



Kopran

KOPRAN LIMITED
ANNUAL REPORT
2011-2012



BOARD OF DIRECTORS :

Mr. Susheel G. Somani	Chairman
Mr. Surendra Somani	Executive Vice Chairman
Dr. Suresh K. Parikh	Director (resigned w.e.f. 13th July, 2012)
Dr. A. K. Mehta	Director
Mr. V. N. Khanna	Director
Mr. Ajit Jain	Director and Chief Operating Officer
Mr. Amit Rajan	Director (Appointed w.e.f. 13th July, 2012)

COMPANY SECRETARY

Mr. Abhinav Mathur

AUDITORS :

M/s. Batliboi & Purohit
Chartered Accountants, Mumbai

BANKERS :

State Bank of India
The Federal Bank Limited
Canara Bank

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 53rd Annual General Meeting of the company will be held on Saturday, 15th September, 2012 at 10.00 a.m 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 31-March-2012 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. V.N.Khanna, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Dr. A.K.Mehta 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 appoint Mr. Amit Rajan, who was appointed as an Additional Director of the company w.e.f. 13th July, 2012, as a non executive Director of the company.

"RESOLVED THAT Mr. Amit Rajan who was appointed as an Additional Director by the Board of Directors under section 260 of the Companies Act 1956 in the meeting of the Board of Directors held on 13th July, 2012 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."

"RESOLVED FURTHER THAT Mr. Surendra Somani, Executive Vice Chairman of the company be and is hereby authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

By Order of the Board of Directors

Registered Office:
Parijat House, 1076, Dr. E. Moses Road,
Worli, Mumbai – 400 018
Date : 13th July, 2012

Abhinav Mathur
Company Secretary

NOTES:

1. **MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies in order to be effective must be received not less than 48 hours before the meeting at the Registered Office or at the Registrar & Share Transfer Agent's office at **Bigshare Services Pvt. Ltd, E-2 / 3, Ansa Industrial Estate, Saki Naka, Saki Vihar Road, Andheri East, Mumbai – 400 072.**
3. Members / Proxies should bring duly filled in and signed Attendance Slip for attending the meeting.
4. The company's Register of Members and Share Transfer Books will be closed from Wednesday, 12th September, 2012 to Saturday, 15th September, 2012 (both days inclusive).
5. 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:**
 - a. Quote their Folio / DP ID & Client ID numbers in all correspondence with the Company / Registrar & Share Transfer Agent.
 - b. Inform promptly any change in address to the DP / Company / Registrar & Share Transfer Agent.
 - c. Bring their copy of the Annual Report.
 - d. Intimate to the company 10 days in advance, if they desire to seek any further information on the Annual Report, at the ensuing Annual General Meeting.

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

Mr. Amit Rajan was appointed as an Additional Director by the Board of Director w.e.f. 13th July, 2012 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. Amit Rajan for the office of Director.

Mr. Amit Rajan is a Gold medalist in **M.Tech**, in Analytical Chemistry from IIT Delhi and possess strong communication and entrepreneurial skills. Mr. Amit Rajan has more than 17 years of experience in senior management level in reputed companies in Pharma field.

The Board feels that presence of Mr. Amit Rajan 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. Amit Rajan is concerned or interested in this resolution.

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

By Order of the Board of Directors

Registered Office:
Parijat House, 1076, Dr. E. Moses Road,
Worli, Mumbai – 400 018
Date : 13th July, 2012

Abhinav Mathur
Company Secretary

DIRECTORS' REPORT

TO
THE MEMBERS

Your Directors have pleasure in presenting the 53rd Annual Report of the company along with the Audited Statements of Accounts for the year ended on 31-March-2012.

FINANCIAL RESULTS

Particulars	(₹ in Lakhs)	
	For the Financial Year 2011-12	For the Financial Year 2010-11
Total income	20,447	19,876
Profit before Depreciation, Interest and Tax	2,725	2,497
Profit /(Loss) for the period	617	540

DIVIDEND

In view of the carried forward 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 ₹20,447 lacs in the current year as against total revenue of ₹19,876 lacs in the previous year.

During the year, the company earned net profit to ₹617 lacs (Previous Year : ₹540 lacs), thus achieving a growth of 14% in profits.

Consolidated

Consolidated revenue for the year was ₹20,456 lacs as against consolidated revenue of ₹19,883 lacs in the previous year.

Consolidated net profit for the year was ₹534 lacs (Previous Year : ₹453 lacs), thus achieving a growth of 18% in consolidated profits.

SUBSIDIARIES

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

As required under Listing Agreements with the Stock Exchanges, Consolidated Financial Statements of the Company and all its subsidiaries are attached. The Consolidated Financial Statements have been prepared in accordance with the relevant Accounting Standards as prescribed under section 211(3C) of the Companies Act, 1956. These Financial Statements disclose the assets, liabilities, income, expenses and other details of the Company and its subsidiary companies.

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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 31-March-2012, 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 31-March-2012 on a going concern basis.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

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 II 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.

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.

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.

DIRECTORS

Mr. V.N.Khanna and Dr. A.K.Mehta, 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.

Dr. Suresh Parikh has resigned from the Board of Directors of the company w.e.f. 13th July, 2012.

Mr.Amit Rajan has been appointed as a Director in the company w.e.f. 13th July, 2012.

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 2012-2013

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 employees of the Company.

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

For and on behalf of the Board

Susheel G. Somani
Chairman

Date: 13 July, 2012

ANNEXURE I TO THE DIRECTOR'S REPORT

Management Discussion & Analysis

Industrial Overview

The Pharmaceutical Industry continues to grow globally in the Generic segment. India has been ranked very high amongst all the third world countries and is the most preferred country for sourcing for the Regulated markets like the US and Europe. It is estimated to grow to Rs. 2.5 lac crores by the year 2015 providing a great opportunity to the Indian Pharmaceutical Industry.

Kopran Strategy

Kopran has taken up several new projects. Various Drug Master Files and Dossiers of Finished Dosage Forms are being filed for the Regulated markets. This would give an opportunity to have a balanced business between the Regulated markets and the Rest of the World.

Kopran has also launched new products in the acute segments like Oncology and Penems including the Chronic and CNS groups. Our long term strategy for API growth would be to manufacture new products as also integrating them into Dosage Forms and registering the products in various countries.

Internal control systems and their adequacy

The company has effective systems of internal control in place. Controls are in place as:

- 1) Effective systems of accounting and administrative control.
- 2) Existence of Audit Committee of Directors.

Financial performance & review

During the year, the company achieved a total revenue of ₹204.47 crores (Previous Year ₹198.76 crores) and a Profit before Depreciation, Interest & Tax of ₹27.25 crores (Previous Year : ₹24.97 crores) and there is a Net Profit of ₹6.17 crores (Previous Year : ₹5.40 crores)

There was 14% increase in profitability of the company during 2011-12 in comparison to last Financial year 2010-11 .Ratio of domestic and international sales revenue amounted to the ratio of 27:73.

Human Resources / Industrial Relations

The Company's human resources continue to be its biggest asset. The company continuously reviews HR policies and practices and carries out necessary improvements to attract and retain best talent and build intellectual capital.

Your company's endeavor has been to sustain the unique work culture and ethos, enhance employee engagement, build passion and empower them to realize their inherent potential.

Recruitment of talent, training and competency development is vigorously pursued to sustain growth.

The company continued to enjoy healthy industrial relations during the year.

QUALITY

Your company firmly believes that quality is all pervasive and is present in everything we do. Hence continuous 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 the society.

Benchmarking is being pursued in all endeavors to improve efficacy in use of the resources and accomplish the deliverables.

SAFETY HEALTH AND 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.

For and on behalf of the Board

Place : Mumbai
Date : 13-July-2012

Susheel G. Somani
Chairman

ANNEXURE II 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, 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

Sr. No.	Name of Director	Category / Position
1	Mr. Susheel G. Somani	Non-executive Chairman
2	Mr. Surendra Somani	Executive Vice-Chairman
3	Dr. Suresh K. Parikh	Non-executive / Independent (Resigned w.e.f 13 th July, 2012)
4	Mr. V. N. Khanna	Non-executive / Independent
5	Dr. A. K. Mehta	Non-executive / Independent
6	Mr. Ajit Jain	Director & Chief Operating Officer
7	Mr. Amit Rajan	Additional Director(appointed w.e.f. 13 th July, 2012)

Directors' Attendance

Sr. No.	Name of Director	No. of Board Meetings		AGM held on 24-09-2011
		Held	Attended	Attendance
1	Mr. Susheel G. Somani	5	3	Yes
2	Mr. Surendra Somani	5	5	Yes
3	Dr. Suresh K. Parikh	5	5	Yes
4	Mr. V. N. Khanna	5	5	Yes
5	Dr. A. K. Mehta	5	5	Yes
6	Mr. Ajit Jain	5	5	No

Directorships, Chairmanships, Committee memberships in other companies

(As on 31st March 2012)

Sr. No.	Name of Director	No. of directorships held in other companies	Number of committee memberships	
			Chairman	Member
1	Mr. Susheel G. Somani	9	Nil	Nil
2	Mr. Surendra Somani	5	1	1
3	Dr. Suresh K. Parikh	Nil	Nil	Nil
4	Mr. V. N. Khanna	4	Nil	Nil
5	Dr. A. K. Mehta	Nil	Nil	Nil
6.	Mr Ajit Jain	3	Nil	Nil

Number & Dates of Board Meetings

Total Number of Board Meetings held : 5 (Five)

Held on: 14th May,2011, 29th July,2011, 12th November,2011, 11th February, 2012 and 31st March,2012

Remuneration to Directors

Sr. No.	Name of the Directors	Sitting Fees Rs.		Salary & Perks Rs.	Total Rs.
		Board	Committee		
1.	Mr. Susheel G. Somani	6000	-	3042600	6000
2.	Mr. Surendra Somani	-	-		3042600
3.	Dr. Suresh K. Parikh	10000	8000		18000
4.	Mr. V. N. Khanna	10000	8000		18000
5.	Dr. A. K. Mehta	10000	-		10000
6.	Mr Ajit Jain	-	-	5557332	5557332

Committees of the Board

Audit Committee(As on 31st March, 2012)

Sr. No.	Name	Designation	Category	Committee meetings held / attended
1.	Dr. Suresh K. Parikh	Chairman	Non-executive / Independent	4
2.	Mr. V. N. Khanna	Member	Non-executive / Independent	4
3.	Mr. Surendra Somani	Member	Executive Vice-Chairman	4

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.

Grievance Committee((As on 31st March, 2012)

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

The role, terms and scope of the grievances committee are as per Clause 49 of the Listing Agreement.

Remuneration Committee(As on 31st March, 2012)

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

The role, terms and scope of the remuneration committee are as per Clause 49 of the Listing Agreement.

Shareholders' Information

Transfers of Shares

The company has appointed Bigshare Services Pvt. Ltd, E – 2 / 3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri East, Mumbai – 400 072 as Registrars & Share Transfer Agents of the company.

The Compliance Officer designated by the Board is Mr. Abhinav Mathur, Company Secretary of the company.

Details of Share Transfers during 01-April-2011 to 31-March-2012

Type	Transfer Sr. Nos.	No. of Transfers / documents	No. of shares transferred
NSDL	64323-64360	38	12627
CDSL	751-766	16	2900
Physical	47242-47255	14	2350
Total (Previous Year Total Number of shares transferred - 23772)			17877

General Meetings

AGM	Date	Time	Location of the meeting	No. of Special Resolutions passed
48 th	26th March, 2008	04.30 p.m.	Shri. S. K. Somani Memorial Hall, HVB Academy, 79, Marine Drive, Mumbai - 400 020	NIL
49 th	27th September, 2008	12.00 Noon		NIL
Postal Ballot	27th February, 2008	N.A.	Regd. Office : Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai - 400 018	2 (Two)
Postal Ballot	17th August, 2009	N.A.		2 (Two)
50 th	26th September, 2009	10.00 a.m.	Shri. S. K. Somani Memorial Hall, HVB Academy, 79, Marine Drive, Mumbai - 400 020	2 (Two)
51 st	25th September, 2010	10.30 a.m.	Shri. S. K. Somani Memorial Hall, HVB Academy, 79, Marine Drive, Mumbai - 400 020	1 (One)
52 nd	24th September, 2011	12.00 Noon	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. The Register of Contracts containing transactions in which Directors are deemed to be interested is placed before the Board, read out and signed regularly. Transactions with the Related Parties are disclosed in Note No. 33 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.

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), in addition to being published in Free Press Journal and Navshakti, if applicable and also regularly displayed on company's website www.kopran.com.

Shareholders' Information

53rd Annual General Meeting :
 Day, Date & Time : Saturday, 15th September, 2012 at 10.00 a.m.
 Venue : Shri. S. K. Somani Memorial Hall,
 Gr. Floor, 79, Marine Drive, Mumbai-400 020

Financial Calendar (April 2011 to March 2012)

Reporting of Financial Results
 for Quarter ending 30-June-2012 : On or before 14-August-2012
 for Quarter ending 30-September-2012 : On or before 14-November-2012
 for Quarter ending 31-December-2012 : On or before 14-February-2013
 for Quarter ending 31-March-2012 : On or before 15-May-2013

Book Closure

The Register of Members and Share Transfer Books will remain closed from Wednesday, 12th September, 2012 to Saturday, 15th September, 2012 (both days inclusive).

Registered Office

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

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 (Rs.)	Low (Rs.)	Volume of Shares Traded	High (Rs.)	Low (Rs.)	Volume of Shares Traded
April-11	27.70	23.35	5,19,706	27.85	23.20	5,30,781
May-11	25.65	19.55	9,92,187	25.70	19.75	11,65,610
June-11	26.70	20.10	13,54,941	26.40	20.00	20,09,384
July-11	30.15	21.00	22,23,218	30.30	21.05	39,88,184
August-11	30.80	20.25	11,00,441	29.05	21.15	14,99,703
September-11	25.45	21.00	3,45,977	25.55	21.05	5,25,439
October-11	22.80	20.00	3,59,010	22.80	20.00	3,80,664
November-11	20.95	15.55	6,36,224	21.30	15.60	9,72,932
December-11	19.55	13.00	4,20,846	19.50	13.00	4,60,648
January-12	20.60	13.20	5,58,076	20.50	13.05	8,45,028
February-12	21.80	17.60	4,19,946	21.80	17.35	5,34,656
March-12	20.00	13.95	5,39,036	18.80	14.00	6,20,052

Status of Shareholders' Complaints

Nature of Complaints	Number of Complaints		
	Received	Resolved	Pending
Non Receipt of Demat Credit	2	2	0
Non Receipt of Annual Report	1	1	0
Non Receipt of Exchange Share Certificates	1	1	0
Non Receipt of Share Certificate After Transfer	3	3	0
Non Receipt of Demat Rejection Documents	1	1	0
Total	8	8	0

Distribution of Shareholding as on 31-March-2012

By size of shareholdings

No. of Equity Shares held	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
01 to 500	22,927	83.30	40,27,587	10.31
501 to 1000	2,320	8.43	19,78,316	5.07
1001 to 2000	1,085	3.94	17,09,913	4.38
2001 to 3000	352	1.28	9,14,173	2.34
3001 to 4000	165	0.60	6,01,610	1.54
4001 to 5000	165	0.60	7,92,011	2.03
5001 to 10000	244	0.89	18,41,105	4.71
10001 and above	265	0.96	2,71,87,887	69.62
Grand Total	27,523	100.00	3,90,52,602	100.00
No. of Shares in Physical Mode		3,65,053		0.93
No. of Shares in Electronic Mode.		3,86,87,549		99.07

By Category of Shareholders:

Category	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Indian Promoters	36	0.13	1,32,39,953	33.91
Banks	5	0.01	895	0.00
Financial Institutions	6	0.02	10,39,593	2.66
Mutual Funds	3	0.01	500	0.00
FII/NRI/OCBs/	128	0.46	7,16,923	1.84
Trust	2	0.01	4,500	0.01
Resident Individuals	26,679	96.93	1,80,45,537	46.21
Body Corporate (Others)	627	2.28	59,31,970	15.19
Clearing members	39	0.14	72,731	0.18
Total	27,523	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

Registrar & Share Transfer Agents (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.

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 – 400 018.

For and on behalf of the Board

Susheel G. Somani
 Chairman

Date: 13th July, 2012

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 : 13th July, 2012

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 – 400 018.

Place : Mumbai
Date : 13th July 2012

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, 2012 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 – 400 018.
Place : Mumbai
Date : 13th July 2012

For Batliboi & Purohit
Chartered Accountant

Kaushal Mehta
Partner
Membership No.111749

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 2011-12.
2. **TOTAL ENERGY CONSUMPTION IS GIVEN IN FORM A AS FOLLOWS:**

FORM A

Power and fuel consumption :

Particulars	Current Year 2011-12	Previous Year 2010-11
a) Electricity Units (lacs) Total amount (Rs.in lacs) Rate / Units (Rs.)	94.06 602.75 6.41	96.88 547.85 5.65
b) Coal Briquette Quantity (kg) Amount (Rs.) Average Rate (Rs.)	3293161 16465805 5.00	1195783 6019484 5.03
c) HSD Oil (Ltrs) Total amount (Rs. in lacs) Average rate (Rs.)	41527 17.98 43.30	58829 25.93 44.08
d) 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 : ₹12352 Lakhs (Previous Year: ₹11398 Lakhs)
Outgo : ₹590 Lakhs (Previous Year: ₹565 Lakhs)

For and on behalf of the Board

Place : Mumbai
Date : 13th July, 2012

Susheel G. Somani
Chairman

AUDITORS' REPORT

TO THE MEMBERS OF KOPRAN LIMITED

1. We have audited the attached Balance Sheet of **KOPRAN LIMITED ('the Company')** as at 31st March 2012 and also the statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the said Order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet and the statement of Profit and Loss dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, the statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with all Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956.
 - e) According to the information and explanation given to us and on the basis of written representation received from the Directors of the Company, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) *Attention is invited to Note 32 to the financial statements regarding Investment and Advances aggregating Rs.500.61 lakhs and Rs.4,682.05 lakhs respectively, given to a 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 values of investments and advances given are currently unascertainable. Our audit report on the financial statements for the year ended 31st March, 2011 was also modified in respect of the matter stated above.*
 - g) *Subject to our comments in Para 4(f) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India*
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii) In the case of the statement of Profit and Loss, of the Profit for the year ended on that date;
 - iii) In the case of the cash flow statement of the cash flows for the year ended on that date.

For BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg. No. 101048W

Kaushal Mehta
Partner
Membership No.111749

Place: Mumbai
Date: 13th July, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 of our report of even date to the Members of Kopran Limited on the accounts for the Year ended March, 31 2012)

1. (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.
2. (a) The management has conducted physical verification of the inventory during the year under audit.
(b) The 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) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. (a) The company has granted loans to one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the period under audit was Rs. 4,885.70 lakhs and the year-end balance of loan granted to such parties was Rs. 4,682.05 lakhs.
(b) In our opinion and according to the information and explanations given to us, loans referred in clause 3(a) above is interest free and other terms and conditions for the loans is not *prima facie* prejudicial to the interest of the Company.
(c) In respect of loans granted, repayment of the principal amount is as stipulated and the loan given is interest free.
(d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
(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 Rs. 6,356.67 lakhs and the year-end balance of loan taken from such parties was Rs. 5,763.50 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.
4. 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.
5. (a) According to the information and explanation provided by the Management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the act, that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs.5 lakhs or more in respect of a party has been made at price which is reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India, the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply.
7. 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.
8. We have broadly reviewed the books of accounts maintained by the company pursuant to the order 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.
9. (a) According to the information and explanations given to us, and on the basis of our examination of the books of account, 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, service tax, wealth 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 dues payable in respect of Income tax, wealth tax, sales tax, service tax, custom duty, excise duty and cess are in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us, the details of dues in respect of sales tax, income tax, service tax, customs duty, wealth tax, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute are as under:

Financial year	Statute	Nature of Dues	Forum where Dispute is pending	Amount (₹ In lakhs)
1998-02	Central Excise Act	Excise Duty	Commissioner (appeals)	4.39
1998-2000	Central Excise Act	Excise Duty	Central Excise and Service Tax Appellate Tribunal	3.24
2002-03	Central Excise Act	Excise Duty	Central Excise and Service Tax Appellate Tribunal	29.03
2004-05	Central Excise Act	Excise Duty	Central Excise and Service Tax Appellate Tribunal	1.16
2001-02	Central Excise Act	Service Tax	High Court (Mumbai)	32.95
2000-03	Drug Price Control Order – 95	Difference in Pricing	High Court (Mumbai)	591.34

10. The Company has accumulated losses amounting to Rs. 5,408.75 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.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debentures holders.
12. 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.
13. In our opinion, the Company is not a Chit Fund Company or nidhi/mutual benefit fund/society. Therefore the provisions of Clause (xiii) of the Order are not applicable to the Company.
14. In our opinion, the company is not dealing in 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.
15. In our opinion 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 during the year.
16. 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.
17. In our opinion and according to the information and explanation given to us, and on an overall examination of the balance sheet and cash flow of the company, fund raised on short term basis have *prima facie* not been used during the period for long term investments.
18. According to the information and explanations given to us, during the year the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The Company does not have any outstanding debentures at the end of the period.
20. During the period covered by our audit report, the Company has not raised any money by public issues.
21. 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 by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg. No. 101048W

Kaushal Mehta
Partner
Membership No.111749

Place: Mumbai
Date: 13th July, 2012

BALANCE SHEET AS AT 31st MARCH, 2012

	Notes	As at March 31, 2012 ₹	As at March 31, 2011 ₹	
I EQUITY AND LIABILITIES				
1. SHAREHOLDERS' FUNDS				
a	Share Capital	2	476,289,080	476,289,080
b	Reserves and Surplus	3	684,191,829	622,516,376
			1,160,480,909	1,098,805,456
2. NON-CURRENT LIABILITIES				
a	Long-term borrowings	4	645,862,073	732,504,842
b	Long-term provisions	5	31,318,000	28,065,846
			677,180,073	760,570,688
3. CURRENT LIABILITIES				
a	Short-term borrowings	6	311,252,710	304,753,783
b	Trade payables	7	417,092,169	306,405,679
c	Other current liabilities	8	226,914,023	186,121,583
d	Short-term provisions	9	1,149,000	1,840,154
			956,407,902	799,121,199
	Total		2,794,068,884	2,658,497,343
II ASSETS				
1. NON-CURRENT ASSETS				
a	Fixed Assets			
	(i) Tangible assets	10	1,116,021,672	1,121,101,579
	(ii) Capital work-in-progress		-	400,158
b	Non-current investment	11	68,709,994	68,709,994
c	Long-term loans and advances	12	543,148,624	530,287,262
d	Other non-current assets	13	24,504,289	26,637,210
			1,752,384,579	1,747,136,203
2. CURRENT ASSETS				
a	Inventories	14	351,470,175	321,112,331
b	Trade receivables	15	375,161,627	333,631,749
c	Cash and Bank balances	16	70,651,131	7,458,887
d	Short-term loans and advances	17	244,401,372	249,158,173
			1,041,684,305	911,361,140
	Total		2,794,068,884	2,658,497,343
Significant accounting policies	1			

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

SUSHEEL G. SOMANI
Chairman

SURENDRA SOMANI
Executive Vice-Chairman

Place : Mumbai
Date : 13th July, 2012

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2012

	Notes	For the year ended March 31, 2012 ₹	For the year ended March 31, 2011 ₹
I INCOME			
Revenue from operation (gross)	18	2,049,627,005	1,995,287,075
Less: Excise duty		60,573,368	71,504,339
Revenue from operation (net)		1,989,053,637	1,923,782,736
Other income	19	55,624,579	63,814,929
Total Income		2,044,678,216	1,987,597,665
II EXPENSES			
Cost of materials consumed	20	1,194,558,621	1,299,572,412
Purchase of Traded goods		4,272,717	27,980,060
Changes in inventories of finished goods and work in progress	21	69,833,492	(84,836,813)
Employee benefit expense	22	175,196,270	173,404,380
Other expenses	23	328,357,357	321,728,738
Finance cost	24	96,627,249	86,088,554
Depreciation and amortisation expense	25	114,157,057	112,333,176
Total Expenses		1,983,002,763	1,936,270,507
Profit before exceptional items and tax		61,675,453	51,327,158
Exceptional items		-	-
Profit before tax		61,675,453	51,327,158
Tax expense		-	-
Current tax		-	-
Deferred tax		-	-
Prior Years' Tax Adjustments		-	(2,704,586)
Profit/(Loss) for the period		61,675,453	54,031,744
Earnings per equity share (₹)	26		
Basic and Diluted-Par value of ₹ 10/- per share		1.58	1.32
Significant accounting policies	1		

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

SUSHEEL G. SOMANI
Chairman

SURENDRA SOMANI
Executive Vice-Chairman

Place : Mumbai
Date : 13th July, 2012

Cash Flow Statement for year ended 31st March, 2012

PARTICULARS	For the year ended 31st March, 2012 (₹)	For the year ended 31st March, 2011 (₹)
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	61,675,453	51,327,158
Adjusted for :		
Depreciation	114,157,056	112,333,177
Dividend income	(21,524)	(18,650)
Unclaimed balances/ excess provision written back	(4,126,384)	(20,904,167)
Finance cost	96,627,249	86,088,554
Interest income	(23,167,608)	(8,597,678)
Profit on sale of fixed assets	-	(2,316)
Loss on sale of investments	-	400,000
Sundry balances written off	31,147	91,430
	245,175,389	220,717,508
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS		
Adjustments for :		
Trade Receivables	(41,529,878)	(33,568,955)
Inventories	(30,357,844)	(59,524,114)
Loans and advances and other assets	7,562,193	23,536,927
Trade Payables	110,686,489	25,754,787
Other liabilities and provisions	59,112,125	20,066,451
Cash generated from operations	350,648,474	196,982,604
Direct Taxes (paid) / refund (net)	474,118	(860,877)
(a) NET CASH FLOW FROM / (USED IN) OPERATION ACTIVITIES	351,122,592	196,121,727
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including capital work in progress)	(108,676,993)	(50,210,574)
Sale of Fixed Assets	-	58,142
Withdrawal of margin deposits	2,576,097	13,700,505
Purchase of investments	-	(500,000)
Sales of investments	-	35,249,800
Interest Received	6,552,413	8,597,678
Dividend Received	21,524	18,650
(b) NET CASH FROM / (USED) IN INVESTING ACTIVITIES	(99,526,959)	6,914,201
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (net of expenses)	-	14,625,000
Repayment of borrowings (net)	(80,143,843)	(125,421,933)
Finance cost	(104,659,546)	(91,189,732)
Dividend Paid	(3,600,000)	-
(c) NET CASH FROM / (USED) IN FINANCING ACTIVITIES	(188,403,389)	(201,986,665)
NET INCREASE IN CASH AND CASH EQUIVALENTS (a+b+c)	63,192,244	1,049,264
CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR, COMPRISING :		
Cash	1,470,173	555,293
Cheques on hand	-	-
Balances with scheduled banks on Current accounts	5,988,714	5,854,330
	7,458,887	6,409,623
CASH AND CASH EQUIVALENTS AS AT THE END 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
	70,651,131	7,458,887
NET INCREASE / (DECREASE) AS DISCLOSED ABOVE	63,192,244	1,049,264

Per our report of attached.

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

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : 13th July, 2012

ABHINAV MATHUR
Company Secretary

SUSHEEL G. SOMANI
Chairman

SURENDRA SOMANI
Executive Vice-Chairman

For and on behalf of the Board of Directors

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

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 Statement of 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 Statement of 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 March 31, 2012		As at March 31, 2011	
	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	70,000,000	700,000,000	70,000,000	700,000,000
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	39,052,602	390,526,020	39,052,602	390,526,020
(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	8,580,000	85,800,000	8,580,000	85,800,000
Total	47,632,602	476,326,020	47,632,602	476,326,020
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	39,052,602	390,489,080	39,052,602	390,489,080
(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	8,580,000	85,800,000	8,580,000	85,800,000
Total	47,632,602	476,289,080	47,632,602	476,289,080

a) Terms / Rights attached to equity shares

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

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

b) Terms of redemption of preference shares

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

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

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

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

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

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

	As at March 31, 2012		As at March 31, 2011	
	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				
S.V Trading and Agencies Ltd	-	-	5,580,000	65.00%
Canara Bank	-	-	1,000,000	12.00%
Bajaj Holdings & Investment Ltd	-	-	2,000,000	23.00%
Sarvamangal Mercantile Co. Ltd	5,580,000	65.00%	-	-
Kopran Laboratories Ltd	1,000,000	12.00%	-	-
Susheel G. Somani and Mridula Somani	1,200,000	14.00%	-	-
Mohit Kabra	800,000	9.00%	-	-

3) RESERVES AND SURPLUS

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
(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) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(602,550,632)	(656,582,376)
Add: Profit / (Loss) for the year	61,675,453	54,031,744
Closing balance	(540,875,179)	(602,550,632)
Total	684,191,829	622,516,376

4) LONG-TERM BORROWINGS

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Rupee loans from Banks (Secured)		
Term loans	30,000,101	-
Working Capital Term Loans (WCTL)	24,712,393	73,940,653
Vehicles Finance Loans	143,126	302,521
Inter Corporate Deposits (Unsecured)		
(a) Related Parties (Ref. Note No. 33)	576,350,443	649,667,377
(b) Others	14,656,010	8,594,291
Total	645,862,073	732,504,842

- (a) Term loan carries interest base rate +5.75% 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) WCTL carried interest base Rate + 4.80% p.a. to 5.75% p.a. during the year 2011-12 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).
- (c) Vehicle Finance loan carries interest @12.40 % p.a. and is repayable in 35 equal monthly installments of ₹ 15,892 (Including Interest) from April 2011. The loans is secured by hypothecation of Vehicles.

5) LONG TERM PROVISIONS

Provision for employee benefits		
Gratuity (Ref. Note No. 29)	24,174,000	19,340,885
Leave encashment (Ref. Note No. 29)	7,144,000	8,724,961
Total	31,318,000	28,065,846

6) SHORT-TERM BORROWINGS

Cash Credit / Packing Credit *	216,545,560	190,249,861
Buyers Credit	94,707,150	114,503,922
Total	311,252,710	304,753,783

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

7) TRADE PAYABLES

Trade payables (including acceptances)		
Related parties (Ref. Note No. 33)	40,983,901	28,946,433
Others	376,108,268	277,459,246
Total	417,092,169	306,405,679

"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

Current maturities of long-term borrowings
Interest accrued but not due on borrowings
Interest accrued and due on borrowings
Unpaid dividends **
Interest free Trade Deposits
Advance from Customers
Statutory liabilities

Other payables

Creditors for Capital goods
Employees Related
Others

Total

As at March 31, 2012 ₹	As at March 31, 2011 ₹
69,387,655	50,804,273
-	7,500,000
-	532,297
-	3,600,000
2,438,877	3,911,734
20,402,956	14,518,447
4,590,629	6,130,567
21,284,030	8,575,654
21,042,815	16,014,944
87,767,061	74,533,667
226,914,023	186,121,583

** Not due for deposit to Investor Education and Protection Fund

9) SHORT TERM PROVISIONS

Provision for employee benefits
Gratuity (Ref. Note No. 29)
Leave encashment (Ref. Note No. 29)

Total

813,000	771,115
336,000	1,069,039
1,149,000	1,840,154

10) TANGIBLE ASSETS

(in ₹)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2011	Additions during the year	Deductions during the year	As at March 31, 2012	Upto 1st April 2011	For the year	Deductions during the year	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011
1. Lease Hold Land	4,375,252	-	-	4,375,252	628,992	46,056	-	675,048	3,500,204	3,546,260
2. Free Hold Land	560,240	-	-	560,240	-	-	-	-	560,240	560,240
3. Buildings	280,350,974	12,282,615	-	272,633,589	93,692,285	8,713,616	-	102,405,901	170,227,688	166,658,689
4. Plant & Machinery	2,118,193,480	94,896,212	-	2,213,091,692	1,177,223,435	102,794,883	-	1,280,018,318	933,073,374	940,970,044
5. Furniture and Fixtures	29,900,395	62,200	-	29,962,595	27,159,838	501,973	-	27,661,811	2,300,784	2,740,562
6. Tube Well	60,208	106,450	-	166,658	46,998	3,372	-	50,370	116,288	13,209
7. Office Equipments	10,005,465	118,808	-	10,124,273	7,749,654	323,559	-	8,073,213	2,051,060	2,255,810
8. Computers	27,461,693	1,608,866	-	29,070,559	25,544,592	1,128,169	-	26,672,761	2,397,798	1,917,101
9. Vehicles	16,280,030	-	-	16,280,030	13,840,366	645,428	-	14,485,794	1,794,236	2,439,664
TOTAL	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	1,121,101,579
Previous Year	2,416,032,692	52,356,061	1,201,045	2,467,187,737	1,234,896,200	112,333,177	1,145,219	1,346,086,158	1,121,101,579	1,181,134,491

11) INVESTMENTS (AT COST)

Face Value ₹	As at March 31, 2012		As at March 31, 2011	
	Nos.	₹	Nos.	₹
Long Term Investments (At Cost)				
I. In Government Securities (Non-Trade) :				
	—	40,250	—	40,250
	7 years National Savings Certificate (Lodged with Collector of Central Excise and Sales Tax Authority- Mumbai)			
II. In Equity Shares (Fully Paid-up)				
A. Quoted Shares (Non-Trade)				
10	400	199,608	400	199,608
1	200	48,235	200	48,235
10	2874	792,334	2874	792,334
10	30	24,060	30	24,060
		1,064,237		1,064,237
		426,243		426,243
		637,994		637,994
		637,994		637,994
	Less: Provision for diminution in value of investments			
		426,243		426,243
		637,994		637,994
		637,994		637,994
B. Unquoted Shares				
Trade Investments:				
10	20000	200,000	20000	200,000
10	1000	10,000	1000	10,000
10	500	5,000	500	5,000
10	25000	250,000	25000	250,000
		465,000		465,000
Non Trade Investments:				
10	700000	7,000,000	700000	7,000,000
		7,000,000		7,000,000
C. Investment in Wholly Owned Subsidiary Companies:(Unquoted)				
1 HK\$	2318750	10,006,000	2318750	10,006,000
10	50000	500,000	50000	500,000
10	5000000	50,060,750	5000000	50,060,750
		60,566,750		60,566,750
		TOTAL (A+B+C)	68,669,744	
		TOTAL (I+II)	68,709,994	
		Aggregate Cost of Quoted Investment	637,994	
		Aggregate Market Value of Quoted Investment	192,101	
		Aggregate Cost of Unquoted Investment	68,072,000	
12) LONG TERM LOANS AND ADVANCES				
(Unsecured considered good, unless stated otherwise)				
Capital advances		6,660,838		6,603,378
Deposits		44,475,508		47,971,608
Loans and advances to Subsidiary (Ref. Note No.33)		445,000,000		445,000,000
Loans to others		44,277,540		28,071,780
Other loans and advances				
Loans to employees		2,531,670		2,313,508
Prepaid expenses		203,068		326,988
		Total	543,148,624	
			530,287,262	

13 OTHER NON-CURRENT ASSETS

(Unsecured considered good, unless otherwise stated)

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Balance in banks for margin money	24,061,113	26,637,210
Interest accrued on fixed deposits	443,176	-
Total	24,504,289	26,637,210

14 INVENTORIES

(As taken, valued and certified by Management)

Stores & Spares	8,193,310	6,067,143
Raw Materials	211,600,685	116,033,317
Packing Materials	21,789,515	19,291,714
Work-in-Process	88,107,064	129,931,718
Finished Goods	21,779,601	49,788,439
Total	351,470,175	321,112,331

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

Debts due from related parties	1,150,425	1,008,629
Others	33,204,320	47,560,463
Considered doubtful	29,030,530	29,030,530
	63,385,275	77,599,622
Less: Provision for doubtful debts	29,030,530	29,030,530
	34,354,745	48,569,092
Other debts		
Others	340,806,882	285,062,657
Total	375,161,627	333,631,749

16 CASH AND BANK BALANCES

Balance with Banks in Current accounts	12,100,006	5,988,714
Cheques on hand	57,000,000	-
Cash on hand	1,551,125	1,470,173
Total	70,651,131	7,458,887

17) SHORT TERM LOANS AND ADVANCES

(Unsecured considered good, unless stated otherwise)

Loans to employees	1,250,900	1,428,100
Balance with statutory/ government authorities	191,770,340	183,447,938
Prepaid expenses	12,725,911	6,262,808
Advance income-tax (Net of provision of taxation)	990,996	1,465,114
Advances recoverable in cash or kind :		
Advances to Subsidiary (Ref. Note No.33)	23,204,969	43,262,106
Others	14,458,256	13,292,107
Total	244,401,372	249,158,173

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS ACCOUNT

18) REVENUE FROM OPERATION

	Year ended 31st March, 2012 ₹	Year ended 31st March, 2011 ₹
Sale of products *	1,985,010,942	1,925,906,916
Other operating income		
Scrap sales	1,666,017	1,857,335
Other	62,950,046	67,522,824
Total	2,049,627,005	1,995,287,075
* Detail of Sale of Product		
Bulk Drugs	998,783,808	1,053,270,306
Tablet /Capsules/Liquids	986,227,134	872,636,610
Total	1,985,010,942	1,925,906,916

19) OTHER INCOME

Dividend Income		
long-term investments	21,524	18,650
Interest Income		
On Fixed Deposit	2,949,600	1,319,487
Others	20,218,008	9,917,165
Net profit on sale of assets	-	2,316
Liabilities written back	4,126,384	20,904,167
Foreign exchange gain (net)	26,929,056	23,524,327
Insurance Claim	32,857	4,012,061
Miscellaneous Income	1,347,150	4,116,756
Total	55,624,579	63,814,929

20) COST OF MATERIALS CONSUMED

Raw Material Consumption		
Opening Stock	116,033,317	129,398,201
Add: Purchases	1,188,715,731	1,187,163,270
	1,304,749,048	1,316,561,471
Less : Closing Stock	211,600,685	116,033,317
	1,093,148,363	1,200,528,154
Packing Materials Consumption:		
Opening Stock	19,291,714	28,718,661
Add: Purchases	103,908,059	89,617,311
	123,199,773	118,335,972
Less : Closing Stock	21,789,515	19,291,714
	101,410,258	99,044,258
Total	1,194,558,621	1,299,572,412
Details of Raw Material Consumption		
1) 7 A.C.A.	119,095,148	148,477,963
2) P.H.P.A.	16,922,629	55,988,607
3) Ceftriaxone Sodium N.S.	41,686,507	140,697,523
4) P.H.A.P	56,175,060	19,596,713
5) CMMHA	56,796,979	19,123,820
6) Amoxicillin Trihydrate	158,573,078	150,799,926
7) Erythromycin Stearate	77,409,870	59,356,348
8) Others	566,489,092	606,487,254

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

	Year ended 31st March, 2012 ₹	Year ended 31st March, 2011 ₹
Opening stock		
Finished goods	49,788,439	70,648,055
Work in progress	129,931,718	24,235,289
	<u>179,720,157</u>	<u>94,883,344</u>
Less : Closing 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>
Net (increase)/ decrease	<u>69,833,492</u>	<u>(84,836,813)</u>
Details of Inventory		
Finished goods		
Bulk Drugs	9,452,772	12,212,751
Tablet /Capsules/Liquids	12,326,829	37,575,688
	<u>21,779,601</u>	<u>49,788,439</u>
Work in progress		
Bulk Drugs	76,869,198	117,234,431
Tablet /Capsules/Liquids	11,237,866	12,697,287
	<u>88,107,064</u>	<u>129,931,718</u>

22) EMPLOYEE BENEFIT EXPENSE

Salaries, wages and bonus	147,559,756	147,087,911
Contribution to provident and other fund	14,654,885	13,117,832
Staff welfare expense	12,981,629	13,198,637
Total	<u>175,196,270</u>	<u>173,404,380</u>

23) OTHER EXPENSES

Stores and Spares consumed	19,794,163	22,125,818
Power and Fuel	85,587,503	90,294,054
Rent	19,167,540	19,364,670
Repairs and Maintenance		
Building	2,818,435	6,207,481
Machinery	4,197,300	7,866,108
Others	2,008,034	1,829,602
Insurance	3,807,050	2,851,436
Commission on Sales	50,989,718	35,629,611
Selling and Distribution Expenses	7,509,539	10,731,321
Packing, Freight and Forwarding	31,706,416	25,535,841
Payment to Auditors (Refer details Below)	300,000	300,000
Printing and Stationery	3,690,024	4,044,052
Postage, Telegram and Telephone	4,358,220	3,421,638
Travelling and Conveyance	13,258,434	13,188,080
Legal and Professional Fees	18,424,203	17,738,976
Rates and taxes	3,547,060	4,173,635
Labour Charges	28,307,421	24,638,982
Directors' Sitting Fees	54,000	48,000
Sundry Balances written off	31,147	91,430
Net loss on long-term investments	-	400,000
Miscellaneous Expenses	28,801,150	31,248,003
Total	<u>328,357,357</u>	<u>321,728,738</u>
Payment to auditors		
As auditor		
Audit fee	245,000	245,000
Tax audit fee	55,000	55,000
Total	<u>300,000</u>	<u>300,000</u>



24) FINANCE COST

Interest expense
Other borrowing cost

Total

**Year ended
31st March, 2012
₹
54,259,150
42,368,099
96,627,249**

**Year ended
31st March, 2011
₹
57,653,721
28,434,832
86,088,554**

25) DEPRECIATION AND AMORTISATION EXPENSE

Depreciation on tangible assets

Total

**114,157,057
114,157,057**

**112,333,176
112,333,176**

26) EARNINGS PER EQUITY SHARE

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

**39,052,602
39,052,602
10
61,675,453
-
61,675,453
1.58**

**39,052,602
38,347,397
10
54,031,744
3,258,000
50,773,744
1.32**

27) CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

	As on 31/03/12 ₹	As on 31/03/11 ₹
i) Guarantees given by the Company's bankers on behalf of the Company	5,730,630	9,709,038
ii) Bills discounted with Banks	337,849,826	207,222,858
iii) Disputed Tax Matters		
a) Sales Tax demand disputed in appeal	-	3,912,977
b) Service Tax demand disputed in appeal	3,295,000	9,398,218
c) Excise Duty demand disputed in appeal	3,781,596	1,377,189
d) 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:	-	86,883,219

28) Estimated amount of contracts remaining to be executed on capital account not provided for ₹1,49,24,075/-
(Previous year ₹1,10,70,744/-)

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 31/03/2012 ₹	As on 31/03/2011 ₹
i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at the beginning of the year	20,112,000	18,289,000
Interest Cost	1,578,115	1,363,140
Service Cost	2,272,140	1,999,385
Actuarial (gain)/ loss	1,795,860	959,987
Benefits paid	(771,115)	(2,499,512)
Obligation at the year end	24,987,000	20,112,000
ii) Change in plan Assets		
Fair value of Plan Assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution	771,115	2,499,512
Actuarial (gain)/ loss	-	-
Benefits paid	(771,115)	(2,499,512)
Fair value of Plan Assets at the end of the year	-	-
Unfunded Status	(24,987,000)	(20,112,000)
iii) Limits of Corridor not considered since total actuarial gain/loss is being recognised as on 31-03-2012		
Actuarial (loss) for the year- obligation	(1,795,860)	(959,987)
Actuarial gain/(loss) for the year- Plan Assets	-	-
Sub- Total	(1,795,860)	(959,987)
Actuarial loss recognised	1,795,860	959,987
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	24,987,000	20,112,000
Fair value of Plan Assets at the end of the year	-	-
Liability/(Asset) recognised in the Balance Sheet	24,987,000	20,112,000
v) Cost for the year		
Service cost	2,272,140	1,999,385
Interest cost	1,578,115	1,363,140
Expected return on Plan Assets	-	-
Actuarial (gain)/loss	1,795,860	959,987
Net cost recognised in the Statement of Profit & Loss Account	5,646,115	4,322,512

vi) Movement in the liability recognised in the Balance Sheet		
Opening Net Liability	20,112,000	18,289,000
Expenses as above	5,646,115	4,322,512
Contribution paid	(771,115)	(2,499,512)
Closing Net Liability	24,987,000	20,112,000
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 31/03/2012 ₹	As on 31/03/2011 ₹
i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at the beginning of the year	9,794,000	8,538,000
Interest Cost	740,758	621,466
Service Cost	832,849	1,055,905
Actuarial (gain)/ loss	(2,818,568)	1,117,976
Benefits paid	(1,069,039)	(1,539,347)
Obligation at the year end	7,480,000	9,794,000
ii) Change in plan Assets		
Fair value of Plan Assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution	1,069,039	1,539,347
Actuarial (gain)/ loss	-	-
Benefits paid	(1,069,039)	(1,539,347)
Fair value of Plan Assets at the end of the year	-	-
Unfunded Status	(7,480,000)	(9,794,000)
iii) Limits of Corridor not considered since total actuarial gain/loss is being recognised as on 31-03-2012		
Actuarial (loss) for the year- obligation	2,818,568	(1,117,976)
Actuarial gain/(loss) for the year- Plan Assets	-	-
Sub- Total	2,818,568	(1,117,976)
Actuarial loss recognised	(2,818,568)	1,117,976
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	7,480,000	9,794,000
Fair value of Plan Assets at the end of the year	-	-
Liability/(Asset) recognised in the Balance Sheet	7,480,000	9,794,000
v) Cost for the year		
Service cost	832,849	1,055,905
Interest cost	740,758	621,466
Expected return on Plan Assets	-	-
Actuarial (gain)/loss	(2,818,568)	1,117,976
Net cost recognised in the Statement of Profit & Loss Account	(1,244,961)	2,795,347
vi) Movement in the liability recognised in the Balance Sheet		
Opening Net Liability	9,794,000	8,538,000
Expenses as above	(1,244,961)	2,795,347
Contribution paid	(1,069,039)	(1,539,347)
Closing Net Liability	7,480,000	9,794,000
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 March 31, 2012 ₹	Year ended March 31, 2011 ₹
Sales Revenue (Net)		
In India	513,470,555	685,118,537
Outside India	1,410,967,019	1,169,284,040
Total	1,924,437,574	1,854,402,577

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) The Company has made an investment of ₹ 5,00,60,750/- and has also advanced a sum of ₹ 46,82,04,969/- 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.

33) 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) Company Under Common Control

- Oricon Enterprises Ltd.
- Oricon Properties Pvt Ltd.

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

Particulars	Year ended 31st March, 2012 ₹	Year ended 31st March, 2011 ₹
Subsidiary Company:		
Sale of Materials	8,686	11,582
Repayment of Advances received	20,505,730	72,981,187
Advances	-	448,593
Key Management Personnel :		
Remuneration paid to personnels	8,922,984	12,391,807
Company Under Common Control		
Purchases of Materials	123,498,681	118,023,767
Rent Paid	18,000,000	18,000,000
Interest Paid	4,092,296	3,540,630
Loans Received	52,083,066	103,186,567
Repayment of Loan received	125,400,000	86,800,000
Outstanding Balances of Related party:		
Receivable from wholly owned subsidiary Companies		
a) Kopran Research Laboratories Ltd.	468,204,969	488,262,106
b) Kopran (H. K.) Ltd.	1,150,425	1,008,629
Payable to Company Under common Control		
Loans		
a) Oricon Enterprises Ltd.	30,321,243	40,738,177
b) Oricon Properties Pvt Ltd.	546,029,200	602,629,200
Trade Payable		
a) Oricon Enterprises Ltd.	40,983,901	28,946,433
Receivable from Associate Enterprises		
Pharmaceutical Business Group (I) Ltd.	-	1,520,000
Investments:		
a) In Subsidiaries	60,566,750	60,566,750

34) In the opinion of the Board, Current Assets and Loans and Advances are approximately of the value stated if realised in the ordinary course of business. The provision for all known and determined liabilities are adequate and not in excess of the amounts reasonably required. The balances of few creditors are subject to their confirmation.

35) DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

(a) Particulars of Derivatives as at Balance Sheet Date:

Purpose		Particulars of Derivative	
		2011-2012	2010-2011
Hedge of Export Debtors by Forward Contracts	USD	14,687,724	8,750,000
Forward Contract Value	₹	722,429,945	416,336,884

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

Particulars of Derivative	2011-2012		2010-2011	
	Amount (₹)	Foreign Currency	Amount (₹)	Foreign Currency
Payables	204,344,002 2,560,497 639,943	USD-40,16,985 EURO-37,732 GBP-7,841	138,933,056 4,320,556 2,834,149	USD-31,15,090 EURO-68,169 GBP-39,473
Receivables	261,390,737 950,040 455,158	USD 51,38,406 EURO-14,000 GBP-5,577	186,218,934 - -	USD 41,75,312 - -
Foreign Currency Bank Account	8,011,057	USD -1,57,481	1,608,336	USD -36,061
Investments	15,553,642	HKD-23,18,750	13,318,900	HKD-23,18,750

36) 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 ₹ 1,91,67,540/- (Previous year ₹ 1,93,64,670/-)

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.

CONSUMPTION OF RAW MATERIALS AND STORES AND SPARES

Items	Value ₹	Percentage
a) Raw materials		
Imported (including purchase through canalising agencies and high seas)	486,222,789 (594,381,250)	44.48 (49.51)
Indigenous	606,925,574 (606,146,904)	55.52 (50.49)
b) Stores and Spares		
Indigenous	19,794,163 (22,125,818)	100.00 (100.00)

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

Items	Year ended 31st March, 2012 ₹	Year ended 31st March, 2011 ₹
a) Raw / Packing Materials	502,861,833	541,871,056
b) Capital Goods	3,406,755	9,650,446

39) EARNINGS IN FOREIGN EXCHANGE

	Year ended March 31, 2012 ₹	Year ended March 31, 2011 ₹
FOB Value of Exports	1,235,200,097	1,139,750,823

40) EXPENDITURE IN FOREIGN CURRENCY

	Year ended March 31, 2012 ₹	Year ended March 31, 2011 ₹
Commission	48,508,523	39,248,986
Legal & Professional Charges	312,225	170,894
Registration Fees	926,587	28,476
Export Promotion Expenses	2,165,454	3,268,841
Travelling Expenses	4,317,295	9,060,585
Others	2,771,174	4,764,483

41) PREVIOUS YEAR FIGURES

Till the year ended 31.03.2011, the company was using pre revised schedule VI to the Companies Act, 1956 for preparation and presentation of its financial statements. During the year ended 31.03.2012, the revised schedule VI notified under the Companies Act, 1956 has become applicable to the company. The company has reclassified previous year figures to confirm to this year's classification. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

Per our report of attached.

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

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : 13th July, 2012

For and on behalf of the Board of Directors

ABHINAV MATHUR
Company Secretary

SUSHEEL G. SOMANI
Chairman

SURENDRA SOMANI
Executive Vice-Chairman

**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 ended on :	31st March, 2012	31st March, 2012	31st March, 2012
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 amount of Subsidiary's Profits / (Losses) so far as it concerns the members of the Holding Company not dealt within the Holding Company's Account.			
i) For the Subsidiary's Financial year ended as aforesaid :	HK \$ (11534.47)	₹(81,93,737)	₹(12,204)
ii) For the Previous Financial Years since it became the Holding Company's Subsidiary :	HK \$ (10336.38)	₹(85,90,579)	₹(38,070)
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 : 13th July, 2012

ABHINAV MATHUR
Company Secretary

SUSHEEL G. SOMANI
Chairman

SURENDRA SOMANI
Executive Vice-Chairman

AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF KOPRAN LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the attached consolidated balance sheet of Kopran Limited and its subsidiaries. (The Company and its subsidiaries constitute "The Group") as at 31st March, 2012, and also the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. a) We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs. 2403.36 lacs as at 31st March 2012, total revenue of Rs.9.61 lacs and net cash inflows amounting to Rs. 1.79 lacs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the management of the Group. Our opinion, in so far relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.
b) We report the consolidated financial results have been prepared by the management of Kopran Limited in accordance with the requirements of Accounting Standards 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.
4. *The auditors of Kopran Research Laboratories Ltd have qualified their audit opinion stating that, the accounts have been made on going concern basis inspite of net loss of Rs.81.94 lacs incurred during the year by the Company and having accumulated loss of Rs.3058.05 lacs, which exceeds the reserves and the paid up capital of the Company.*
5. *In case of Kopran Research Laboratories Ltd, the other auditors have qualified their audit opinion stating that 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.*
6. *Subject to our comments in para 4, and 5 above and based on our Audit and on consideration of reports of other auditors on separate financial statements and on the other financial information, and to the best of our information and according to the explanation given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:*
 - (i) in the case of the consolidated balance sheet, of the state of affairs of the Group as at 31st March, 2012;
 - (ii) in the case of the consolidated statement of Profit and Loss, of the Consolidated Profit of the group for the year ended on that date.
 - (iii) in the case of the consolidated cash flow statement, of the cash flows of the Group for the year ended on that date.

For BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg. No.101048W

Kaushal Mehta
Partner
Membership No.111749

Place : Mumbai
Date : 13th July, 2012

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2012

	Notes	As at March 31, 2012 ₹	As at March 31, 2011 ₹	
I EQUITY AND LIABILITIES				
1. SHAREHOLDERS' FUNDS				
a	Share Capital	2	476,289,080	476,289,080
b	Reserves and Surplus	3	383,936,557	328,350,549
			860,225,637	804,639,629
2. NON-CURRENT LIABILITIES				
a	Long-term borrowings	4	645,862,073	732,504,842
b	Other long term liabilities	5	2,500,000	1,000,000
c	Long-term provisions	6	31,620,000	28,438,846
			679,982,073	761,943,688
3. CURRENT LIABILITIES				
a	Short-term borrowings	7	316,552,710	310,053,781
b	Trade payables	8	418,169,690	307,368,553
c	Other current liabilities	9	228,456,577	187,241,283
d	Short-term provisions	10	1,154,000	1,840,154
			964,332,977	806,503,771
	Total		2,504,540,687	2,373,087,088
II ASSETS				
1. NON-CURRENT ASSETS				
a	Fixed Assets			
	(i) Tangible assets	11	1,143,102,072	1,152,060,171
	(ii) Intangible assets	11	57,600	57,600
	(iii) Capital work-in-progress		189,240,572	189,640,728
b	Non-current investment	12	8,143,244	9,562,242
c	Long-term loans and advances	13	98,552,415	99,622,652
d	Other non-current assets	14	24,504,289	26,637,210
			1,463,600,192	1,477,580,603
2. CURRENT ASSETS				
a	Inventories	15	351,470,175	321,112,331
b	Trade receivables	16	390,069,758	344,918,192
c	Cash and Bank balances	17	72,117,155	8,587,805
d	Short-term loans and advances	18	227,283,407	220,888,157
			1,040,940,495	895,506,485
	Total		2,504,540,687	2,373,087,088
Significant accounting policies	1			

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

SUSHEEL G. SOMANI
Chairman

SURENDRA SOMANI
Executive Vice-Chairman

Place : Mumbai
Date : 13th July, 2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

	Notes	For the year ended March 31, 2012 ₹	For the year ended March 31, 2011 ₹
I INCOME			
Revenue from operation (gross)	19	2,049,618,319	1,995,275,493
Less: Excise duty		60,573,368	71,504,339
Revenue from operation (net)		1,989,044,951	1,923,771,154
Other income	20	56,585,200	64,496,020
Total Income		2,045,630,151	1,988,267,174
II EXPENSES			
Cost of materials consumed	21	1,195,011,449	1,299,815,108
Purchase of Traded goods		4,272,717	27,980,060
Changes in inventories of finished goods and work in progress	22	69,833,492	(84,836,813)
Employee benefit expense	23	179,783,374	178,476,226
Other expenses	24	328,648,330	321,872,367
Finance cost	25	96,645,478	86,101,029
Depreciation and amortisation expense	26	118,037,181	116,222,331
Total Expenses		1,992,232,021	1,945,630,308
Profit before exceptional items and tax		53,398,130	42,636,866
Exceptional items		-	-
Profit before tax		53,398,130	42,636,866
Tax expense		-	-
Current tax		-	-
Deferred tax		-	-
Prior Years' Tax Adjustments (Net)		-	(2,704,586)
Profit/(Loss) for the period		53,398,130	45,341,452
Earnings per equity share (₹)	27		
Basic and Diluted-Par value of ₹10/- per share		1.37	1.10
Significant accounting policies	1		

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

SUSHEEL G. SOMANI
Chairman

SURENDRA SOMANI
Executive Vice-Chairman

Place : Mumbai
Date : 13th July, 2012

Consolidate Cash Flow Statement for year ended 31st March, 2012

PARTICULARS	For the year ended March 31, 2012 (₹)	For the year ended March 31, 2011 (₹)
A. NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	53,398,130	42,636,866
Adjusted for :		
Depreciation	118,037,181	116,222,331
Dividend income	(21,524)	(18,650)
Unclaimed balances/ excess provision written back	(4,126,384)	23,524,327
Finance cost	96,645,478	86,101,029
Interest income	(23,169,895)	(11,236,652)
Profit on sale of fixed assets	-	(2,316)
Loss on sale of investments	-	400,000
Sundry balances written off	31,147	91,430
	240,794,133	257,718,365
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS		
Adjustments for :		
Trade Receivables	(45,151,567)	(53,219,222)
Inventories	(30,357,844)	(59,524,114)
Loans and advances and other assets	10,391,741	34,101,392
Trade Payables	110,801,137	(108,184,167)
Other liabilities and provisions	60,968,975	104,365,059
Effect of change in exhcng fluctuation reserve	2,187,879	3,548,841
Cash generated from operations	349,634,454	178,806,152
Direct Taxes (paid) / refund (net)	424,118	(907,000)
(a) NET CASH FLOW FROM / (USED IN) OPERATION ACTIVITES	350,058,572	177,899,152
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including capital work in progress)	(108,678,926)	(50,210,250)
Sale of Fixed Assets	-	58,142
Withdrawal of margin deposits	2,576,097	13,700,505
Purchase of investments	-	-
Sales of investments	1,418,998	35,249,800
Interest Received	6,554,700	11,236,652
Dividend Received	21,524	18,650
(b) NET CASH FROM /(USED) IN INVESTING ACTIVITIES	(98,107,607)	10,053,499
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (net of expenses)	-	14,625,000
Repayment of borrowings (net)	(80,143,841)	(120,121,933)
Finance cost	(104,677,775)	(81,467,377)
Dividend Paid	(3,600,000)	-
(c) NET CASH FROM/ (USED) IN FINANCING ACTIVITIES	(188,421,616)	(186,964,310)
NET INCREASE IN CASH AND CASH EQUIVALENTS (a+b+c)	63,529,350	988,340
CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR, COMPRISING :		
Cash	2,252,988	1,258,631
Cheques on hand	-	-
Balances with scheduled banks on Current accounts	6,334,817	6,340,834
	8,587,805	7,599,465
CASH AND CASH EQUIVALENTS AS AT THE END 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
NET INCREASE/(DECREASE) AS DISCLOSED ABOVE	63,529,350	988,340

Per our report of attached.

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

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : 13th July, 2012

ABHINAV MATHUR
Company Secretary

SUSHEEL G. SOMANI
Chairman

SURENDRA SOMANI
Executive Vice-Chairman

For and on behalf of the Board of Directors

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

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, 2012	India	100%
Kopran (H.K) Limited (KHKL)	31st March, 2012	Hong Kong	100%
Kopran Lifesciences Limited (KLL)	31st March, 2012	India	100%

(b) Basis / Principles of Consolidation

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

B SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of Financial Statement.

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

(b) System of Accounting

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

(c) Uses of Estimates

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

(d) Fixed Assets and Depreciation

i) Fixed Assets :

1. Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost is inclusive of borrowing cost, pilot plant batch expenses and other incidental charges incurred upto the date of installation / put to use.
2. Cenvat Credit availed on purchase of fixed assets is reduced from the cost of respective assets.
3. Adjustments arising from foreign exchange rate fluctuation relating to liabilities attributable to fixed assets are taken to the Statement of 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 Statement of 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) Employees 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 assets 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 March 31, 2012		As at March 31, 2011	
	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	70,000,000	700,000,000	70,000,000	700,000,000
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	39,052,602	390,526,020	39,052,602	390,526,020
(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	8,580,000	85,800,000	8,580,000	85,800,000
Total	47,632,602	476,326,020	47,632,602	476,326,020
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	39,052,602	390,489,080	39,052,602	390,489,080
(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	8,580,000	85,800,000	8,580,000	85,800,000
Total	47,632,602	476,289,080	47,632,602	476,289,080

a) Terms / Rights attached to Equity Shares

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

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

b) Terms of redemption of preference shares

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

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

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

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

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

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

	As at March 31, 2012		As at March 31, 2011	
	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				
S.V Trading and Agencies Ltd			5,580,000	65.00%
Canara Bank			1,000,000	12.00%
Bajaj Holdings & Investment Ltd			2,000,000	23.00%
Sarvamangal Mercantile Co. Ltd	5,580,000	65.00%	-	-
Kopran Laboratories Ltd	1,000,000	12.00%	-	-
Susheel G. Somani and Mridula Somani	1,200,000	14.00%	-	-
Mohit Kabra	800,000	9.00%	-	-

3) RESERVES AND SURPLUS

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
(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		
	5,515,368	3,327,489
(f) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(900,043,950)	(945,385,401)
Add: Profit / (Loss) for the year	53,398,130	45,341,453
Closing balance	(846,645,819)	(900,043,948)
Total	383,936,557	328,350,549

4. LONG-TERM BORROWINGS

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Rupee loans from Banks (Secured)		
Term loans	30,000,101	-
Working Capital Term Loans (WCTL)	24,712,393	73,940,653
Vehicles Finance Loans	143,126	302,521
Inter Corporate Deposits (Unsecured)		
(a) Related Parties (Ref. Note No. 33)	576,350,443	649,667,377
(b) Others	14,656,010	8,594,291
Total	645,862,073	732,504,842

- (a) Term loan carries interest base rate +5.75% 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) WCTL carried interest base rate + 4.80% p.a. to 5.75% p.a. during the year 2011-12 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).
- (c) Vehicle Finance loan carries interest @12.40 % p.a. and is repayable in 35 equal monthly installments of ₹ 15,892 (Including Interest) from April 2011. The loan is secured by hypothecation of Vehicles.

5) OTHER LONG TERM LIABILITIES

Trade Deposits	2,500,000	1,000,000
Total	2,500,000	1,000,000

6) LONG TERM PROVISIONS

Provision for employee benefits		
Gratuity (Ref. Note No. 30)	24,355,000	19,517,885
Leave encashment (Ref. Note No. 30)	7,265,000	8,920,961
Total	31,620,000	28,438,846

7) SHORT-TERM BORROWINGS

From Banks:		
Cash Credit / Packing Credit *	216,545,560	190,249,860
Buyers Credit	94,707,150	114,503,921
From other parties	5,300,000	5,300,000
Total	316,552,710	310,053,781

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

8) TRADE PAYABLES

Trade payables (including acceptances)		
Related parties (Ref. Note No. 33)	40,983,901	28,946,433
Others	377,185,789	278,422,120
Total	418,169,690	307,368,553



9) OTHER CURRENT LIABILITIES

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Current maturities of long-term borrowings	69,387,655	50,804,273
Interest accrued but not due on borrowings	-	7,500,000
Interest accrued and due on borrowings	-	532,297
Unpaid dividends **	-	3,600,000
Interest free Trade Deposits	2,438,877	3,911,733
Advance from Customers	20,402,956	14,518,447
Statutory liabilities	4,647,853	6,187,640
Other payables:		
Creditors for Capital goods	21,284,030	8,575,654
Employees Related	21,552,483	16,498,416
Others	88,742,723	75,112,823
Total	228,456,577	187,241,283

** Not due for deposit to Investor Education and Protection Fund

10) SHORT TERM PROVISIONS

Provision for Employees Benefits		
Gratuity (Ref. Note No. 30)	816,000	771,115
Leave encashment (Ref. Note No. 30)	338,000	1,069,039
Total	1,154,000	1,840,154

11) FIXED ASSETS

(in ₹)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2011	Additions during the year	Deductions during the year	As at March 31, 2012	Upto 1st April 2011	For the year	Deductions during the year	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011
Tangible Assets										
1. Lease Hold Land	4,375,252	-	-	4,375,252	828,992	46,056	-	875,048	3,500,204	3,546,260
2. Free Hold Land	560,240	-	-	560,240	-	-	-	-	560,240	560,240
3. Buildings	260,350,974	12,282,615	-	272,633,589	93,692,285	8,713,616	-	102,405,901	170,227,688	166,658,689
4. Plant & Equipments	2,199,263,164	94,898,212	-	2,294,161,376	1,227,468,071	106,645,693	-	1,334,113,764	960,047,612	971,795,092
5. Furniture and Fixtures	31,862,139	64,133	-	31,926,272	29,034,321	518,220	-	29,552,541	2,373,731	2,827,823
6. Tube Well	60,208	106,450	-	166,658	46,996	3,372	-	50,370	116,288	13,209
7. Office Equipments	10,005,465	118,808	-	10,124,273	7,749,654	323,559	-	8,073,213	2,051,060	2,255,810
8. Computers	27,789,713	1,608,866	-	29,398,579	25,864,922	1,131,245	-	26,996,167	2,402,412	1,924,791
9. Vehicles	16,879,084	-	-	16,879,084	14,400,827	655,420	-	15,056,247	1,822,837	2,478,257
Tangible Assets Total	2,551,146,239	109,079,084	-	2,660,225,323	1,399,086,070	118,037,181	-	1,517,123,251	1,143,102,072	1,152,060,171
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 March 31, 2012		As at March 31, 2011	
		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 M/s Dubai Investment	700,000	7,000,000	700,000	7,000,000
			-		1,418,998
			<u>7,000,000</u>		<u>8,418,998</u>
	TOTAL (A+B+C)		<u><u>8,102,994</u></u>		<u><u>9,521,992</u></u>
	TOTAL (I+II)		<u><u>8,143,244</u></u>		<u><u>9,562,242</u></u>
	Aggregate Cost of Quoted Investment		637,994		637,994
	Aggregate Market Value of Quoted Investment		151,616		192,101
	Aggregate Cost of Unquoted Investment		7,505,250		8,924,248

13) LONG TERM LOANS AND ADVANCES*(Unsecured considered good, unless stated otherwise)*

Capital advances	6,660,838	6,603,378
Deposits	44,607,065	62,084,765
Loans to others	44,277,540	28,071,780
Other loans and advances		
Loans to employees	2,531,670	2,313,508
Prepaid expenses	203,068	326,988
Advance income-tax (Net of provision of taxation)	272,234	222,233
Total	<u><u>98,552,415</u></u>	<u><u>99,622,652</u></u>

14) OTHER NON-CURRENT ASSETS*(Unsecured considered good, unless otherwise stated)*

Balance in banks for margin money	24,061,113	26,637,210
Interest accrued on fixed deposits	443,176	-
Total	<u><u>24,504,289</u></u>	<u><u>26,637,210</u></u>

15) INVENTORIES

(As taken, valued and certified by Management)

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Stores & Spares	8,193,310	6,067,143
Raw Materials	211,600,685	116,033,317
Packing Materials	21,789,515	19,291,714
Work-in-Process	88,107,064	129,931,718
Finished Goods	21,779,601	49,788,439
Total	351,470,175	321,112,331

16) TRADE RECEIVABLES

(Unsecured, considered good unless other wise stated)

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

Considered good	33,204,320	47,560,463
Considered doubtful	29,030,530	29,030,530
	62,234,850	76,590,993
Less: Provision for doubtful debts	29,030,530	29,030,530
	33,204,320	47,560,463

Other debts
Others

356,865,438	297,357,729
Total	390,069,758

17) CASH AND BANK BALANCES

Balance with Banks in Current accounts	12,820,046	6,334,817
Cheques on hand	57,000,000	-
Cash on hand	2,297,109	2,252,988
Total	72,117,155	8,587,805

18) SHORT TERM LOANS AND ADVANCES

(Unsecured considered good, unless stated otherwise)

Loans to employees	1,250,900	1,428,100
Balance with statutory/ government authorities	191,770,340	183,447,938
Prepaid expenses	12,725,911	6,262,809
Advance income-tax (Net of provision of taxation)	990,996	1,465,114
Advances recoverable in cash or kind	20,545,260	28,284,196
Total	227,283,407	220,888,157



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

19) REVENUE FROM OPERATION

	Year ended 31st March 2012 ₹	Year ended 31st March 2011 ₹
Sale of products *	1,985,002,256	1,925,895,334
Other operating income		
Scrap sales	1,666,017	1,857,335
Other	62,950,046	67,522,824
Total	2,049,618,319	1,995,275,493

20) OTHER INCOME

Dividend Income		
Long-term investments	21,524	18,650
Interest Income		
On Fixed Deposit	2,949,600	1,319,487
Others	20,220,295	9,917,165
Net profit on sale of assets	-	2,316
Liabilities written back	4,126,384	21,126,925
Foreign exchange gain (net)	26,929,056	23,524,327
Insurance Claim	32,857	4,012,061
Miscellaneous Income	2,305,484	4,575,089
Total	56,585,200	64,496,020

21) COST OF MATERIALS CONSUMED

Raw Material Consumption		
Opening Stock	116,033,317	129,398,201
Add: Purchases	1,189,168,558	1,187,405,966
	1,305,201,875	1,316,804,167
Less : Closing Stock	211,600,685	116,033,317
	1,093,601,190	1,200,770,850
Packing Materials Consumption:		
Opening Stock	19,291,714	28,718,661
Add: Purchases	103,908,060	89,617,311
	123,199,774	118,335,972
Less : Closing Stock	21,789,515	19,291,714
	101,410,259	99,044,258
Total	1,195,011,449	1,299,815,108

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

	Year ended 31st March 2012 ₹	Year ended 31st March 2011 ₹
Opening stock		
Finished goods	49,788,439	70,648,055
Work in progress	129,931,718	24,235,289
	<u>179,720,157</u>	<u>94,883,344</u>
Less : Closing 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>
Net(increase)/ decrease	<u>69,833,492</u>	<u>(84,836,813)</u>

23) EMPLOYEE BENEFIT EXPENSES

Salaries, wages and bonus	151,782,227	151,764,937
Contribution to provident and other fund	14,899,294	13,370,417
Staff welfare expense	13,101,853	13,340,872
Total	<u>179,783,374</u>	<u>178,476,226</u>

24) OTHER EXPENSES

Stores and Spares consumed	19,794,163	22,125,818
Power and Fuel	85,587,503	90,294,054
Rent	19,167,540	19,364,670
Repairs and Maintenance		
Building	2,818,435	6,207,481
Machinery	4,197,300	7,866,108
Others	2,008,034	1,829,602
Insurance	3,807,050	2,851,436
Commission on Sales	50,989,718	35,629,611
Selling and Distribution Expenses	7,509,539	10,731,321
Packing, Freight and Forwarding	31,706,416	25,535,841
Payment to Auditors (Refer details Below)	370,127	368,339
Printing and Stationery	3,691,319	4,044,052
Postage, Telegram and Telephone	4,372,503	3,428,637
Travelling and Conveyance	13,420,597	13,202,648
Legal and Professional Fees	18,449,203	17,748,976
Rates and taxes	3,551,375	4,176,275
Labour Charges	28,307,421	24,638,982
Directors' Sitting Fees	54,000	48,000
Sundry Balances written off	31,147	91,430
Net loss on long-term investments	-	400,000
Miscellaneous Expenses	28,814,940	31,289,086
Total	<u>328,648,330</u>	<u>321,872,367</u>
Payment to auditors		
As auditor		
Audit fee	315,127	313,339
Tax audit fee	55,000	55,000
Total	<u>370,127</u>	<u>368,339</u>



25) FINANCE COST

	Year ended 31st March 2012 ₹	Year ended 31st March 2011 ₹
Interest expense	54,259,150	57,653,722
Other borrowing cost	42,386,328	28,447,307
Total	96,645,478	86,101,029

26) DEPRECIATION AND AMORTISATION

Depreciation on tangible assets	118,037,181	116,222,331
Depreciation on intangible assets	-	-
Total	118,037,181	116,222,331

27) EARNINGS PER EQUITY SHARE

Number of equity shares	39,052,602	39,052,602
Weighted average number of equity shares	39,052,602	38,347,397
Face Value per share	10	10
Profit After Tax	53,398,130	45,341,452
Less: Dividend on preference shares	-	3,258,000
Profit after tax available to equity shareholders	53,398,130	42,083,452
Basic and Diluted earning per share	1.37	1.10



28) CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

	As on 31/03/2012 ₹	As on 31/03/2011 ₹
i) Guarantees given by the Company's bankers on behalf of the Company	5730,630	9,709,038
ii) Bills discounted with Banks	337,849,826	207,222,858
iii) Disputed matters against company		
a) Sales Tax demand disputed in appeal	-	3,912,977
b) Service Tax demand disputed in appeal	3,295,000	9,398,218
c) Excise Duty demand disputed in appeal	3,781,596	1,377,189
d) Demand under Drug Price Control Order-95 (DPCO-95) demand disputed in appeal	59,134,474	59,134,475
(iv) Claims against company not acknowledged as debts:	-	86,883,219

29) Estimated amount of contracts remaining to be executed on capital account not provided for ₹1,49,24,075/- (Previous year ₹1,10,70,744/-).

30) 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 31/03/2012 ₹	As on 31/03/2011 ₹
i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at the beginning of the year	20,289,000	18,408,000
Interest Cost	1,592,275	1,372,660
Service Cost	2,325,621	2,057,152
Actuarial (gain) / loss	1,735,219	950,700
Benefits paid	(771,115)	(2,499,512)
Obligation at the year end	25,171,000	20,289,000
ii) Change in Plan Assets		
Fair value of Plan Assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution	771,115	2,499,512
Actuarial (gain) / loss	-	-
Benefits paid	(771,115)	(2,499,512)
Fair value of Plan Assets at the end of the year	-	-
Unfunded Status	(25,171,000)	(20,289,000)
iii) Limits of Corridor not considered since total actuarial gain / loss is being recognized as on 31-03-2012		
Actuarial (loss) for the year – obligation	(1,735,219)	(950,700)
Actuarial gain / (loss) for the year – Plan Assets	-	-
Sub Total	(1,735,219)	(950,700)
Actuarial loss recognized	1,795,860	950,700
iv) Unrecognized 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	25,171,000	20,289,000
Fair value of Plan Assets at the end of the year	-	-
Liability / (Asset) recognized in the Balance Sheet	25,171,000	20,289,000
v) Cost for the year		
Service cost	2,325,621	2,057,152
Interest Cost	1,592,275	1,372,660
Expected return on Plan Assets	-	-
Actuarial (gain) / loss	1,735,219	950,700
Net cost recognized in the Statement of Profit & Loss Account	5,653,115	4,380,512

vi) Movement in the liability recognized in the Balance Sheet		
Opening Net Liability	20,289,000	18,408,000
Expenses as above	5,653,115	4,380,512
Contribution paid	(771,115)	(2,499,512)
Closing Net Liability	25,171,000	20,289,000
vii) Assumption 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 31/03/2012 ₹	As on 31/03/2011 ₹
i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at the beginning of the year	9,990,000	8,652,000
Interest Cost	755,658	629,227
Service Cost	856,432	1,084,792
Actuarial (gain) / loss	(2,910,545)	1,197,298
Benefits paid	(1,088,545)	(1,573,317)
Obligation at the year end	7,603,000	9,990,000
ii) Change in Plan Assets		
Fair value of Plan Assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution	1,088,545	1,573,317
Actuarial (gain) / loss	-	-
Benefits paid	(1,088,545)	(1,573,317)
Fair value of Plan Assets at the end of the year	-	-
Unfunded Status	(7,603,000)	(9,990,000)
iii) Limits of Corridor not considered since total actuarial gain / loss is being recognized As on 31.03.2012		
Actuarial (loss) for the year – obligation	2,910,545	(1,197,298)
Actuarial gain / (loss) for the year – Plan Assets	-	-
Sub Total	2,910,545	(1,197,298)
Actuarial loss recognized	(2,910,545)	(1,197,298)
iv) Unrecognized 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	7,603,000	9,990,000
Fair value of Plan Assets at the end of the year	-	-
v) Liability / (Asset) recognized in the Balance Sheet	7,603,000	9,990,000
Cost for the year		
Service cost	856,432	1,084,792
Interest Cost	755,658	629,227
Expected return on Plan Assets	-	-
Actuarial (gain) / loss	(2,910,545)	1,197,298
Net cost recognized in the Statement of Profit & Loss Account	(1,298,455)	2,911,317
vi) Movement in the liability recognized in the Balance Sheet		
Opening Net Liability	9,990,000	8,652,000
Expenses as above	(1,298,455)	2,911,317
Contribution paid	(1,088,545)	(1,573,317)
Closing Net Liability	7,603,000	9,990,000
vii) Assumption used to determine the benefit obligations :		
Discount Rate	8.00%	8.00%
Rate of increase in Compensation levels	6.00%	6.00%

31) The disclosure requirement 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 the Pharmaceutical Business and there are no separate reportable segments as per AS-17.

b) Geographical Segment

Particulars	Year Ended March 31, 2012 (₹)	Year Ended March 31, 2011 (₹)
Sales Revenue (Net)		
In India	513,461,869	685,106,955
Outside India	1,410,967,019	1,169,284,040
Total	1,924,428,888	1,854,390,995

32) 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.

33) Disclosure requirement 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) Company Under Common Control

- a) Oricon Enterprises Ltd.
- b) Oricon Properties Pvt. Ltd.

iii) The Company has entered into transactions with related parties as listed below during the year 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 March 31, 2012 (₹)	Year ended March 31, 2011 (₹)
Key Management Personnel :		
Remuneration paid to personnnels	8,922,984	12,391,807
Company Under Common Control :		
Purchase of Materials	123,498,681	118,023,767
Rent Paid	18,000,000	18,000,000
Interest Paid	4,092,296	3,540,630
Loans Received	52,083,066	103,186,567
Repayment of Loan received	125,400,000	86,800,000
Payable to Company Under Common Control :		
Loans		
a) Oricon Enterprises Ltd.	30,321,243	40,738,177
b) Oricon Properties Pvt. Ltd.	546,029,200	602,629,200
Trade Payable		
a) Oricon Enterprises Ltd.	40,983,901	28,946,433

34) In the opinion of the Board, Current Assets and Loans and Advances are approximately of the value stated if realised in the ordinary course of business. The provision for all known and terminated liabilities are adequate and not in excess of the amounts reasonably required. The Balances of few creditors are subject to their confirmation.

35) a) The Company has taken certain office/factory primises on operating lease basis. Lease payments in respect of such leases recognised in statement of profit and loss account ₹1,91,67,540/- (Previous year ₹1,93,64,670/-).

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 lease 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) PREVIOUS YEAR FIGURES

Till the year ended 31st March, 2011, the company and its Indian subsidiaries were using pre-revised schedule VI to the Companies Act, 1956 for preparation and presentation of its financial statements. During the year ended 31st March, 2012, the revised schedule VI notified under the Companies Act, 1956 has become applicable to the company and its Indian subsidiaries. The company has reclassified previous year figures to conform to this year's classification. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

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

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

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : 13th July, 2012

For and on behalf of the Board of Directors

ABHINAV MATHUR
Company Secretary

SUSHEEL G. SOMANI
Chairman

SURENDRA SOMANI
Executive Vice-Chairman

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 53rd Annual General Meeting of the Company to be held on Saturday, 15th September, 2012 at Shri S. K. Somani Memorial Hall, HVB Academy, 79, Marine Drive, Mumbai – 400 020 at 10.00 a.m. and at any adjournment thereof.

Signed by the said _____ this _____ day of _____, 2012

Regd. Folio No. _____

DP ID No. * _____

Client ID No. * _____

No. of Shares held _____

Proxy No. _____

Affix a
100 Paise
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 53rd ANNUAL GENERAL MEETING held on Saturday, 15th September, 2012 at Shri S. K. Somani Memorial Hall, HVB Academy, 79, Marine Drive, Mumbai – 400 020 at 10.00 a.m.

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.

BOOK-POST



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KOPRAN LIMITED

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

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