
Other	585,373,959	591,006,453
Total	<u>694,818,552</u>	<u>645,862,073</u>

- (a) Term loans from banks include term loan of ₹ 1,00,00,101/- which carries interest base rate +4.50% p.a. and is repayable in 10 equal quarterly installments of ₹ 50 lacs from April, 2012. The loan is secured by first mortgage charge on the company's entire fixed assets on pari-passu basis with other working capital consortium banks and second charge on current assets of the company on pari-passu basis.
- (b) Term loans from banks include term loan of ₹ 1,78,30,743/- which carries interest base rate +4.50% p.a. and is repayable in 10 equal quarterly installments of ₹ 50 lacs from June, 2013. The loan is secured by first mortgage charge on the company's entire fixed assets on pari-passu basis with other working capital consortium banks and second charge on current assets of the company on pari-passu basis.
- (c) WCTL carried interest base Rate + 4.60% p.a. to 5.75% P.a. during the year 2012-13 and is repayable in 41 equal monthly installments of ₹ 41 lacs from April, 2010. The loan is secured by a pari-passu first charge by way of mortgage on all the immovable properties and by way of hypothecation on all the movable fixed assets of the company both present and future and second charge on current assets of the company and guaranteed by three Directors/ Promoters jointly and severally also by a corporate guarantee of Kopran Research Laboratories Ltd (subsidiary company).
- (d) Vehicle finance loan carries interest @ 10.73% to 12.40% p.a. and is repayable in 35 equal monthly installments. The loans is secured by hypothecation of vehicles.
- (e) * Loans from others carries interest @ 13.50% p.a. and is repayable in 10 equal quarterly installments from December, 2013. The loan is secured by personal guarantee and mortgage/ pledge of certain assets of promoters and directors.

5) LONGTERM PROVISIONS

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Provision for employee benefits		
Gratuity (Ref. Note No. 28)	27,626,000	24,174,000
Leave encashment (Ref. Note No. 28)	8,028,000	7,144,000
Total	<u>35,654,000</u>	<u>31,318,000</u>

6) SHORT-TERM BORROWINGS

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Cash credit / packing credit *	158,352,377	216,545,560
Buyers credit	85,381,684	94,707,150
Total	<u>243,734,061</u>	<u>311,252,710</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.

7) TRADE PAYABLES

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Trade payables (including acceptances)	48,633,242	417,092,169
Total	<u>468,333,242</u>	<u>417,092,169</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, 2013 ₹	As at 31st March, 2012 ₹
Current maturities of long-term borrowings	85,381,863	69,387,655
Interest free trade deposits	5,438,877	2,438,877
Advance from customers	17,385,981	20,402,956
Statutory liabilities	7,346,040	4,590,629
Other payables		
Creditors for capital goods	9,217,735	21,284,030
Employees related	29,740,536	21,042,815
Others	51,072,075	87,767,061
Total	<u>205,583,107</u>	<u>226,914,023</u>

9) SHORT TERM PROVISIONS

Provision for employee benefits		
Gratuity (Ref. Note No. 28)	828,000	813,000
Leave encashment (Ref. Note No. 28)	362,000	336,000
Total	<u>1,190,000</u>	<u>1,149,000</u>

10) TANGIBLE ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2012 (₹)	Additions during the year (₹)	Deductions during the year (₹)	As at 31st March 2013 (₹)	Upto 1st April 2012 (₹)	For the year (₹)	Deductions during year (₹)	Upto 31st March, 2013 (₹)	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
1. Lease hold land	4,375,252	-	-	4,375,252	875,048	46,056	-	921,104	3,454,148	3,500,204
2. Free hold land	560,240	-	-	560,240	-	-	-	-	560,240	560,240
3. Buildings	272,633,589	11,724,584	-	284,358,173	102,405,901	9,215,478	-	111,621,379	172,736,794	170,227,688
4. Plant & machinery	2,213,091,692	47,068,578	-	2,260,160,270	1,280,018,318	107,968,879	-	1,387,987,197	872,173,073	933,073,374
5. Furniture and fixtures	29,962,595	1,323,177	-	31,285,772	27,661,811	524,420	-	28,186,231	3,099,541	2,300,784
6. Tube well	166,658	-	-	166,658	50,370	5,814	-	56,184	110,474	116,288
7. Office equipments	10,124,273	215,095	-	10,339,368	8,073,213	300,400	-	8,373,613	1,965,755	2,051,060
8. Computers	29,070,559	1,254,784	-	30,325,343	26,672,761	1,239,934	-	27,912,695	2,412,648	2,397,798
9. Vehicles	16,280,030	5,111,493	2,212,869	19,178,654	14,485,794	1,451,657	2,045,692	13,891,759	5,286,895	1,794,236
TOTAL	2,576,264,888	66,697,711	2,212,869	2,640,749,730	1,460,243,216	120,752,638	2,045,692	1,578,950,162	1,061,799,568	1,116,021,672
Previous year	2,467,187,737	109,077,151	-	2,576,264,888	1,346,086,160	114,157,056	-	1,460,243,216	1,116,021,672	-



11) INVESTMENTS (AT COST)

Face Value ₹	As at 31st March, 2013		As at 31st March, 2012		
	Nos.	₹	Nos.	₹	
Long term investments (at cost)					
I. In government securities (non-trade) :					
7 years national savings certificate (lodged with collector of central excise and sales tax authority- Mumbai)					
	-	40,250	-	40,250	
II. In Equity shares (fully paid-up)					
A. Quoted shares (non-trade)					
10	DSQ Software Limited	400	199,608	400	199,608
1	Himachal Futuristic Communication Ltd	200	48,235	200	48,235
10	IMP Power Ltd	2874	792,334	2874	792,334
10	Advent Computers Ltd	30	24,060	30	24,060
			<u>1,064,237</u>		<u>1,064,237</u>
	Less: Provision for diminution in value of investments		<u>426,243</u>		<u>426,243</u>
			<u>637,994</u>		<u>637,994</u>
			<u>637,994</u>		<u>637,994</u>
B. Unquoted Shares					
Trade Investments:					
10	Kapol Co-Op Bank Ltd	20000	200,000	20000	200,000
10	The Saraswat Co-Op Bank Ltd	1000	10,000	1000	10,000
10	The New india Co-Op Bank Ltd	500	5,000	500	5,000
10	Mandvi Co-Op Bank Ltd.	25000	250,000	25000	250,000
			<u>465,000</u>		<u>465,000</u>
Non Trade Investments:					
10	Parijat Shipping & Finale Ltd	700000	7,000,000	700000	7,000,000
			<u>7,000,000</u>		<u>7,000,000</u>
C. Investment in Wholly Owned Subsidiary Companies:(Unquoted)					
1 HK\$	Kopran (H.K.) Limited, Hong Kong	2318750	10,006,000	2318750	10,006,000
10	Kopran Lifesciences Ltd	50000	500,000	50000	500,000
10	Kopran Research Laboratories Ltd	5000000	50,060,750	5000000	50,060,750
			<u>60,566,750</u>		<u>60,566,750</u>
	TOTAL (A+B+C)		<u>68,669,744</u>		<u>68,669,744</u>
	TOTAL (I+II)		<u>68,709,994</u>		<u>68,709,994</u>
	Aggregate cost of quoted investment		1,064,237		1,064,237
	Aggregate market value of quoted investment		83,695		151,616
	Aggregate cost of unquoted investment		68,072,000		68,072,000
	Aggregate provision for diminution in Value		426,243		426,243

12) LONG TERM LOANS AND ADVANCES

(Unsecured considered good, unless stated otherwise)

Capital advances	3,264,877	6,660,838
Deposits	47,025,008	44,475,508
Loans and advances to subsidiary (Ref. Note No.32)	445,000,000	445,000,000
Other loans and advances		
Loans to employees	2,987,497	2,531,670
Loans to others	60,483,300	44,277,540
Prepaid expenses	902,959	203,068
Total	<u>559,663,641</u>	<u>543,148,624</u>

**13) INVENTORIES**

(Valued at lower of cost or net realisable value)

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Stores & spares	11,003,480	8,193,310
Raw materials (includes stocks in transit ₹ 35,43,120/- (PY. ₹ Nil))	174,506,625	211,600,685
Packing materials	31,203,296	21,789,515
Work-in-process	107,672,783	88,107,064
Finished goods	43,019,413	21,779,601
Total	<u>367,405,597</u>	<u>351,470,175</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	-	1,150,425
Others	10,441,652	33,204,320
Considered doubtful	29,030,530	29,030,530
	<u>39,472,182</u>	<u>63,385,275</u>
Less: Provision for doubtful debts	29,030,530	29,030,530
	<u>10,441,652</u>	<u>34,354,745</u>
Other debts		
Others	485,656,085	340,806,882
Total	<u>496,097,737</u>	<u>375,161,627</u>

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

Balance with banks in current accounts	4,763,113	12,100,006
Cheques on hand	-	57,000,000
Cash on hand	149,570	1,551,125
Other bank balances		
Margin money deposits (with original maturity up to 12 months)	31,414,272	24,504,289
Total	<u>36,326,955</u>	<u>95,155,420</u>

16) SHORT TERM LOANS AND ADVANCES

(Unsecured considered good, unless stated otherwise)

Loans to employees	936,300	1,250,900
Balance with statutory/ government authorities	259,884,169	191,745,039
Prepaid expenses	13,765,948	12,725,911
Advance income-tax (Net of provision of taxation)	1,600,709	990,996
Advances recoverable in cash or kind :		
Advances to subsidiary (Ref. Note No.32)	28,195,556	23,204,969
Others	26,769,567	14,483,557
Total	<u>331,152,249</u>	<u>244,401,372</u>

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS ACCOUNT

17) REVENUE FROM OPERATION

	Year ended 31st March, 2013 ₹	Year ended 31st March, 2012 ₹
Sale of products*	2,504,170,699	1,985,010,942
Other operating income		
Scrap sales	2,463,956	1,666,017
Other	66,741,236	62,950,046
Total	<u>2,573,375,891</u>	<u>2,049,627,005</u>
*Detail of Sale of products		
Bulk Drugs	1,090,308,222	998,783,808
Tablet /Capsules/Liquids	1,413,862,477	986,227,134
Total	<u>2,504,170,699</u>	<u>1,985,010,942</u>

18) OTHER INCOME

Dividend Income		
Long-term investments	22,961	21,524
Interest Income		
On fixed deposit	1,757,272	2,949,600
On loans	16,205,760	20,218,008
Net profit on sale of assets	85,881	-
Liabilities written back	224,443	4,126,384
Foreign exchange gain (loss) (net)	(3,324,367)	26,929,056
Insurance claim	2,224,846	32,857
Miscellaneous income	1,324	1,347,150
Total	<u>17,198,120</u>	<u>55,624,579</u>

19) COST OF MATERIALS CONSUMED

Raw material consumption		
Opening stock	211,600,685	116,033,317
Add: Purchases	1,421,996,617	1,188,715,731
	1,633,597,302	1,304,749,048
Less : Closing stock	174,506,625	211,600,685
	<u>1,459,090,677</u>	<u>1,093,148,363</u>
Packing materials consumption:		
Opening stock	21,789,515	19,291,714
Add: Purchases	132,586,233	103,908,059
	154,375,748	123,199,773
Less : Closing stock	31,203,296	21,789,515
	<u>123,172,452</u>	<u>101,410,258</u>
Total	<u>1,582,263,129</u>	<u>1,194,558,621</u>
Details of raw material consumption		
1) 7 A.C.A.	87,110,399	119,095,148
2) P.H.P.A.	21,265,192	16,922,629
3) Ceftriaxone sodium N.S.	67,425,282	41,686,507
4) P.H.A.P	55,649,940	56,175,060
5) CMMHA	46,067,823	56,796,979
6) Amoxicillin trihydrate	259,573,128	158,573,078
7) Erythromycin stearate	74,148,171	77,409,870
8) Others	847,850,742	566,489,092

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

	Year ended 31st March, 2013 ₹	Year ended 31st March, 2012 ₹
Opening stock		
Finished goods	21,779,601	49,788,439
Work in progress	<u>88,107,064</u>	<u>129,931,718</u>
	109,886,665	179,720,157
Less : Closing stock		
Finished goods	43,019,413	21,779,601
Work in progress	<u>107,672,783</u>	<u>88,107,064</u>
	150,692,196	109,886,665
Net(increase)/ decrease	<u>(40,805,531)</u>	<u>69,833,492</u>
Details of Inventory		
Finished goods		
Bulk Drugs	24,425,093	9,452,772
Tablet /Capsules/Liquids	<u>18,594,320</u>	<u>12,326,829</u>
	43,019,413	21,779,601
Work in progress		
Bulk Drugs	81,406,998	76,869,198
Tablet /Capsules/Liquids	<u>26,265,785</u>	<u>11,237,866</u>
	107,672,783	88,107,064

21) EMPLOYEE BENEFIT EXPENSE

Salaries, wages and bonus	173,790,114	147,559,756
Contribution to provident and other fund	15,196,226	14,654,885
Staff welfare expense	<u>15,837,207</u>	<u>12,981,629</u>
Total	<u>204,823,547</u>	<u>175,196,270</u>

22) OTHER EXPENSES

Stores and spares consumed	27,823,531	19,794,163
Power and fuel	111,259,970	85,587,503
Rent	<u>18,360,000</u>	<u>19,167,540</u>
Repairs and maintenance		
Building	6,983,096	2,818,435
Machinery	6,651,536	4,197,300
Others	<u>1,638,337</u>	<u>2,008,034</u>
Insurance	4,012,284	3,807,050
Commission on sales	56,412,791	50,989,718
Selling and distribution Expenses	9,147,752	7,509,539
Packing, freight and forwarding	41,035,328	31,706,416
Payment to auditors (refer details below)	300,000	300,000
Printing and stationery	5,139,253	3,690,024
Postage, telegram and telephone	4,655,681	4,358,220
Travelling and conveyance	14,912,568	13,258,434
Legal and professional fees	19,429,022	18,424,203
Rates and taxes	4,838,510	3,547,060
Labour charges	41,067,544	28,307,421
Directors' sitting fees	58,000	54,000
Sundry balances written off	36,160	31,147
Miscellaneous expenses	<u>39,167,806</u>	<u>28,801,150</u>
Total	<u>412,929,169</u>	<u>328,357,357</u>
Payment to auditors		
As auditor		
Audit fee	245,000	245,000
Tax audit fee	<u>55,000</u>	<u>55,000</u>
Total	<u>300,000</u>	<u>300,000</u>

23) FINANCE COST

	Year ended 31st March, 2013 ₹	Year ended 31st March, 2012 ₹
Interest expense	55,740,921	54,259,150
Other borrowing cost	63,016,849	42,368,099
Total	118,757,770	96,627,249

24) DEPRECIATION AND AMORTISATION EXPENSE

Depreciation on tangible assets	120,752,638	114,157,057
Total	120,752,638	114,157,057

25) EARNINGS PER EQUITY SHARE

Number of equity shares	39,052,602	39,052,602
Weighted average number of equity shares	39,052,602	39,052,602
Face value per share	10	10
Profit after tax	120,630,055	61,675,453
Less: Dividend on preference shares	-	-
Profit after tax available to equity shareholders	120,630,055	61,675,453
Basic and diluted earning per share	3.09	1.58

26) CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :

	As on 31st March, 2013 ₹	As on 31st March, 2012 ₹
i) Guarantees given by the company's bankers on behalf of the Company	11,949,698	5,730,630
ii) Bills discounted with banks	451,413,635	337,849,826
iii) Disputed tax matters		
a) Service tax demand disputed in appeal	3,295,000	3,295,000
b) Excise duty demand disputed in appeal	4,388,272	3,781,596
c) Demand under drug price control order - 95 (DPCO - 95) demand disputed in appeal	59,134,474	59,134,474

27) Estimated amount of contracts remaining to be executed on capital account not provided for ₹ 23,93,185/- (Previous year ₹ 1,49,24,075/-)

28) EMPLOYEE BENEFITS :

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

Part A : Gratuity benefits

	Gratuity benefit Unfunded	
	As on 31st March, 2013 ₹	As on 31st March, 2012 ₹
i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at the beginning of the year	24,987,000	20,112,000
Interest cost	1,924,634	1,578,115
Service cost	2,497,093	2,272,140
Actuarial (gain)/ loss	903,419	1,795,860
Benefits paid	(1,858,146)	(771,115)
Obligation at the year end	28,454,000	24,987,000
ii) Change in plan Assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution	1,858,146	771,115
Actuarial (gain)/ loss	-	-
Benefits paid	(1,858,146)	(771,115)
Fair value of plan assets at the end of the year	-	-
Unfunded Status	(28,454,000)	(24,987,000)

iii) Limits of corridor not considered since total actuarial gain/loss is being recognised as on 31st March 2013		
Actuarial (loss) for the year- obligation	(903,419)	(1,795,860)
Actuarial gain/(loss) for the year- plan assets	-	-
Sub- Total	(903,419)	(1,795,860)
Actuarial loss recognised	903,419	1,795,860
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	28,454,000	24,987,000
Fair value of plan assets at the end of the year	-	-
Liability/(Asset) recognised in the Balance sheet	28,454,000	24,987,000
v) Cost for the year		
Service cost	2,497,093	2,272,140
Interest cost	1,924,634	1,578,115
Expected return on plan assets	-	-
Actuarial (gain)/loss	903,419	1,795,860
Net cost recognised in the statement of profit & loss account	5,325,146	5,646,115
iv) Movement in the liability recognised in the balance sheet		
Opening net liability	24,987,000	20,112,000
Expenses as above	5,325,146	5,646,115
Contribution paid	(1,858,146)	(771,115)
Closing net liability	28,454,000	24,987,000
vii) Assumptions used to determine the benefit obligations:		
Discount rate	8.00%	8.00%
Rate of increase in compensation levels	6.00%	6.00%

Part B : Leave Encashment

	Leave Encashment benefit Unfunded	
	As on 31st March, 2013 ₹	As on 31st March, 2012 ₹
i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at the beginning of the year	7,480,000	9,794,000
Interest cost	538,612	740,758
Service cost	927,630	832,849
Actuarial (gain)/ loss	938,462	(2,818,568)
Benefits paid	(1,494,704)	(1,069,039)
Obligation at the year end	8,390,000	7,480,000
ii) Change in plan assets		
Fair value of Plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution	1,494,704	1,069,039
Actuarial (gain)/ loss	-	-
Benefits paid	(1,494,704)	(1,069,039)
Fair value of plan assets at the end of the year	-	-
Unfunded status	(8,390,000)	(7,480,000)
iii) Limits of corridor not considered since total actuarial gain/loss is being recognised as on 31st March 2013		
Actuarial (loss) for the year- obligation	(938,462)	2,818,568
Actuarial gain/(loss) for the year- plan assets	-	-
Sub- Total	(938,462)	2,818,568
Actuarial loss recognised	938,462	(2,818,568)
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	8,390,000	7,480,000
Fair value of plan assets at the end of the year	-	-
Liability/(Asset) recognised in the balance sheet	8,390,000	7,480,000



v) Cost for the year		
Service cost	927,630	832,849
Interest cost	538,612	740,758
Expected return on plan assets	-	-
Actuarial (gain)/loss	938,462	(2,818,568)
Net cost recognised in the statement of profit & loss account	2,404,704	(1,244,961)
vi) Movement in the liability recognised in the balance sheet		
Opening net liability	7,480,000	9,794,000
Expenses as above	2,404,704	(1,244,961)
Contribution paid	(1,494,704)	(1,069,039)
Closing net liability	8,390,000	7,480,000
vii) Assumptions used to determine the benefit obligations:		
Discount rate	8.00%	8.00%
Rate of increase in compensation levels	6.00%	6.00%

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

(a) Business Segment:

The company is engaged primarily in pharmaceuticals business and there are no separate reportable segments as per AS-17

(b) Geographical Segment:

Particulars	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
Sales revenue (net)		
In India	559,844,758	513,470,555
Outside India	1,873,141,687	1,410,967,019
Total	2,432,986,445	1,924,437,574

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

31) The Company has made an investment of ₹ 5,00,60,750/- and has also advanced a sum of ₹ 47,31,95,556/- to Kopran Research Laboratories Ltd (KRL), a wholly owned subsidiary of the company, for research and development (R & D) activities. The accumulated losses of KRL has exceeded its paid up capital and reserves. The said subsidiary has been awarded numerous patents in India and abroad for its novel Anti-Ulcer molecule KNC-6 and other molecule KNC-1206. KRL has also developed enteric coating technology and has also been awarded Indian Patent for novel process of synthesis of Rofecoxib and Sildenafil Citrate. KRL has, vide an agreement, agreed to give the company the right to exploit the patents, intellectual properties and all rights appurtenant thereto in any manner so as to recover the dues- current and future.

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

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

I) Wholly Owned Subsidiary

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

II) Key Management Personnel

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



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

Particulars	Year ended	Year ended
	As on 31st March, 2013 ₹	As on 31st March, 2012 ₹
Subsidiary Company:		
a) Kopran Research Laboratories Ltd.		
Sale of Materials	29,214	8,686
Repayment of Advances received	-	20,505,730
Advances	4,990,587	-
Key Management Personnel :		
Remuneration paid to personals	8,697,360	8,922,984
Outstanding Balance of Related party :		
Receivable from wholly owned subsidiary companies		
a) Kopran Research Laboratories Ltd.	473,195,556	468,204,969
b) Kopran (H. K.) Ltd.	-	1,150,425
Investments:		
a) In Subsidiaries	60,566,750	60,566,750

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

34) DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE:

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

Purpose		Particulars of derivative	
		2012-2013	2011-2012
Forward contracts export debtors	USD	2,854,111	14,687,724
Forward contract value	₹	155,120,933	722,429,945

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

Particulars of derivative	2012-2013		2011-2012	
	Amount (₹)	Foreign Currency	Amount (₹)	Foreign Currency
Payables	158,832,104	USD-29,22,393	204,344,002	USD-40,16,985
	16,515,136	EURO-2,37,082	2,560,497	EURO-37,732
	647,313	GBP-7,841	639,943	GBP-7,841
Receivables	349,138,133	USD 64,23,235	261,390,737	USD 51,38,406
	12,078,104	EURO-1,73,387	950,040	EURO-14,000
	771,734	GBP-9,348	455,158	GBP-5,577
Foreign Currency Bank Account	12,47,916	USD -22,961	8,011,057	USD -1,57,481
Investments	16,233,035	HKD-23,18,750	15,553,642	HKD-23,18,750

- 35) a) The Company has taken certain office/factory premises on operating lease basis. Lease payments in respect of such leases recognised in statement of profit and loss account ₹ 1,83,60,000/- (Previous year ₹ 1,91,67,540/-)
- b) Except for escalation contained in certain lease arrangements providing for increase in the lease payment by specified percentage / amounts after completion of specified period. Further the lease terms do not contain any exceptional / restrictive covenants other than prior approval of the lessee before the renewal of lease.
- c) There are no restrictions such as those concerning dividend and additional debt other than in some cases where prior approval of lesser is required for further leasing. There is no contingent rent payment.

36) CONSUMPTION OF RAW MATERIALS AND STORES AND SPARES :

Items	Value ₹	Percentage
a) Raw materials		
Imported (including purchase through canalising agencies and high seas)	701,322,354 (486,222,789)	48.07 (44.48)
Indigenous	757,768,323 (606,925,574)	51.93 (55.52)
b) Stores and spares		
Indigenous	27,823,531 (19,794,163)	100.00 (100.00)

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

Items	Year ended 31st March, 2013 ₹	Year ended 31st March, 2012 ₹
a) Raw / Packing materials	677,766,442	502,861,833
b) Capital goods	3,873,410	3,406,755

38) EARNINGS IN FOREIGN EXCHANGE :

Particulars	Year ended 31st March, 2013 ₹	Year ended 31st March, 2012 ₹
FOB value of exports	1,833,710,465	1,235,200,097

39) EXPENDITURE IN FOREIGN CURRENCY :

Particulars	Year ended 31st March, 2013 ₹	Year ended 31st March, 2012 ₹
Commission	54,419,263	48,508,523
Legal & professional charges	208,163	312,225
Registration fees	1,127,783	926,587
Export promotion expenses	2,245,467	2,165,454
Travelling expenses	4,306,873	4,317,295
Others	1,107,620	2,771,174

40) PREVIOUS YEAR FIGURES

Previous year figures have been regrouped/ reclassified wherever necessary.

Per our report attached

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

For and on behalf of the Board of Directors

Kaushal Mehta
Partner
Membership No. 111749

ABHINAV MATHUR
Company Secretary

SURENDRA SOMANI
Executive Vice-Chairman

SUSHEEL G. SOMANI
Chairman

Place : Mumbai
Date : 29th May, 2013

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

1.	Name of the subsidiary	:	Kopran (H.K.) Ltd.	Kopran Research Laboratories Ltd.	Kopran Lifesciences Ltd.
2.	Financial Year of the subsidiary Company ended on	:	31st March, 2013	31st March, 2013	31st March, 2013
3.	Holding Company's Interest				
	- No. of Equity Shares	:	23,18,750	50,00,000	50,000
	- Extent of Holding	:	100%	100%	100%
4.	The net aggregate of the Subsidiary's Profits / (Losses) so far as it concerns the members of the Holding and Company's Accounts.				
	i) For the Subsidiary's Financial Year ended as aforesaid	:	HK\$ (36,087)	₹ (9,177,037)	₹ (11,542)
	ii) For the Previous Financial Years since it became the Holding Company's Subsidiary	:	HK\$ (11,534)	₹ (8,193,737)	₹ (12,204)
	The net aggregate amount of Profits/Losses of the subsidiary which has been dealt with in the accounts of the Holding Company				
	i) For the Subsidiary's Financial Year ended as aforesaid	:	NIL	NIL	NIL
	ii) For the previous Financial Years since it became the Holding Company's Subsidiary	:	NIL	NIL	NIL
5.	Material changes between the end of the financial year of the subsidiary and that of the Holding Company	:	No Changes	No Changes	No Changes

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

For and on behalf of the Board of Directors

Place : Mumbai
Date : 29th May, 2013

ABHINAV MATHUR
Company Secretary

SURENDRA SOMANI
Executive Vice-Chairman

SUSHEEL G. SOMANI
Chairman

AUDITOR'S REPORT

To the Board of Directors of Kopran Limited

We have audited the accompanying consolidated financial statements of **KOPRAN LIMITED ("the Company")** and its subsidiaries, which comprise the consolidated Balance Sheet as at 31st March, 2013, and the consolidated statement of profit and loss and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the company in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the institute of chartered accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Basis for Qualified Opinion

- a. *The accounts of Kopran Research Laboratories Ltd. have been made on going concern basis inspite of net loss of ₹91.77 lacs incurred during the year by the company and having accumulated loss of ₹3149.79 lakh, which exceeds the reserves and the paid up capital of the company.*
- b. *In case of Kopran Research Laboratories Ltd, the balances of few sundry creditors are subject to confirmation and reconciliation, if any, and the impact thereof on the loss for the year, assets and reserves of the company is not ascertained.*

Opinion

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

- (a) in the case of the consolidated balance sheet, of the state of affairs of the company as at 31st March, 2013;
- (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
- (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of ₹ 2362.97 lakhs as at 31st March, 2013, total revenues of ₹ 0.95 lakhs and net cash flows amounting to ₹ 0.73 lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

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

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : 29 May, 2013

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2013

	Notes	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹	
I EQUITY AND LIABILITIES				
1. Shareholders' funds				
a	Share Capital	2	476,289,080	476,289,080
b	Reserves and Surplus	3	495,879,097	383,936,557
			<u>972,168,177</u>	<u>860,225,637</u>
2. Non-current liabilities				
a	Long-term borrowings	4	694,818,552	645,862,073
b	Other long term liabilities	5	2,500,000	2,500,000
c	Long-term provisions	6	36,032,000	31,620,000
			<u>733,350,552</u>	<u>679,982,073</u>
3. Current liabilities				
a	Short-term borrowings	7	249,034,061	316,552,710
b	Trade payables	8	469,831,792	418,169,690
c	Other current liabilities	9	207,393,398	228,456,577
d	Short-term provisions	10	1,196,000	1,154,000
			<u>927,455,251</u>	<u>964,332,977</u>
	Total		<u><u>2,632,973,980</u></u>	<u><u>2,504,540,687</u></u>
II ASSETS				
1. Non-current assets				
a	Fixed Assets			
	(i) Tangible assets	11	1,085,006,343	1,143,102,072
	(ii) Intangible assets	11	57,600	57,600
	(iii) Capital work-in-progress		198,508,758	189,240,572
b	Non-current investment	12	8,143,244	8,143,244
c	Long-term loans and advances	13	115,164,623	98,552,415
			<u>1,406,880,568</u>	<u>1,439,095,903</u>
2. Current assets				
a	Inventories	14	367,405,597	351,470,175
b	Trade receivables	15	511,752,567	390,069,758
c	Cash and Bank balances	16	37,908,217	96,621,444
d	Short-term loans and advances	17	309,027,031	227,283,407
			<u>1,226,093,412</u>	<u>1,065,444,784</u>
	Total		<u><u>2,632,973,980</u></u>	<u><u>2,504,540,687</u></u>
Significant accounting policies	1			

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

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

For and on behalf of the Board of Directors

Kaushal Mehta
Partner
Membership No. 111749

ABHINAV MATHUR
Company Secretary

SURENDRA SOMANI
Executive Vice-Chairman

SUSHEEL G. SOMANI
Chairman

Place : Mumbai
Date : 29th May, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2013

	Notes	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
I INCOME			
Revenue from operation (gross)	18	2,573,346,677	2,049,618,319
Less: Excise duty		71,184,254	60,573,368
Revenue from operation (net)		2,502,162,423	1,989,044,951
Other Income	19	18,106,453	56,585,200
Total Income		2,520,268,876	2,045,630,151
II EXPENSES			
Cost of materials consumed	20	1,582,744,055	1,195,011,449
Purchase of traded goods		38,979	4,272,717
Changes in inventories of finished goods and work in progress	21	(40,805,531)	69,833,492
Employee benefit expense	22	210,331,780	179,783,374
Other expenses	23	413,348,421	328,648,330
Finance cost	24	118,797,496	96,645,478
Depreciation and amortisation expense	25	124,626,263	118,037,181
Total Expenses		2,409,081,463	1,992,232,021
Profit before exceptional items and tax		111,187,413	53,398,130
Exceptional items		-	-
Profit before tax		111,187,413	53,398,130
Tax expenses		-	-
Profit/(Loss) for the period		111,187,413	53,398,130
Earnings per equity share (₹)	26		
Basic and Diluted-Par value of ₹ 10/- per share		2.85	1.37
Significant accounting policies	1		

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

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

For and on behalf of the Board of Directors

Kaushal Mehta
Partner
Membership No. 111749

ABHINAV MATHUR
Company Secretary

SURENDRA SOMANI
Executive Vice-Chairman

SUSHEEL G. SOMANI
Chairman

Place : Mumbai



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

PARTICULARS	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
A. NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	111,187,413	53,398,130
Adjusted for :		
Depreciation	124,626,263	118,037,181
Dividend income	(22,961)	(21,524)
Unclaimed balances/ excess provision written back	(224,443)	(4,126,384)
Finance cost	118,797,496	96,645,478
Interest income	(17,963,032)	(23,169,895)
Profit on sale of fixed assets	(85,880)	-
Loss on sale of investments	-	-
Sundry balances written off	36,160	31,147
	336,351,016	240,794,133
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS		
Adjustments for :		
Trade receivables	(121,718,968)	(45,151,567)
Inventories	(15,935,422)	(30,357,844)
Loans and advances and other assets	(81,253,555)	10,391,741
Trade payables	51,662,103	110,801,137
Other liabilities and provisions	(20,312,650)	60,968,975
Effect of change in exchange fluctuation reserve	755,127	2,187,879
Cash generated from operations	149,547,651	349,634,454
Direct Taxes (paid) / refund (net)	(700,547)	424,118
(a) NET CASH FLOW FROM / (USED IN) OPERATION ACTIVITIES	148,847,104	350,058,572
Cash flow from investing activities:		
Purchase of Fixed Assets (including capital work in progress)	(88,032,192)	(108,678,926)
Sale of Fixed Assets	253,058	-
Withdrawal of margin deposits	(6,909,983)	2,576,097
Purchase of investments	-	-
Sales of investments	-	1,418,998
Interest Received	1,561,300	6,554,700
Dividend Received	22,961	21,524
(b) NET CASH FROM / (USED) IN INVESTING ACTIVITIES	(93,104,856)	(98,107,607)
Cash flow from financing activities		
Proceeds from issue of share capital (net of expenses)	-	-
Repayment of borrowings (net)	(2,567,962)	(80,143,841)
Finance cost	(118,797,496)	(104,677,775)
Dividend Paid	-	(3,600,000)
(c) NET CASH FROM/ (USED) IN FINANCING ACTIVITIES	(12,13,65,458)	(18,84,21,616)
Net increase in cash and cash equivalents (a+b+c)	(65,623,210)	63,529,350
Cash and cash equivalents as at the commencement of the year, comprising :		
Cash	2,297,109	2,252,988
Cheques on hand	57,000,000	-
Balances with scheduled banks on current accounts	12,820,046	6,334,817
	72,117,155	8,587,805
Cash and cash equivalents as at the end of the year, comprising :		
Cash	915,912	2,297,109
Cheques on hand	-	57,000,000
Balances with scheduled banks on current accounts	5,578,033	12,820,046
	6,493,945	72,117,155
NET INCREASE / (DECREASE) AS DISCLOSED ABOVE	(65,623,210)	63,529,350

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

For and on behalf of the Board of Directors

Kaushal Mehta
Partner
Membership No. 111749
Place : Mumbai
Date : 29th May, 2013

ABHINAV MATHUR
Company Secretary

SURENDRA SOMANI
Executive Vice-Chairman

SUSHEEL G. SOMANI
Chairman

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2013

1 BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

A BACKGROUND

(a) Overview

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

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

Name of subsidiaries	Financial year ending	Country	Ownership interest
Kopran Research Laboratories Limited (KRL)	31st March, 2013	India	100%
Kopran (H.K) Limited (KHKL)	31st March, 2013	Hong Kong	100%
Kopran Lifesciences Limited (KLL)	31st March, 2013	India	100%

(b) Basis / principles of consolidation

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

B SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statement.

The accounts have been prepared under the historical cost convention on the basis of going concern and comply in all material aspects with applicable accounting principles in India and relevant provisions of the companies act, 1956. Accounts of indian subsidiary and associate have been prepared in compliance with the accounting standards referred to in section 211 (3c) and other requirement of the companies act,1956. The accounts of the foreign subsidiary have been prepared in compliance with the local laws and applicable accounting standards.

(b) System of accounting

The company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.

(c) Uses of estimates

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

(d) Fixed assets and depreciation

1) Fixed assets :

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

ii) Depreciation :

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

(e) Investments

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

(f) Inventories

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

(g) Research and development expenses

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

(h) Foreign exchange transactions

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

(i) Revenue recognition

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

(j) Employee benefits :

1. **Defined contribution plan :** Company's contribution paid/payable during the year to provident fund, ESIC and labour welfare fund are charged to statement of profit and loss account.

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

(k) Excise and customs duty

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

(l) Borrowing costs

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

(m) Prior period items

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

(n) Earning per share

In accordance with the accounting standard -20 (AS-20) "earning per share" issued by the institute of chartered accountants of India, earning per share is computed by dividing the profit after tax with the weighted average number of shares outstanding, at the year end.

(o) Income tax

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

(p) Intangible assets

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

(q) Impairment of assets

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

(r) Contingencies and provisions

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

(s) Other accounting policies

These are consistent with the generally accepted accounting practices.

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

2. SHARE CAPITAL

	As at 31st March, 2013		As at 31st March, 2012	
	Number of Shares	₹	Number of Shares	₹
Authorised				
(i) Equity shares of ₹ 10 each	56,250,000	562,500,000	56,250,000	562,500,000
(ii) 10% Non convertible non cumulative redeemable preference shares of ₹ 10 each	13,750,000	137,500,000	13,750,000	137,500,000
Total	<u>70,000,000</u>	<u>700,000,000</u>	<u>70,000,000</u>	<u>700,000,000</u>
Issued				
(i) Equity shares of ₹ 10 each fully paid up				
At the beginning of the year	39,052,602	390,526,020	39,052,602	390,526,020
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
At the end of the year	<u>39,052,602</u>	<u>390,526,020</u>	<u>39,052,602</u>	<u>390,526,020</u>
(ii) 10% Non convertible non cumulative redeemable preference shares of ₹ 10 each				
At the beginning of the year	8,580,000	85,800,000	8,580,000	85,800,000
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
At the end of the year	<u>8,580,000</u>	<u>85,800,000</u>	<u>8,580,000</u>	<u>85,800,000</u>
Total	<u>47,632,602</u>	<u>476,326,020</u>	<u>47,632,602</u>	<u>476,326,020</u>
Subscribed and paid up				
(i) Equity shares of ₹ 10 each fully paid up				
At the beginning of the year	39,052,602	390,526,020	39,052,602	390,526,020
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Less: Calls in-Arrears (Other than Director's)	-	36,940	-	36,940
At the end of the year	<u>39,052,602</u>	<u>390,489,080</u>	<u>39,052,602</u>	<u>390,489,080</u>
(ii) 10% Non convertible non cumulative redeemable preference shares of ₹ 10 each				
At the beginning of the year	8,580,000	85,800,000	8,580,000	85,800,000
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
At the end of the year	<u>8,580,000</u>	<u>85,800,000</u>	<u>8,580,000</u>	<u>85,800,000</u>
Total	<u>47,632,602</u>	<u>476,289,080</u>	<u>47,632,602</u>	<u>476,289,080</u>

a) Terms / rights attached to equity shares

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

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

b) Terms of redemption of preference shares

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

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

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

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

None of the shares of the company are held by the subsidiaries, associates or Joint Ventures of the Company.

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

	As at 31st March, 2013		As at 31st March, 2012	
	Number of Shares	% holding	Number of Shares	% holding
Equity shares of ₹ 10/- each fully paid				
Ponorama Finvest Pvt Ltd	3,800,000	9.73%	3,800,000	9.73%
Sarvamangal Mercantile co. Ltd	2,167,956	5.55%	2,167,956	5.55%
10% Non convertible non cumulative redeemable preference shares of ₹ 10 each				
Sarvamangal Mercantile co. Ltd	6,380,000	74.00%	5,580,000	65.00%
Kopran Laboratories Ltd	1,000,000	12.00%	1,000,000	12.00%
Susheel G. Somani and Mridula Somani	1,200,000	14.00%	1,200,000	14.00%
Mohit Kabra	-	-	800,000	9.00%

3) RESERVES AND SURPLUS

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
(a) Capital reserve		
Opening balance	148,474,390	148,474,390
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	148,474,390	148,474,390
(b) Securities premium account		
Opening balance	995,242,754	995,242,754
Add : Premium on shares issued during the year	-	-
Less : Calls In -Arrears (Other than Directors's)	(110,820)	(110,820)
Closing balance	995,131,934	995,131,934
(c) General reserve		
Opening balance	81,420,684	81,420,684
Add: Transferred from surplus in the statement of profit and loss -	-	-
Closing balance	81,420,684	81,420,684
(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	6,270,495	5,515,368
(f) Surplus / (Deficit) in statement of profit and loss		
Opening balance	(846,645,819)	(900,043,950)
Add: Profit / (Loss) for the year	111,187,413	53,398,130
Closing balance	(735,458,406)	(846,645,819)
Total	495,879,097	383,936,557

4) LONG-TERM BORROWINGS

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Rupee loans from Banks (Secured)		
Term loans	27,830,844	30,000,101
Working capital term loans (WCTL)	-	24,712,393
Vehicles finance loans	1,613,749	143,126
Other (unsecured)*	80,000,000	-
Inter corporate deposits (unsecured)		
Others	585,373,959	591,006,453
Total	<u>694,818,552</u>	<u>645,862,073</u>

- (a) Term loans from banks include term loan of ₹ 1,00,00,101/- which carries interest base rate +4.50% p.a. and is repayable in 10 equal quarterly installments of ₹ 50 lakhs from April, 2012. The loan is secured by first mortgage charge on the company's entire fixed assets on pari-passu basis with other working capital consortium banks and second charge on current assets of the company on pari-passu basis.
- (b) Term loans from banks include term loan of ₹ 1,78,30,743/- which carries interest base rate +4.50% p.a. and is repayable in 10 equal quarterly installments of ₹ 50 lakhs from June, 2013. The loan is secured by first mortgage charge on the company's entire fixed assets on pari-passu basis with other working capital consortium banks and second charge on current assets of the company on pari-passu basis.
- (c) WCTL carried interest base Rate + 4.60% p.a. to 5.75% p.a. during the year 2012-13 and is repayable in 41 equal monthly installments of ₹ 41 lakhs from April, 2010. The loan is secured by a pari-passu first charge by way of mortgage on all the immovable properties and by way of hypothecation on all the movable fixed assets of the company both present and future and second charge on current assets of the company and guaranteed by three directors/ promoters jointly and severally also by a corporate guarantee of Kopran Research Laboratories Ltd, subsidiary company.
- (d) Vehicle finance loan carries interest @ 10.73 % to 12.40 % p.a. and is repayable in 35 equal monthly installments. The loans is secured by hypothecation of Vehicles.
- (e) * Loans from others carries interest @ 13.50% p.a. and is repayable in 10 equal quarterly installments from December, 2013. The loan is secured by personal guarantee and mortgage/ pledge of certain assets of promoters and directors.

5) OTHER LONG TERM LIABILITIES

Trade deposits	2,500,000	2,500,000
Total	<u>2,500,000</u>	<u>2,500,000</u>

6) LONG TERM PROVISIONS

Provision for employee benefits		
Gratuity (Ref. Note No. 29)	27,867,000	24,355,000
Leave encashment (Ref. Note No. 29)	8,165,000	7,265,000
Total	<u>36,032,000</u>	<u>31,620,000</u>

7) SHORT-TERM BORROWINGS

From Banks:		
Cash credit / packing credit *	158,352,377	216,545,560
Buyers credit	85,381,684	94,707,150
From other parties	5,300,000	5,300,000
Total	<u>249,034,061</u>	<u>316,552,710</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.



8) TRADE PAYABLES

Trade payables (including acceptances)

Total

As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
469,831,792	418,169,690
469,831,792	418,169,690

9) OTHER CURRENT LIABILITIES

Current maturities of long-term borrowings
Interest free trade deposits
Advance from customers
Statutory liabilities

Other payables:

Creditors for capital goods
Employees related
Others

Total

85,381,863	69,387,655
5,438,877	2,438,877
17,385,981	20,402,956
7,414,293	4,647,853
9,217,735	21,284,030
30,374,719	21,552,483
52,179,930	88,742,723
207,393,398	228,456,577

10) SHORT TERM PROVISIONS

Provision for employee benefits

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

Total

832,000	816,000
364,000	338,000
1,196,000	1,154,000

11) FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2012 (₹)	Additions during the year (₹)	Deductions during the year (₹)	As at 31st March 2013 (₹)	Upto 1st April 2012 (₹)	For the year (₹)	Deductions during year (₹)	Upto 31st March, 2013 (₹)	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
Tangible assets										
1. Lease hold land	4,375,252	-	-	4,375,252	875,048	46,056	-	921,104	3,454,148	3,500,204
2. Free Hold land	560,240	-	-	560,240	-	-	-	-	560,240	560,240
3. Buildings	272,633,589	11,724,584	-	284,358,173	102,405,901	9,215,478	-	111,621,379	172,736,794	170,227,688
4. Plant & equipments	2,294,161,376	47,068,578	-	2,341,229,954	1,334,113,764	111,819,689	-	1,445,933,453	895,296,501	960,047,612
5. Furniture and fixtures	31,926,272	1,323,177	-	33,249,449	29,552,541	537,985	-	30,090,526	3,158,923	2,373,731
6. Tube well	166,658	-	-	166,658	50,370	5,814	-	56,184	110,474	116,288
7. Office equipments	10,124,273	215,095	-	10,339,368	8,073,213	300,400	-	8,373,613	1,965,755	2,051,060
8. Computers	29,398,579	1,254,784	-	30,653,363	26,996,167	1,241,780	-	28,237,947	2,415,416	2,402,412
9. Vehicles	16,879,084	5,111,493	2,212,869	19,777,708	15,056,247	1,459,062	2,045,692	14,469,617	5,308,091	1,822,837
Tangible assets total	2,660,225,323	66,697,711	2,212,869	2,724,710,165	1,517,123,251	124,626,263	2,045,692	1,639,703,822	1,085,006,343	1,143,102,072
Intangible assets										
1. Intellectual property	142,800,000	-	-	142,800,000	142,800,000	-	-	142,800,000	-	-
2. Goodwill on consolidation	57,600	-	-	57,600	-	-	-	-	57,600	57,600
Intangible assets total	142,857,600	-	-	142,857,600	142,800,000	-	-	142,800,000	57,600	57,600

12) INVESTMENTS (AT COST)

Face Value ₹	As at 31st March, 2013		As at 31st March, 2012		
	Nos.	₹	Nos.	₹	
Long term investments (at cost)					
I. In government securities (non-trade) :					
7 years national savings certificate (lodged with collector of central excise and sales tax authority- Mumbai)					
	-	40,250	-	40,250	
II. In Equity Shares (fully paid-up)					
A. Quoted shares (non-trade)					
10	DSQ Software Limited	400	199,608	400	199,608
1	Himachal Futuristic Communication Ltd	200	48,235	200	48,235
10	IMP Power Ltd	2,874	792,334	2,874	792,334
10	Advent Computers Ltd	30	24,060	30	24,060
			<u>1,064,237</u>		<u>1,064,237</u>
	Less: Provision for diminution in value of investments		<u>426,243</u>		<u>426,243</u>
			<u>637,994</u>		<u>637,994</u>
			<u>637,994</u>		<u>637,994</u>
B. Unquoted Shares					
Trade Investments:					
10	Kapol Co-Op Bank Ltd	20,000	200,000	20,000	200,000
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	250,000	25,000	250,000
			<u>465,000</u>		<u>465,000</u>
Non Trade Investments:					
10	Parijat Shipping & Finale Ltd	700,000	7,000,000	700,000	7,000,000
			<u>7,000,000</u>		<u>7,000,000</u>
	TOTAL (A+B+C)		<u>8,102,994</u>		<u>8,102,994</u>
	TOTAL (I+II)		<u>8,143,244</u>		<u>8,143,244</u>
	Aggregate cost of quoted investment		1,064,237		1,064,237
	Aggregate market value of quoted investment		83,695		151,616
	Aggregate cost of unquoted investment		7,465,000		7,465,000
	Aggregate provision for diminution in Value		426,243		426,243

13) LONG TERM LOANS AND ADVANCES

(Unsecured considered good, unless stated otherwise)

Capital advances	3,264,877	6,660,838
Deposits	47,162,923	44,607,065
Loans to others	60,483,300	44,227,540
Other loans and advances		
Loans to employees	2,987,497	2,531,670
Prepaid expenses	902,959	203,068
Advance income-tax (Net of provision of taxation)	363,067	272,234
Total	<u>115,164,623</u>	<u>98,552,415</u>

14) INVENTORIES

(As taken, valued and certified by management)

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Stores & spares	11,003,480	8,193,310
Raw materials	174,506,625	211,600,685
Packing materials	31,203,296	21,789,515
Work-in-process	107,672,783	88,107,064
Finished goods	43,019,413	21,779,601
Total	367,405,597	351,470,175

15) TRADE RECEIVABLES

(Unsecured, considered good unless other wise stated)

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

Considered good	10,441,652	33,204,320
Considered doubtful	29,030,530	29,030,530
	<u>39,472,182</u>	<u>62,234,850</u>
Less: Provision for doubtful debts	29,030,530	29,030,530
	<u>10,441,652</u>	<u>33,204,320</u>
Other debts		
Others	501,310,915	356,865,438
Total	511,752,567	390,069,758

16) CASH AND BANK BALANCES

Balance with banks in current accounts	5,578,033	12,820,046
Cheques on hand	-	57,000,000
Cash on hand	915,912	2,297,109
Margin money deposits (with Original maturity up to 12 months)	31,414,272	24,504,289
Total	37,908,217	96,621,444

17) SHORT TERM LOANS AND ADVANCES

(Unsecured considered good, unless stated otherwise)

Loans to employees	936,300	1,250,900
Balance with statutory/ government authorities	259,884,169	191,770,340
Prepaid expenses	13,765,948	12,725,911
Advance income-tax (Net of provision of taxation)	1,600,709	990,996
Advances recoverable in cash or kind	32,839,905	20,545,260
Total	309,027,031	227,283,407

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

18) REVENUE FROM OPERATION

	Year ended 31st March, 2013 ₹	Year ended 31st March, 2012 ₹
Sale of products *	2,504,141,485	1,985,002,256
Other operating income		
Scrap sales	2,463,956	1,666,017
Other	66,741,236	62,950,046
Total	<u><u>2,573,346,677</u></u>	<u><u>2,049,618,319</u></u>

19) OTHER INCOME

Dividend Income		
long-term investments	22,961	21,524
Interest Income		
On fixed deposit	1,757,272	2,949,600
Others	16,205,760	20,220,295
Net profit on sale of assets	85,881	-
Liabilities written back	224,443	4,126,384
Foreign exchange gain (net)	(3,324,367)	26,929,056
Insurance claim	2,224,846	32,857
Miscellaneous income	909,657	2,305,484
Total	<u><u>18,106,453</u></u>	<u><u>56,585,200</u></u>

20) COST OF MATERIALS CONSUMED

Raw material consumption		
Opening stock	211,600,685	116,033,317
Add: Purchases	1,422,477,543	1,189,168,558
	<u>1,634,078,228</u>	<u>1,305,201,875</u>
Less : Closing stock	174,506,625	211,600,685
	<u><u>1,459,571,603</u></u>	<u><u>1,093,601,190</u></u>
Packing materials consumption:		
Opening stock	21,789,515	19,291,714
Add: Purchases	132,586,233	103,908,060
	<u>154,375,748</u>	<u>123,199,774</u>
Less : Closing stock	31,203,296	21,789,515
	<u><u>123,172,452</u></u>	<u><u>101,410,259</u></u>
Total	<u><u>1,582,744,055</u></u>	<u><u>1,195,011,449</u></u>

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

Opening stock		
Finished goods	21,779,601	49,788,439
Work in progress	88,107,064	129,931,718
	<u>109,886,665</u>	<u>179,720,157</u>
Less : Closing stock		
Finished goods	43,019,413	21,779,601
Work in progress	107,672,783	88,107,064
	<u>150,692,196</u>	<u>109,886,665</u>
Net(increase)/ decrease	<u><u>(40,805,531)</u></u>	<u><u>69,833,492</u></u>

**22) EMPLOYEE BENEFIT EXPENSE**

	Year ended 31st March, 2013 ₹	Year ended 31st March, 2012 ₹
Salaries, wages and bonus	179,011,344	151,782,227
Contribution to provident and other fund	15,477,159	14,899,294
Staff welfare expense	15,843,277	13,101,853
Total	210,331,780	179,783,374

23) OTHER EXPENSES

Stores and spares consumed	27,823,531	19,794,163
Power and fuel	111,259,970	85,587,503
Rent	18,360,000	19,167,540
Repairs and maintenance		
Building	6,983,096	2,818,435
Machinery	6,651,536	4,197,300
Others	1,638,337	2,008,034
Insurance	4,012,284	3,807,050
Commission on sales	56,412,791	50,989,718
Selling and distribution expenses	9,147,752	7,509,539
Packing, freight and forwarding	41,035,328	31,706,416
Payment to auditors (refer details below)	377,301	370,127
Printing and stationery	5,139,253	3,691,319
Postage, telegram and telephone	4,668,593	4,372,503
Travelling and conveyance	15,113,080	13,420,597
Legal and professional fees	19,552,228	18,449,203
Rates and taxes	4,841,984	3,551,375
Labour charges	41,067,544	28,307,421
Directors' sitting fees	58,000	54,000
Sundry balances written off	36,160	31,147
Net loss on long-term investments	-	-
Miscellaneous expenses	39,169,652	28,814,939
Total	413,348,421	328,648,330
Payment to auditors		
As auditor		
Audit fee	322,301	315,127
Tax audit fee	55,000	55,000
Total	377,301	370,127

24) FINANCE COST

Interest expense	55,740,921	54,259,150
Other borrowing cost	63,056,575	42,386,328
Total	118,797,496	96,645,478

25) DEPRECIATION AND AMORTISATION

Depreciation on tangible assets	124,626,263	118,037,181
Depreciation on intangible assets	-	-
Total	124,626,263	118,037,181

26) EARNINGS PER EQUITY SHARE

Number of equity shares	39,052,602	39,052,602
Weighted average number of equity shares	39,052,602	39,052,602
Face value per share	10	10
Profit after tax	111,187,413	53,398,130
Less: Dividend on preference shares	-	-
Profit after tax available to equity shareholders	111,187,413	53,398,130
Basic and diluted earning per share	2.85	1.37



27) CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :

	As on 31st March, 2013 ₹	As on 31st March, 2012 ₹
i) Guarantees given by the company's bankers on behalf of the company	11,949,698	5,730,630
ii) Bills discounted with banks	451,413,635	337,849,826
iii) Disputed tax matters		
a) Service Tax demand disputed in appeal	3,295,000	3,295,000
b) Excise duty demand disputed in appeal	4,388,272	3,781,596
c) Demand under drug price control order - 95 (DPCO - 95) demand disputed in appeal	59,134,474	59,134,474
iv) Claims against the company not acknowledged as debts:		-

28) Estimated amount of contracts remaining to be executed on capital account not provided for ₹ 23,93,185/- (Previous year ₹ 1,49,24,075/-)

29) EMPLOYEE BENEFITS :

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

Part A : Gratuity Benefits

	Gratuity benefit Unfunded	
	As on 31/03/13 ₹	As on 31/03/12 ₹
i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at the beginning of the year	25,171,000	20,289,000
Interest cost	1,937,277	1,592,275
Service cost	2,569,238	2,325,621
Actuarial (gain)/ loss	931,554	1,735,219
Benefits paid	(1,910,069)	(771,115)
Obligation at the year end	28,699,000	25,171,000
ii) Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution	1,910,069	771,115
Actuarial (gain)/ loss	-	-
Benefits paid	(1,910,069)	(771,115)
Fair value of plan assets at the end of the year	-	-
Unfunded Status	(28,699,000)	(25,171,000)
iii) Limits of corridor not considered since total actuarial gain/loss is being recognised as on 31st March, 2013		
Actuarial (loss) for the year- obligation	(931,554)	(1,735,219)
Actuarial gain/(loss) for the year- plan assets	-	-
Sub- Total	(931,554)	(1,735,219)
Actuarial loss recognised	931,554	1,795,860
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	28,699,000	25,171,000
Fair value of plan assets at the end of the year	-	-
Liability/(Asset) recognised in the balance sheet	28,699,000	25,171,000



iv) Cost for the year		
Service cost	2,569,238	2,325,621
Interest cost	1,937,277	1,592,275
Expected return on plan assets	-	-
Actuarial (gain)/loss	931,554	1,735,219
Net cost recognised in the statement of profit & loss account	5,438,069	5,653,115
vi) Movement in the liability recognised in the balance sheet		
Opening net liability	25,171,000	20,289,000
Expenses as above	5,438,069	5,653,115
Contribution paid	(1,910,069)	(771,115)
Closing net liability	28,699,000	25,171,000
vii) Assumptions used to determine the benefit obligations:		
Discount rate	8.00%	8.00%
Rate of increase in compensation levels	6.00%	6.00%

Part B : Leave Encashment

	Leave Encashment benefit Unfunded	
	As on 31/03/13 ₹	As on 31/03/12 ₹
i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at the beginning of the year	7,603,000	9,990,000
Interest Cost	546,885	755,658
Service Cost	953,495	856,432
Actuarial (gain)/ loss	959,510	(2,910,545)
Benefits paid	(1,533,890)	(1,088,545)
Obligation at the year end	8,529,000	7,603,000
ii) Change in plan Assets		
Fair value of Plan Assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution	1,533,890	1,088,545
Actuarial (gain)/ loss	-	-
Benefits paid	(1,533,890)	(1,088,545)
Fair value of plan assets at the end of the year	-	-
Unfunded status	(8,529,000)	(7,603,000)
iii) Limits of corridor not considered since total actuarial gain/loss is being recognised as on 31st March, 2013		
Actuarial (loss) for the year- obligation	(959,510)	2,910,545
Actuarial gain/(loss) for the year- plan assets	-	-
Sub- Total	(959,510)	2,910,545
Actuarial loss recognised	959,510	(2,910,545)
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	8,529,000	7,603,000
Fair value of plan assets at the end of the year	-	-
v) Liability/(Asset) recognised in the balance sheet	8,529,000	7,603,000
Cost for the year		
Service cost	953,495	856,432
Interest cost	546,885	755,658
Expected return on Plan Assets	-	-
Actuarial (gain)/loss	959,510	(2,910,545)
Net cost recognised in the statement of profit & loss account	2,459,890	(1,298,455)
vi) Movement in the liability recognised in the balance sheet		
Opening net liability	7,603,000	9,990,000
Expenses as above	2,459,890	(1,298,455)
Contribution paid	(1,533,890)	(1,088,545)
Closing net liability	8,529,000	7,603,000
vii) Assumptions used to determine the benefit obligations:		
Discount rate	8.00%	8.00%
Rate of increase in compensation levels	6.00%	6.00%

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

(a) Business segment:

The Company is engaged primarily in pharmaceuticals business and there are no separate reportable segments as per AS-17

(b) Geographical segment:

Particulars	Year ended 31st March,2013 ₹	Year ended 31st March,2012 ₹
Sales revenue (net)		
In India	559,815,544	513,441,341
Outside India	1,873,141,687	1,410,967,019
Total	2,432,957,231	1,924,408,360

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

32) Disclosure as per accounting standard 18 (AS-18) "Related Party Disclosure" issued by the institute of chartered accountants of India

i) Key management personnel

Shri Surendra Somani - Executive Vice Chairman

Shri Ajit Jain - Director and Chief Operating Officer

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

Particulars	Year ended 31st March, 2013 ₹	Year ended 31st March, 2012 ₹
Key Management Personnel :		
Remuneration paid to personnels	8,697,360	8,922,984

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

34) a) The company has taken certain office/factory premises on operating lease basis. Lease payments in respect of such leases recognised in statement of profit and loss account ₹ 1,83,60,000/- (Previous year ₹ 1,91,67,540/-)

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

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

35) a) "The financial statement of Kopran Research Laboratories Ltd. have been prepared on a going concern basis, notwithstanding the fact that the company has incurred net loss of ₹ 91.77 lacs for the year ended 31st March, 2013 and total accumulated losses of ₹ 3149.79 lacs as on 31st March, 2013. Kopran Research Laboratories Ltd. is a wholly owned subsidiary company of M/s. Kopran Ltd. and is financially supported by the parent company. M/s. Kopran Ltd., the parent company has invested as share capital a sum of ₹ 500 lacs. It has also advanced a sum of ₹ 4731.96 lacs by way of financial support for its day to day expenses. The parent company is committed to continue to provide or arrange such financial support as would be necessary for the company to meet its obligations as they fall due in foreseeable future. In turn Kopran Research Laboratories Ltd. has vide an agreement agreed to give to Kopran Ltd., the right to exploit the patents, intellectual properties and all rights appurtenant there to in any manner so as to recover the dues – current and future.

In view of the above the accounts of the company, for the year ended 31st March 2013, have been prepared on a "going concern" basis.

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



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

36) Previous years' figures have been regrouped wherever necessary.

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

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

For and on behalf of the Board of Directors

Kaushal Mehta
Partner
Membership No. 111749

ABHINAV MATHUR
Company Secretary

SURENDRA SOMANI
Executive Vice-Chairman

SUSHEEL G. SOMANI
Chairman

Place : Mumbai
Date : 29th May, 2013

KOPRAN LIMITED

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

PROXY FORM

I/We _____
of _____ in the district of _____
being a Member(s) of KOPRAN LIMITED hereby

Appoint _____ of _____
in the District of _____ or failing him / her _____
of _____ in the district of _____
or failing him / her _____ in the district of _____

_____ as my/our Proxy to attend and vote for me/us and on my/our behalf at the 54th Annual General Meeting of the Company to be held on Saturday, 14th September, 2013 at Shri S. K. Somani Memorial Hall, HVB Academy, 79, Marine Drive, Mumbai - 4100 020 at 12.00 Noon and at any adjournment thereof.

Signed by the said _____ this _____ day of _____, 2013

Regd. Folio No. _____

DP ID No.* _____

Client ID No.* _____

No. of Shares held _____

Proxy No. _____

Affix A
Re. 1
Revenue
Stamp

Signature of Shareholder

*Applicable if shares are held in electronic form. (To be filled in only when a Proxy attends the meeting)

NOTE :

The Proxy in order to be effective should be, duly completed, stamped, signed and deposited at the Registered Office of the Company at Parijat House, 1076, Dr. E. Moses road, Worli, Mumbai - 400 018 or at the registrar & Share Transfer Agent's office at Bigshare Services Pvt. Ltd. at the address given in the Shareholders' Information elsewhere in the report not less than 48 hours before the time for holding the aforesaid meeting.

.....TEAR HERE

KOPRAN LIMITED

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

ATTENDANCE SLIP

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

I/we hereby record my presence at the 54th ANNUAL GENERAL MEETING held on Saturday, 14th September, 2013 at Shri S. K. Somani Memorial Hall, HVB Academy, 79, Marine Drive, Mumbai - 400 020 at 12.00 Noon.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

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

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