

# Kopran

**KOPRAN LIMITED**  
ANNUAL REPORT  
2018-2019

## FINANCIAL HIGHLIGHTS

(₹ In Lakhs)

Particulars	Consolidated				Standalone			
	2018-19	2017-18	2016-17	2015-16	2018-19	2017-18	2016-17	2015-16
Equity share capital	4,324.89	4,324.89	4,324.89	4,324.89	4,324.89	4,324.89	4,324.89	4,324.89
Other equity	12,522.68	10,145.94	8,142.47	6,153.19	17,519.29	16,249.86	15,769.07	14,920.65
Networth	16,847.57	14,470.83	12,467.36	10,478.08	21,844.18	20,574.75	20,093.96	19,245.54
Fixed Assets(net)	13,691.55	11,436.93	11,076.05	10,360.80	4,863.69	4,599.26	4,378.28	3,517.09
Sales/Other Income	36,095.99	32,430.42	32,947.82	29,868.65	19,974.21	16,156.51	19,077.86	18,814.19
Gross Profit/(loss)	4,913.68	4,005.36	4,676.86	3,139.71	2,564.25	1,691.74	2,645.64	2,457.64
Finance Costs	899.06	859.51	1,370.17	1,256.08	545.53	663.36	978.85	999.45
Depreciation	873.92	851.29	832.54	811.77	310.64	322.18	333.54	314.42
Tax expenses	763.95	239.90	484.83	-	438.65	225.41	484.83	-
Net Profit/(loss)	2,376.75	2,054.66	1,989.32	1,071.86	1,269.43	480.79	848.42	1,143.77
Earning per share(Rs)	5.55	4.74	4.60	2.59	3.00	1.09	2.97	2.76

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**BOARD OF DIRECTORS :**

Mr. Surendra Somani	Executive Vice Chairman
Mr. Adarsh Somani	Non Executive Director
Mrs. Mamta Biyani	Additional Director (Appointed w.e.f. 8 <sup>th</sup> May, 2019)
Mr. Narayan Atal	Additional Director (Appointed w.e.f. 8 <sup>th</sup> May, 2019)
Dr. Siddhan Subramanian	Independent Director
Dr. Sunita Banerji	Independent Director
Mr. Varun Somani	Non Executive Director

**CHIEF FINANCIAL OFFICER :**

Mr. Basant K. Soni

**COMPANY SECRETARY :**

Mr. Sunil Sodhani

**STATUTORY AUDITORS :**

M/s. Khandelwal Jain & Co.  
Chartered Accountants,

**INTERNAL AUDITORS :**

M/s. STDJ & Company  
Chartered Accountants.

**SECRETARIAL AUDITORS :**

Ms. Nirali Mehta  
Practicing Company Secretary

**REGISTRAR & TRANSFER AGENT:**

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

**BANKERS :**

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

**REGISTERED OFFICE :**

“Parijat House”,  
1076, Dr.E.Moses Road, Worli, Mumbai – 400 018  
Tel.No.: 022-43661111 Email: investors@kopran.com

**FORMULATION UNIT :**

Villages Savroli,  
Taluka Khalapur,  
Dist. Raigad, Khopoli  
Maharashtra-412 202  
Tel.No.:02192-274500

**API UNIT:**

Kopran Research Laboratories Ltd. (Subsidiary Company)

K-4/4, Additional MIDC,  
At/Post : Birwadi, Taluka: Mahad  
Dist.: Raigad  
Maharashtra- 402 302  
Tel.No.:02145-251101

**Directors Report**

Dear Members,

Your Directors have pleasure in presenting their 60<sup>th</sup> Annual Report together with the Audited Financial Statement for the year ended on 31<sup>st</sup> March, 2019.

**1. Financial Performance**

(₹ in Lacs)

Particulars	Standalone Basis*		Consolidated Basis*	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
For the Period Ended				
Total Revenue	19,974.21	16,156.51	36,095.99	32,430.42
Less Expenses	18,238.46	15,460.42	32,929.74	30,141.89
Profit before Tax	1,735.75	696.09	3,166.25	2,288.53
Net Tax Expenses	438.65	225.41	763.95	239.90
Profit / ( Loss ) for the Financial Year( FY)	1,297.10	470.68	2,402.30	2048.63
Other Comprehensive Income/(Loss) for the FY	(27.67)	10.11	(25.55)	6.03
Total Comprehensive Income/(Loss) for the FY	1,269.43	480.79	2,376.75	2,054.66

\*The Company has adopted Indian Accounting Standards (Ind-AS) from 1<sup>st</sup> April, 2017 as prescribed under Section 133 of the Companies Act, 2013 (“the Act”), read with the relevant rules issued thereunder and accordingly, these financial statements for all the periods presented have been prepared in accordance with the recognition and measurement principles as stated therein.

**2. Performance review**

**A) Standalone:** Standalone Total Revenue was Rs. 19,974.21 lacs as against the previous year’s figures of Rs. 16,156.51 lacs increased by 23.63%. Profit before tax was Rs. 1,735.75 lacs increased by 149.36% over the previous year’s figures of Rs. 696.09 lacs. Total Comprehensive Income was Rs. 1,269.43 lacs increased by 164.03% over the previous year’s figures of Rs. 480.79 lacs.

**B) Consolidated:** Consolidated Total Revenue was Rs. 36,095.99 lacs as against the previous year’s figures of Rs. 32,430.42 lacs increased by 11.30%. Profit before tax was Rs. 3,166.25 lacs increased by 38.35% over the previous year’s figures of Rs. 2,288.53 lacs. Total Comprehensive Income was Rs. 2,376.75 lacs increased by 15.68% over the previous year’s figures of Rs. 2,054.66 lacs.

**3. Operations of the Company**

Your Company’s Exports during the financial year was Rs. 17,723 lacs as against the previous year’s figures of Rs. 14,057 lacs increased by 26.08% and Local sales was Rs. 1,941 lacs as against the previous year’s figures of Rs. 1,314 lacs increased by 47.72%.

Operations of the Kopran Research Laboratories Limited, Subsidiary Company

Kopran Research Laboratories Ltd. achieved total revenue of Rs. 18,420 Lacs in the current year as against total revenue of Rs. 17,810 Lacs in the previous year. Exports during the Financial year was Rs. 11,516 Lacs as against the previous year’s figures of Rs. 10,868 lacs increased by 5.96% and Local sales was Rs. 6,678 Lacs as against the previous year’s figures of Rs. 6,652 lacs which was marginally up.

Kopran Research Laboratories Ltd. during the financial year acquired an Active Pharmaceutical Ingredients Manufacturing facility at Panoli, Gujarat which is currently under upgradation, in line with the Company’s expansion plans in the existing line of Business.

The Active Pharmaceutical Ingredients Manufacturing facility at Mahad of Kopran Research Laboratories Ltd., was inspected by the US FDA starting from 21<sup>st</sup> January, 2019 till 25<sup>th</sup> January, 2019. The Inspection was completed without issuance of any observation under 483. This would facilitate commencement of supplies of APIs to the US market once DMF's are filed and approved. The company has filed the DMF of Atenolol which is already reviewed and active.

#### **4. Dividend**

In view of expansion plans, the Board has not recommended any dividend on Equity shares or Preference shares for the Financial Year 2018-19.

#### **5. Management Discussion and Analysis**

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

#### **6. Subsidiaries, Associates and Joint Ventures**

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

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

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

#### **7. Directors & Key Managerial Personnel (KMP)**

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Adarsh Somani, Non-Executive Director of the Company, retires by rotation at the ensuing AGM, and being eligible, has offered himself for re-appointment.

The Board at its meeting held on 8<sup>th</sup> May, 2019, based on the recommendations received from the Nomination & Remuneration Committee subject to the approval of members at Annual General Meeting, appointed Mrs. Mamta Biyani (DIN: 01850136) and Mr. Narayan Atal (DIN: 00237626) as Additional Directors (Independent).

The Board at its meeting held on 8<sup>th</sup> May, 2019 decided to re-appoint Mr. Surendra Somani as Executive Vice Chairman of the Company with effect from 1<sup>st</sup> January, 2020 for an additional period of three years on terms of Remuneration as recommended by the Nomination & Remuneration Committee.

In compliance of Regulation 17(1A) of the SEBI (LODR) Regulations, 2015 as amended ("Listing Regulations"), Susheel G. Somani, Arvind K. Mehta and Vijay K. Bhandari have retired w.e.f. 25<sup>th</sup> April, 2019 as they have attained the age of 75 years and hence ineligible to continue in office. The Board wishes to place on record its appreciation for the invaluable contribution rendered by Susheel G. Somani, Arvind K. Mehta and Vijay K. Bhandari during their tenure as Director of the Company.

The Company has received a notice under section 160 of the Companies Act, 2013 as amended thereof from a member of a Company proposing the candidature of Mr. Susheel Somani (DIN: 00601727) for the office of Director of the Company. As Mr. Susheel Somani has crossed the age of 75 years his appointment can only be made by members approval at AGM/EGM by special resolution to fulfill the conditions of his appointment in compliance of Regulation 17(1A) of the SEBI (LODR) Regulations, 2015 as amended.

The Board seeks approval of the shareholders at the 60<sup>th</sup> Annual General Meeting for confirmation of the appointment/re-appointment of Mr. Adarsh Somani, Mr. Susheel Somani, Mrs. Mamta Biyani, Mr. Narayan Atal and Mr. Surendra Somani.

The brief profile of Mr. Adarsh Somani, Mr. Susheel Somani, Mrs. Mamta Biyani, Mr. Narayan Atal and Mr. Surendra Somani has been detailed in the Explanatory Statement to the Notice of Annual General Meeting.

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

Mr. Surendra Somani- Executive Vice Chairman  
Mr. Basant K. Soni – Chief Financial Officer  
Mr. Sunil Sodhani – Company Secretary and Compliance Officer.

No KMP has been appointed or has retired or resigned during the financial year.

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

#### **8. Board and Committee Meetings**

The details of the composition of the Board and its Committees and the number of meetings held and the attendance of Directors in such meetings are provided in the Corporate Governance Report as a separate section in **Annexure D** which forms a part of the Annual Report. There have been no instances during the year where the recommendations of the Board Committees were not accepted by the Board.

#### **9. Board and Committee Evaluation**

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees based on the evaluation criteria defined by Nomination and Remuneration Committee (NRC) for performance evaluation process of the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including inter-alia the Structure of the Board, Meetings of the Board, Functions of the Board, Professional Development, Effectiveness of Board Processes, information and functioning.

The Committees of the Board were assessed on the degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings. The Directors were evaluated on aspects such as attendance, contribution at Board/Committee Meetings and guidance/support to the Management outside Board/Committee Meetings.

The performance assessment of Non-Independent Directors, Board as a whole and the Chairman were evaluated in a separate meeting of Independent Directors. The same was also discussed in the meetings of NRC and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

#### **10. Internal Control Systems and their adequacy**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business & risk management including adherence to the Company's Policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and the completeness of the accounting records and timely preparation of reliable financial disclosure and other regulatory and statutory compliances and there were no instance of fraud during the year under review.

#### **11. Directors Appointment and Remuneration**

The Nomination and Remuneration Committee (NRC) has been mandated to fulfill the competency requirements of the Board. The NRC reviews and evaluates the resumes of potential candidates for appointment of Directors and recommends their nomination to the Board. On the recommendation of the NRC, the Board has adopted and framed a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees pursuant to the provisions of the Act and the Listing Regulations. The remuneration determined for Executive Directors is subject to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors. The Executive Directors are not paid sitting fees; the Non-Executive Directors are entitled to sitting fees for attending the Board/Committee Meetings. It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees is in accordance with the Nomination and Remuneration Policy of the Company. The Company's Policy on Directors' Appointment and Remuneration and other matters provided in Section 178(3) of the Act and Regulation 19 of the Listing Regulations have been disclosed in the Corporate Governance Report, which forms part of the Annual Report.

#### **12. Corporate Social Responsibility (CSR)**

The company had to spend Rs. 8.77 lacs towards its CSR activities for FY 2018-19 of which Rs. 8.40 lacs was spent on the CSR activities as per the CSR Policy. There is a minor shortfall of Rs. 37,000 in the CSR spent as certain CSR activities planned could not be completed. The CSR Projects of the Company mainly focused contributing towards promoting education including girl child education and health care and sanitation. The annual report on CSR activities is provided in **Annexure C** of this Report.

### 13. Related Party Transactions

All Related Party Transactions that were entered into during the financial year were in ordinary course of business done on arm's length basis and of repetitive nature and transactions proposed to be entered during the Financial year are placed before the Audit Committee duly empowered by the Board for prior omnibus approval at the commencement of Financial year. A statement giving details of all Related Party Transactions are placed before the Audit Committee on quarterly basis for their approval. There are no materially significant related party transactions made by the Company during the financial year which may have potential conflict with the interest of the Company that required shareholder's approval under regulation 23 of the Listing Regulations. Enclosing of Form AOC-2 is not required as suitable disclosure as required by the Indian Accounting Standard has been made in the notes to the Financial Statements. The policy for related party transactions as approved by the Board can be accessed on the Company's web-link <http://www.kopran.com/investors/policy/pdf/Policy%20on%20related%20party%20transaction.pdf>

### 14. Corporate Governance

A detailed report on Corporate Governance as required under the Listing Regulations is provided in **Annexure D** and forms part of Annual Report. Certificate from M/s. GMJ & Associates, Practicing Company Secretaries (Firm Regn. No. 1432) regarding compliance stipulated in the Listing Regulations forms part of the Corporate Governance Report.

### 15. Loans, Guarantee or Investments

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the Notes to the Financial Statements forming part of the Annual Report.

### 16. Rating

CRISIL has re-affirmed the rating for long term is CRISIL BBB /stable and short term rating is CRISIL A3+.

### 17. Auditors

#### a) Statutory Auditors

In compliance with the Companies (Audit and Auditors) Rules, 2014 M/s. Khandelwal Jain & Co. Chartered Accountants (Firm Registration No. 105049W) were appointed as Statutory Auditors of the Company for a period of five consecutive years from the conclusion of 58<sup>th</sup> AGM to the conclusion of 63<sup>rd</sup> AGM. Vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with. Accordingly, no such item has been considered in Notice of the 60<sup>th</sup> AGM. The payments made to Auditors are given in the notes to financial statement.

Further, the report of the Statutory Auditors along with notes to Schedules is a part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

#### b) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act, the Board of Directors of the Company has appointed Ms. Nirali Mehta, Practicing Company Secretary (Membership No. A37734, COP No. 20754) to conduct the Secretarial Audit of the Company for the FY 2019-20. M/s GMJ & Associates, Practicing Company Secretaries (Firm Regn. No. 1432) has issued the Secretarial Audit Report for FY 2018-19, given in **Annexure E**. Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2019 do not contain any qualification, reservation or adverse remark.

#### c) Internal Auditors

The Board of Directors has appointed M/s STDJ & Co, Chartered Accountants (Firm Regn. No. 136551W) as Internal Auditors of the Company for the FY 2019-20.

### 18. Directors' Responsibility Statement

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, the work performed by the Internal, Statutory and Secretarial Auditors including Audit of Internal Financial Controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during the financial year 2018-19.



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

- i. In preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year as on 31<sup>st</sup> March, 2019 and of the profit of the Company for that period;
- iii. They have taken proper and sufficient care for maintenance of adequate accounting records in accordance of the Company and for preventing and detecting fraud and other irregularities;
- iv. They have prepared the Annual Accounts on a going concern basis;
- v. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **19. Extracts of Annual Return**

The extract of Annual Return required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is placed on the Company's website. The web-link as required under Companies Act, 2013 is <http://www.kopran.com/investors/communication/pdf/Form%20MGT-9%20Extract%20of%20Annual%20Return%2031st%20March,%202019.pdf>

#### **20. Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo**

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

#### **21. Particulars of employees and related disclosures**

Disclosures pertaining to remuneration and other details required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016 is annexed herewith as **Annexure G**. Any Shareholder interested in obtaining the information required under Rule 5(2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 may write to the Company Secretary at the Registered Office of the Company.

#### **22. Vigil Mechanism**

Pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has adopted a Vigil Mechanism or 'Whistle Blower Policy' for directors, employees and all stakeholders to report any concerns about unethical behavior, actual or suspected fraud or violation our Company's Code of Conduct. The same is also disclosed on the Company's web-link <http://www.kopran.com/investors/policy/pdf/Whistle%20Blower%20Policy.pdf> . It is affirmed that no personnel or stakeholder of the Company have been denied access to Audit Committee.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. A Complaint Redressal Committee has been set up by your Company to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the Financial Year 2018-19, no Complaints were received.

#### **24. Other Disclosures/Reporting:**

Your Directors further state that during the year under review:

- a) There are no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company.
- b) No amount is transferred to General Reserve;

- c) The paid up Equity Share Capital as on 31<sup>st</sup> March, 2019 was Rs. 43.25 crores. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company;
- d) The Company has not accepted any deposits from the public and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014;
- e) There were no significant/material orders passed by the Regulators or Courts or Tribunals impacting going concern status of your Company and its operations in future;
- f) There was no change in nature of Business. There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which this Financial Statement relate and the date of this Report.
- g) In commitment to keep in line with the Green Initiative and going beyond it to create new green initiatives, electronic copy of the Notice of 60<sup>th</sup> Annual General Meeting of the Company are sent to all Members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their e-mail addresses, physical copies are sent through the permitted mode.

**25. Acknowledgements**

The Directors wish to place on record their appreciation for the continued support and co-operation by Vendors, Customers, Investors and Employees of the Company.

On behalf of the Board of Directors

Surendra Somani  
Executive Vice Chairman  
8<sup>th</sup> May, 2019

## Annexure A

(TO THE DIRECTOR'S REPORT)

### Report on Management Discussion and Analysis

#### a. Industry Structure and Developments

The pharmaceutical sector was valued at US\$ 33 billion in 2017. The country's pharmaceutical industry is expected to expand at a CAGR of 22.4 per cent over 2015–20 to reach US\$ 55 billion. India's pharmaceutical exports stood at US\$ 17.27 billion in FY18 and have already reached US\$ 15.52 billion in FY19. Pharmaceutical exports include bulk drugs, intermediates, drug formulations, biologicals, herbal products and surgicals.

Some of the initiatives taken by the government to promote the pharmaceutical sector in India are :

- In March 2018, the Drug Controller General of India (DCGI) announced its plans to start a single-window facility to provide consents, approvals and other information. The move is aimed at giving a push to the Make in India initiative.
- The Government of India is planning to set up an electronic platform to regulate online pharmacies under a new policy, in order to stop any misuse due to easy availability.
- The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments.

#### b. Opportunities and Threats

While the underlying demand drivers for global markets continue to remain broadly intact, the operating environment has become significantly tougher for sub-scale business models, as a sector profitability comes under pressure. Due to stringent regulatory environment in China and on pollution control measures taken by the Chinese authorities many API industries have closed down thereby increased opportunity for other players in the market.

During the year Kopran Research Laboratories Limited (Subsidiary Company) received USFDA approval for its API Manufacturing facility (Other than Sterile Products) thus, opens up significant opportunities in US Market for sale of API products in future.

#### c. Outlook & Company Strategy

The Company has focused on new product development for both the Finished Dosage Forms and the Active Pharmaceutical Ingredients (API) in its Subsidiary Company and to increase its share in existing market. During the year, several new products were developed in the field of Pain Management, Anti-infective and Cardiac therapies. The Company's subsidiary is focusing more in supplying API Products in Regulated markets and supply in US market is expected in the current financial year. The Company is looking at different opportunities in untapped markets and also across a value chain. It plans for alliances with business associates in the global market, giving a huge boost to the selective products that it already deals in. The Outlook of the Company remains positive during the financial year. The Company enjoys cGMP approvals and all the facilities are built and operated according to cGMP (current Good Manufacturing Practices).

#### d. Risk and Concerns

The Company is majorly dependent on foreign market for its export turnover and hence it is prone to exchange fluctuation. However, adequate measures are taken to hedge for exchange volatility. Price fluctuation in the intermediaries and API's may affect the Company and its subsidiary's performance adversely.

#### e. Material developments in Human Resources/Industrial Relations front, including number of people employed.

The Company continues to focus on training and motivation of manpower so as to develop teams of qualified and skilled personnel to effectively discharge their responsibilities in a number of projects and activities. It is, in this context, which we have been working towards promoting the skills and professionalism of our employees to cope with and focus on the challenges of change and growth. The overall industrial relations atmosphere continues to be cordial. The Company has revamped the existing HR policies to be more people friendly and offered them a better work life balance.

**f. Details of significant changes in key financial ratios**

Key Ratio	2018-19	2017-18	Variance	Comments for variation in ratio above 25%
Debtors Turnover Ratio	<b>1.52</b>	0.76	99.73%	Due to increase in debtor days
Inventory Turnover Ratio	<b>1.66</b>	1.41	17.75%	
Interest Coverage Ratio	<b>4.18</b>	2.05	103.81%	Due to better operating performance
Current Ratio	<b>1.44</b>	1.31	9.22%	
Debt Equity Ratio	<b>1.46</b>	1.46	0.00	
Operating Profit Margin (%)	<b>8.83</b>	4.53	94.96%	Better cost management and higher turnover
Net Profit Margin (%)	<b>6.60</b>	3.06	115.24%	Better cost management and higher turnover
Return on Net Worth	<b>5.94</b>	2.29	159.37%	Due to better operating performance

**Key financial highlights on the Consolidated basis.**

(Rs. In Lacs)

Year	FY 2018-19	FY 2017-18	Increase /(Decrease)
Income from Operations	<b>35,790.10</b>	31,470.79	13.72
EBITDA	<b>4,939.23</b>	3,999.33	23.50
PBT	<b>3,166.25</b>	2,288.53	38.35
PAT	<b>2,402.30</b>	2,048.63	17.26
Material costs	<b>21,723.70</b>	19,304.71	12.53
Employee benefit expenses	<b>3,710.61</b>	3,223.73	15.10
Other expenses	<b>6,649.16</b>	6401.46	3.87
Shareholders' funds	<b>16,847.57</b>	1,4470.83	16.42
Non-current liabilities	<b>4,912.44</b>	3,520.93	39.52
Current liabilities	<b>13,471.30</b>	13,553.33	(0.61)
Non-Current assets	<b>14,474.61</b>	12,195.55	18.69
Current assets	<b>20,756.70</b>	19,349.54	7.27

**Key financial highlights on the Standalone basis.**

(Rs. In Lacs)

Year	FY 2018-19	FY 2017-18	Increase /(Decrease)
Income from Operations	<b>19,664.59</b>	15,370.55	27.94
EBITDA	<b>2,591.91</b>	1,681.63	54.13
PBT	<b>1,735.73</b>	696.09	149.35
PAT	<b>1,297.09</b>	470.68	175.58
Material costs	<b>11,689.30</b>	9,529.89	22.66
Employee benefit expenses	<b>2,038.32</b>	1,833.87	11.15
Other expenses	<b>3,607.67</b>	3,516.76	2.59
Shareholders' funds	<b>21,844.18</b>	20,574.75	6.17
Non-current liabilities	<b>2,531.43</b>	2,470.67	2.46
Current liabilities	<b>7,480.61</b>	6,991.49	7.00
Non-Current assets	<b>21,113.72</b>	20,846.19	1.40
Current assets	<b>10,742.49</b>	9,190.72	16.58

**Annexure B**

(TO THE DIRECTOR'S REPORT)

**FORM AOC-1**

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

**Part "A": Subsidiaries**

**Fig in ₹**

		Name of Subsidiary & CIN		
1	Name of Subsidiary & CIN	Kopran (H.K.) Ltd.	Kopran Research Laboratories Ltd. U24230MH1986PLC040601	Kopran Lifesciences Ltd. U74120MH2010PLC21112
2	Reporting Period for the Subsidiary Concerned, if different from holding company's reporting period	01-04-2018 to 31-03-2019	01-04-2018 to 31-03-2019	01-04-2018 to 31-03-2019
3	Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of Foreign subsidiaries	Hong Kong Dollar (HKD) Rs. 8.84 = 1HKD	NA	NA
4	Share Capital	2,318,750	200,000,000	500,000
5	Reserves & Surplus	(1,683)	1,091,887,065	(118,540)
6	Total Assets	2,317,067	2,248,531,335	1,125,572
7	Total Liabilities	2,317,067	2,248,531,335	1,125,572
8	Investment	Nil	Nil	1,000,000
9	Turnover	2,640,730	1,842,032,386	Nil
10	Profit Before Taxation	(1,683)	112,649,005	(7,600)
11	Provision for Taxation	-	32,529,904	-
12	Profit after Taxation	(1,683)	80,119,101	(7,600)
13	Proposed Dividend	Nil	Nil	Nil
14	% of Shareholding	100%	99.50%	100%

**Part "B" : Associates and Joint Ventures : None**

**Annexure C**

Annual Report on CSR Activities to be included in the Board's Report

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

The Company's CSR Policy provides for carrying out CSR activities in the areas of Education, Healthcare and Rural Development directly or through various Non for Profit Organizations or by way of donation to the corpus of the Non Profit Organizations or contribution towards some specific project being undertaken by any of the organizations. The web-link for the CSR Policy of the Company is as under:  
<http://kopran.com/investors/policy/pdf/Corporate%20Social%20Responsibility%20Policy.pdf>

2. The Composition of CSR Committee during the financial year 2018-19:

Dr. Sunita Banerji – Chairman  
 Mr. Surendra Somani – Member  
 Mr. Susheel G. Somani – Member

3. Average Net Profit of the Company for the last three financial years: Rs.438.62 lakhs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):Rs.8.77 lakhs
5. Details of CSR Spent during the financial year:
  - (a) Total amount to be spent for the financial year: 8.77 Lakhs
  - (b) Amount unspent, if any: Rs.37,000
  - (c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Projects/Activities identified	Sector in which the project is covered	Projects or programs 1. Local Area or other 2. Specify the state and district where projects undertaken	Amount outlay (budget) project or program wise	Amount spent on projects or programs. Subheads. 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto reporting period 2019-20	Amount Spent: Direct or through implementing agency.
1	Contribution towards expansion of school building	Education	Fort, Mumbai	Single Program	Rs.7 Lakhs	Rs.7 Lakhs	Direct
2	Contribution towards girl child education	Education	Secunderabad	Single Program	Rs.1 Lakh	Rs.1 Lakh	Direct
3	Contribution towards Health care	Health	Dhapoli District Raigad	Single Program	Rs.0.10 Lakhs	Rs.0.10 Lakhs	Direct
4	Contribution towards Sanitation	Sanitation	Dhapoli, District Raigad	Single Program	Rs.0.29 Lakhs	Rs.0.29 Lakhs	Direct
TOTAL					Rs.8.40 Lakhs	Rs.8.40 Lakhs	

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report: Note provided in Directors Report
7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place: Mumbai  
 Date: 8<sup>th</sup> May, 2019

Surendra Somani  
 Executive Vice Chairman

Sunita Banerji  
 Chairperson of CSR Committee

**Annexure D**

(TO THE DIRECTOR'S REPORT)

**REPORT ON CORPORATE GOVERNANCE**

**A. Board**

**1. Company's Philosophy on the Code of Governance**

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

**2. Board of Directors**

The composition of Board is in conformity with Regulation 17 of SEBI (LODR) Regulations, 2015 as amended. As on 31<sup>st</sup> March, 2019, the Company has a non-executive Chairman and half of the total numbers of Directors are comprised of Independent Directors. Of the Eight Directors in the Company, Seven are Non-Executive Directors and One Executive Director. The Non-Executive Directors comprise of four Independent Directors, including One Women Director. All the Non-executive Directors draw remuneration only by the way of sitting fees for attending the meeting of the Board and the Committees thereof. None of the Independent directors have any material pecuniary relationship or transaction with the Company, its promoters, its directors, its senior management or its subsidiary and associates which may affect independence of the director. None of the Directors are related to each other Except Mr. Varun Somani is the son of Mr. Surendra Somani, Executive Vice Chairman of the Company.

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

None of the Directors holds office in more than eight listed companies. All Directors are also in compliance of the limit on Directorships of listed companies as prescribed in Regulation 17(A) of SEBI (LODR) Regulations, 2015 as amended.

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

Name of the Director	Category / Position	
Mr. Susheel G. Somani*	Non-Executive Director	Chairman (Promoter)
Mr. Surendra Somani	Executive Director	Vice Chairman (Promoter)
Dr. Arvind K Mehta*	Non-Executive Director	Independent Director
Mr. Vijay K Bhandari*	Non-Executive Director	Independent Director
Dr. Siddhan Subramanian	Non-Executive Director	Independent Director
Dr. Sunita Banerji	Non-Executive Director	Independent Director
Mrs. Mamta Biyani**	Non-Executive Director	Additional Director (Independent)
Mr. Narayan Atal**	Non-Executive Director	Additional Director (Independent)
Mr. Adarsh Somani	Non-Executive Director	Director (Promoter)
Mr. Varun Somani	Non-Executive Director	Director (Promoter)

\* Mr. Susheel G. Somani, Dr. Arvind K. Mehta and Mr. Vijay K. Bhandari have retired w.e.f. 25<sup>th</sup> April, 2019.

\*\* Mrs. Mamta Biyani and Mr. Narayan Atal have been appointed as Additional Directors (Independent) by the Board at its meeting held on 8<sup>th</sup> May, 2019.

**b. Familiarization Programme of Independent Directors:**

A Training Programme for Independent Directors was held on 12<sup>th</sup> March, 2019 and conducted by Mr. Nilesh Zaveri, Chartered Accountant from Khandelwal Jain & Co. There was a presentation on Goods and Service Tax (GST) Law and recent updates. The topics covered were Jurisdictional issues, ITC Credit Mismatch, Transitional Credit Issues, Inquiries, Investigations, E-way bills, Detentions/Confiscations, Blockages & Delay in GST Refunds, Arrest & Prosecutions, & Notices on Anti-Profiteering. Further the presentation covered many key aspects such as Input Tax Credit (ITC), Utilisation of ITC, Expenses on Motor Vehicle and Insurance, Other Supplies, Composition Scheme Eligibility, Additional Services covered under RCM, Amendments in Place of Supply, Discounts

and Sales Promotion, New Return Formats, GST Exemption on TDR/JDA, long term lease, FSI, Impact of GST rate pre and post amendments etc. The Details of Familiarisation Program imparted to Independent Directors is also available on the Company's website at the weblink:- <http://kopran.com/investors/profile/pdf/Familiarization%20programe%20of%20Independent%20Directors.pdf>

### 3. Evaluation of Director, Board and its Committee

The criteria for performance evaluation of the Director, Board and its Committee was based on the Guidance Note on Board Evaluation dated 05<sup>th</sup> January, 2017 issued by SEBI. A brief on the manner of evaluation is mentioned in the Director's Report.

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management was held on 12<sup>th</sup> March, 2019 pursuant to Schedule IV (Code for Independent Directors) to the Companies Act, 2013 and Regulation 25 (3) of SEBI (LODR) Regulations, 2015.

### 4. Key information pertaining to Directors

The attendance of Directors at Board meetings during the financial year 2018-19 and at the last Annual General Meeting including information on the number of Directorships and Committee positions held by them in other companies are given below. The purpose of determination of limit of the Board Committees, Chairperson and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

Name of Director	Attendance at		No. of Directorships held in other public Companies	Number of Committee Positions held in other Public Companies	
	Board Meeting held during FY 2018-19	Last AGM held on 29.09.2018		Member	Chairman
Mr. Susheel G Somani*	4	Yes	9	1	0
Mr. Surendra Somani	5	Yes	2	0	0
Mr. Vijay K Bhandari*	4	Yes	7	6	3
Dr. Arvind K Mehta*	5	No	0	0	0
Dr. Siddhan Subramanian	4	Yes	0	0	0
Dr. Sunita Banerji	5	No	1	1	1
Mr. Adarsh Somani	4	Yes	8	1	0
Mr. Varun Somani	5	No	5	0	0
Mrs. Mamta Biyani**	NA	NA	2	1	-
Mr. Narayan Atal**	NA	NA	5	1	3

The Board meets regularly at quarterly intervals and holds additional meetings as and when appropriate and needed. Five meetings of the Board of Directors were held during FY 2018-19 on 29<sup>th</sup> May, 2018, 8<sup>th</sup> August, 2018, 5<sup>th</sup> November, 2018, 21<sup>st</sup> January, 2019 & 12<sup>th</sup> March, 2019. All operational and statutorily required information was placed before the Board and significant events were reported to the Board.

#### Directorships in other Listed Entities

Name of Director	Name of Listed Entity	Category
Mr. Susheel G. Somani*	-	-
Mr. Surendra Somani	-	-
Mr. Vijay K Bhandari*	Jayant Agro-Organics Limited Supershakti Metaliks Limited HSIL Limited	Independent Director Independent Director Independent Director
Dr. Arvind K Mehta*	-	-
Dr. Siddhan Subramanian	-	-
Dr. Sunita Banerji	-	-
Mr. Adarsh Somani	Oricon Enterprises Limited Sarvamangal Mercantile Company Limited	Executive Director Non-Executive Director
Mr. Varun Somani	Oricon Enterprises Limited	Non-Executive Director
Mrs. Mamta Biyani**	-	-
Mr. Narayan Atal**	Elpro International Limited Ajcon Global Services Ltd	Independent Director Independent Director



**Remuneration to Directors and their Shareholding during the financial year 2018-19**

Details of remuneration to Executive Directors

Name of the Director	No. of Equity Shares	Remuneration (in ₹)
Mr. Surendra Somani	503075	1,51,33,600
Other benefits/Stock Option/Pension/Bonuses/Performance Linked Incentives		None
As per the terms of appointment there is no Severance Fee and the Notice Period is three months.		

Details of remuneration to Non-Executive Directors.

Name of the Director	No. of Equity Shares	Details of sitting Fees (in ₹)	
		Board	Committee
Mr. Susheel G Somani*	871900	48,000	5,000
Dr. Arvind K Mehta*	Nil	72,000	35,000
Mr. Vijay K Bhandari*	Nil	60,000	25,000
Dr. Siddhan Subramanian	Nil	60,000	10,000
Dr. Sunita Banerji	Nil	72,000	20,000
Mr. Adarsh Somani	181250	36,000	Nil
Mr. Varun Somani	272500	48,000	Nil
Mrs. Mamta Biyani**	Nil	NA	NA
Mr. Narayan Atal**	Nil	NA	NA

\* Mr. Susheel G. Somani, Dr. Arvind K. Mehta and Mr. Vijay K. Bhandari have retired w.e.f. 25<sup>th</sup> April, 2019.

\*\* Mrs. Mamta Biyani and Mr. Narayan Atal have been appointed as Additional Directors (Independent) by the Board at its meeting held on 8<sup>th</sup> May, 2019.

There were no pecuniary relationships or transactions of the non-executive director's vis-à-vis the Company.

**Skills/Expertise/Competencies of the Board of Directors**

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- i) Knowledge on Company's businesses
- ii) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making
- iii) Financial and Management skills
- iv) Professional skills and specialized knowledge in relation to Company's business.

**5. Code of Conduct**

The Code of Conduct for its Directors and Senior Management upholds the interest of the Company and its stakeholders and to fulfill all the fiduciary obligations towards them. The Code of Conduct further directs the Directors and Senior Management to act in accordance with the highest standard of honesty, integrity, fairness and good faith and due diligence in performing their duties. The Code of Conduct is signed by Directors and Senior Management within one week of the start of financial year. The Code of Conduct adopted by the Board is available on the Company's web-link <http://kopran.com/investors/policy/pdf/CODE%20OF%20CONDUCT.pdf>

**6. CEO & CFO Certification**

The Executive Vice Chairman and Chief Financial Officer have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II to the Listing Regulations pertaining to CEO & CFO Certification for the Financial Year ended 31<sup>st</sup> March 2019. (Attached to Corporate Governance Report)

**B. Committees**

**1. Audit committee**

**i) Brief terms of reference**

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

**ii) Audit Committee Members, its composition & attendance during the year**

During the FY 2018-19 four Audit Committee meetings were held on 29<sup>th</sup> May 2018, 8<sup>th</sup> August 2018, 5<sup>th</sup> November, 2018 & 21<sup>st</sup> January, 2019 and the gap between any two meetings did not exceed 120 days. Requisite quorum was present at the above meetings. During the year the Audit Committee inter alia reviewed key audit findings covering Operational, Financial and Compliance areas. The Chairman of the Audit Committee briefed the Board members on the significant discussions which took place at Audit Committee Meetings.

The Composition of the Audit Committee and the details of the meetings attended by the Directors during the year are as given below:

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

\* Dr. Arvind K Mehta and Mr. Vijay K Bhandari have retired w.e.f. 25<sup>th</sup> April, 2019.

Note: Mrs. Mamta Biyani and Mr. Narayan Atal have joined the Audit Committee on 8<sup>th</sup> May, 2019.

**2. Nomination and Remuneration Committee (NRC)**

**i) Brief terms of reference**

In pursuant to the provisions of Section 178 of the Companies Act, 2013, the Company has constituted a Nomination & Remuneration Committee of Directors in May 2013. The terms of reference of the Committee are in line with Regulation 19 of SEBI (LODR) Regulation, 2015 and brief terms of reference are devising the criteria for the appointment, evaluation, policy matters for remuneration and performance appraisal, identifying and recommending the appointment of Key Managerial Personnel & Directors, determining the appropriate size, diversity and composition of the Board, conduct meeting at regular intervals to carry out the functions as assigned by the Board, working with the Board on the leadership succession plan. The Nomination & Remuneration Policy has been revised on 6<sup>th</sup> May, 2019.

**ii) Committee Members, its composition & attendance during the FY 2018-19**

During the FY 2018-19 the Nomination & Remuneration Committee meeting was held on 29<sup>th</sup> May, 2018 and 12<sup>th</sup> March, 2019.

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

Name	Designation	Category	Committee Meeting attended
Mr. Vijay K Bhandari*	Chairman	Independent Director	2
Dr. Arvind K Mehta*	Member	Independent Director	2
Dr. Siddhan Subramanian	Member	Independent Director	2

\* Dr. Arvind K Mehta and Mr. Vijay K Bhandari have retired w.e.f. 25<sup>th</sup> April, 2019.

Note: Dr. Sunita Banerji and Mr. Varun Somani have joined the Nomination & Remuneration Committee on 6<sup>th</sup> May, 2019

**iii) Performance evaluation criteria of Independent Directors.**

Pursuant to the provision of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 as amended and Guidance Note on Board Evaluation issued by SEBI, the Board has carried out the annual Performance Evaluation of the Independent Directors by way of individual and collective feedback from Directors.

**3. Stakeholders Relationship Committee**

During the FY 2018-19 Stakeholders Relationship Committee Meeting was held on 12<sup>th</sup> March, 2019.

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

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

\* Dr. Arvind K Mehta and Mr. Susheel G Somani have retired w.e.f. 25<sup>th</sup> April, 2019.

Note: Dr. Siddhan Subramanian, Mr. Varun Somani and Mr. Adarsh Somani have joined the Stakeholders Relationship Committee on 6<sup>th</sup> May, 2019

Status of Shareholder's Complaints for FY 2018-19

Outstanding Complains at the beginning of the year	Received during the year	Resolved during the year	Outstanding Complains at the end of the year
0	5	5	0

**4. Corporate Affairs Committee**

During the FY 2018-19 Corporate Affairs Committee Meetings were held on 11<sup>th</sup> June 2018, 5<sup>th</sup> July 2018, 18<sup>th</sup> September 2018, 16<sup>th</sup> November 2018 & 15<sup>th</sup> March, 2019.

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

Name	Designation	Category	Committee Meeting attended
Mr. Surendra Somani	Chairman	Executive Director	5
Dr. Arvind K Mehta*	Member	Independent Director	5
Mr. Susheel G. Somani*	Member	Non-Independent Director	5

\* Dr. Arvind K Mehta and Mr. Susheel G Somani have retired w.e.f. 25<sup>th</sup> April, 2019.

Note: Mr. Varun Somani and Mr. Adarsh Somani have joined the Corporate Affairs Committee on 6<sup>th</sup> May, 2019

**5. Corporate Social Responsibility Committee**

During the FY 2018-19 the Corporate Social Responsibility Committee meeting was held on 12<sup>th</sup> March, 2019.

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

Name	Designation	Category	Committee Meeting attended
Dr. Sunita Banerji	Chairman	Independent Director	1
Mr. Surendra Somani	Member	Executive Director	1
Mr. Susheel Somani*	Member	Non-Independent Director	1

\* Mr. Susheel Somani has retired w.e.f. 25<sup>th</sup> April, 2019.

Note: Mrs. Mamta Biyani and Mr. Varun Somani have joined the Corporate Social Responsibility Committee on 6<sup>th</sup> May, 2019.

**C. Shareholder's Information**

**i. General Meetings**

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

AGM	Date	Day	Time	Location of the Meeting	No. of Special Resolutions passed
57 <sup>th</sup>	10 <sup>th</sup> September, 2016	Saturday	3.00 pm	Shri S.K. Somani Memorial Hall, HVB Academy, 79, Marine Drive, Mumbai 400 020	None
58 <sup>th</sup>	2 <sup>nd</sup> September, 2017	Saturday	10.30 am	As above	Two*
59 <sup>th</sup>	29 <sup>th</sup> September, 2018	Saturday	11.30 am	As above	None

\*1. Appointment of Mr. Susheel Somani as a Director.

\*2. Re-appointment of Mr. Surendra Somani as Executive Vice Chairman.

**ii. General Shareholders Information :**

- 1) Date, time and venue of 60<sup>th</sup> AGM : Saturday, 20<sup>th</sup> July 2019, 11.00 am at Shri S.K. Somani Memorial Hall, 79, Marine Drive, Mumbai – 400 020.
- Financial Year : 2018-19
- 2) Date of Book Closure : 10<sup>th</sup> July, 2019 to 12<sup>th</sup> July, 2019 (both days inclusive)
- 3) Dividend payment date, if declared at the AGM : No dividend declared
- 4) Listing on Stock Exchanges : BSE Ltd  
P. J. Towers, Dalal Street, Mumbai – 400 001.  
Phone no. 22721233/34 -66545695  
National Stock Exchange of India Ltd.  
Exchange Plaza, Plot no. C/1, G Block. Bandra-Kurla Complex,  
Bandra (E), Mumbai 400 051  
Phone no. 26598100-66418100
- 5) Listing fees : Paid as per the listing agreement.
- 6) ISIN No. : INE082A01010
- 7) BSE Scrip code : 524280  
NSE Scrip Code : KOPRAN
- 8) Registered office : Kopran Ltd., Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018  
Tel. No. 022-43661111  
Fax No. 022-24950363, Website: [www.kopran.com](http://www.kopran.com)  
CIN: L24230MH1958PLC011078
- 9) Registrar & Share Transfer Agent (RTA) & Investor correspondence : Bigshare Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East) Mumbai 400059. Board No.: 022 62638200 Fax No: 022 62638299 Email: [bhagwan@bigshareonline.com](mailto:bhagwan@bigshareonline.com)  
or  
Secretarial Department, Kopran Ltd., Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018 Tel.No.022-43661111: Fax No. 022-24950363, Email: [investors@kopran.com](mailto:investors@kopran.com)
- 10) Compliance Officer : Mr. Sunil Sodhani, Company Secretary & Compliance Officer.  
Email : [sunil@kopran.com](mailto:sunil@kopran.com)  
Tel No. 022-43661251
- 11) Share Transfer System : The Company's shares are traded compulsorily in Demat segment in BSE Ltd and National Stock Exchange. Shares in physical segment which are lodged for transfer are processed by our RTA and returned to the Shareholders within stipulated time period.
- 12) Financial Calendar for FY 2019-20 : Results for the Quarter ending:  
June 30, 2019 – By August 14, 2019  
September 30, 2019 - By Nov 15, 2019  
December 31, 2019 – By February 14, 2020  
March 31, 2020 – By May 30, 2020 (Audited Results)
- 13) Dematerialization of shares : As on 31<sup>st</sup> March, 2019, 42945796 shares representing 99.29% of Equity shares are held in demat mode.

- 14) Plant Location : Formulation Unit : Village Savroli, Taluka Khalapur,  
District Raigad, Khopoli-410 202  
API Unit : Kopran Research Laboratories Ltd. (Subsidiary Company) K-4,  
Additional MIDC, Village Birwadi, Near Global Board, Mahad – 402 302.

- 15) Distribution of Shareholding as on 31<sup>st</sup> March, 2019  
By size of shareholdings, Face Value of Equity : Rs.10/-

Range	No. of Shareholders	% of Shareholders	Holdings	% to Capital
01 to 500	27313	82.08	4532433	10.47
501 to 1000	3029	9.11	2568848	5.94
1001 to 2000	1445	4.35	2269789	5.25
2001 to 3000	476	1.43	1232335	2.85
3001 to 4000	211	0.63	764314	1.77
4001 to 5000	235	0.71	1127645	2.61
5001 to 10000	290	0.87	2146552	4.96
10001 and above	270	0.81	28610686	66.15
Grand Total	33269	100.00	43252602	100.00

- 16) Stock market price data for the year 2018-19:

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

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High	Low	Volume of Shares	High	Low	Volume of Shares
April-18	74.70	55.00	12,03,020	74.65	55.15	55,40,053
May-18	71.00	56.60	4,42,555	71.30	56.55	20,45,971
June-18	64.40	48.55	9,30,701	64.40	48.10	40,49,978
July-18	55.45	47.15	4,12,454	55.30	46.70	17,24,312
August-18	57.15	48.15	10,01,325	57.25	48.85	32,86,766
September-18	56.70	39.15	5,74,718	56.80	39.15	25,61,822
October-18	40.35	32.70	3,88,732	40.30	32.60	15,02,233
November-18	41.90	35.20	4,04,114	41.80	35.70	17,71,563
December-18	44.00	35.95	4,36,826	43.95	35.80	22,55,118
January-19	46.80	37.05	8,05,567	46.00	37.10	38,09,055
February-19	43.85	35.45	2,76,561	43.60	35.50	11,22,923
March-19	43.50	36.90	4,69,366	43.05	36.90	14,80,045

- 17) Yearly Stock Performance vs Benchmark Index

NSE exchange	As on 31 <sup>st</sup> March, 2018	As on 31 <sup>st</sup> March, 2019*	Change in %
Nifty (Closing Index)	10114	11624	+14.93%
Nifty Pharma	8358	9347	+11.83%
Kopran Ltd. (Closing Price)	55.05	41.35	-33.13%

\*Price taken of the last trading day on 29<sup>th</sup> March, 2019 of the FY 2018-19.

- 18) Data updation for PAN and Bank details of shareholders.

SEBI vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 has intimated all listed entities and RTA's to strengthen the database of shareholders by collecting additional information on PAN Card and bank details. Letters have been dispatched to the shareholders whose information is not complete with regards to PAN Card and Bank details on 30<sup>th</sup> July, 2018, 4<sup>th</sup> September, 2018 and 28<sup>th</sup> November, 2018.

**19) Details of Unclaimed Suspense Account:**

Disclosure pertaining to Unclaimed Suspense Account as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is not applicable as there are no shares in demat suspense account or any amount in unclaimed suspense account.

**20) Nomination Facility:**

As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.

**21) Means of communication**

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

**D. General Information**

**1. Subsidiary Company**

The Company has one Material Subsidiary Kopran Research Laboratories Limited incorporated in India. Regulation 24 of the Listing Regulations requires at least one Independent Director of the listed entity to be a Director on the Board of an unlisted material subsidiary incorporated in India. Dr. Sunita Banerji and Mrs. Mamta Biyani, Independent Director of Kopran Research Laboratories Limited are also Independent Directors on the Board of Kopran Limited. The Company monitors performance of subsidiary companies, inter alia by following means

The Company's Audit Committee reviews the Financial Statement of the Subsidiary Companies also, including the investment made by subsidiaries.

- i. The minutes of Board Meetings and Committee Meetings of the subsidiary companies are placed before the Board of Directors at regular interval.
- ii. All significant transaction including Loans, Guarantees and Investments of subsidiary company are reviewed periodically by the Company and placed before the Board.
- iii. The Company has formulated a policy for determining material subsidiaries and the Policy is disclosed on the Company's web-link <http://kopran.com/investors/policy/pdf/Material%20Subsidiary%20Policy.pdf> The Material Subsidiary Policy has been revised on 6<sup>th</sup> May, 2019.

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

The Company has no Outstanding GDR / ADR/Warrant or any convertible instruments as on 31<sup>st</sup> March, 2019.

**3. Foreign Exchange Risk and hedging activities:**

The Company's Sales is mainly in exports and it is exposed to fluctuations in foreign exchange rates. The Management however takes appropriate hedging strategies which limits the risk. The details of the Company's Foreign Exchange hedging activities are included in Notes to Financial Statements.

**4. Disclosures**

- i. There were no related party transactions that may have potential conflict with the interests of the Company at large. The Company has formulated a Related Party Transactions Policy and the same is displayed on the Company's website at the following web link: <http://kopran.com/investors/policy/pdf/Policy%20on%20related%20party%20transaction.pdf>
- ii. The Company has complied with the requirements of the Stock Exchange, SEBI and other Statutory Authorities on all matters relating to Capital Markets during the last three years. No penalties or strictures were imposed on the Company by these authorities.
- iii. The Company has complied with all mandatory requirements of Listing Regulations with the Stock Exchanges as on 31<sup>st</sup> March, 2019.
- iv. Adoption / non adoption of non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations as at 31<sup>st</sup> March, 2019 is as under:
  - a. The Company does not maintain an office for the Non-Executive Chairman
  - b. As the Financial Results are published in the newspaper as well as displayed on the Company's website, the Results are not sent to household of each of the Shareholders.
  - c. The auditors have issued an unqualified opinion for financial statements for the year ended 31<sup>st</sup> March, 2019.
  - d. The Company is already having separate posts for Chairman and Managing Director.
  - e. Internal Auditor reports to Audit Committee.

**CEO & CFO Certificate**

The Board of Directors  
Kopran Limited

Dear members of the Board,

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

1. We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of the Company and all the notes on accounts and the Board's report for FY 2018-19.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct, except as disclosed to the Company's auditors and the Company's audit committee of the Board of Directors.
5. We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the Internal control systems of the Company pertaining to financial reporting;
6. We have disclosed, based on our most recent evaluation, wherever applicable, to the Company's Auditors and the Audit Committee of the Company's Board of Directors, all significant deficiencies in the design or operation of Internal controls, if any, of which they are aware and the steps taken or proposed to be taken to rectify the deficiencies;
7. We have indicated to the Auditors and the Audit Committee:
  - a. Significant changes in the Company's Internal control over financial reporting during the year.
  - b. All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
  - c. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's Internal control system over financial reporting.
8. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
9. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year covered by this report.

Mumbai  
Date: 8<sup>th</sup> May, 2019

Mr. Surendra Somani  
Executive Vice Chairman

Mr. Basant Kumar Soni  
Chief Financial Officer

**CERTIFICATE OF CORPORATE GOVERNANCE**

**TO THE MEMBERS OF  
KOPRAN LIMITED**

We have examined the compliance of the conditions of Corporate Governance procedures implemented by Kopran Limited (the “**Company**”) for the financial year ended on 31<sup>st</sup> March, 2019 as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”).

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

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

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

For GMJ & ASSOCIATES  
COMPANY SECRETARIES

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

PLACE: MUMBAI  
DATE : 8<sup>th</sup> MAY, 2019



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kopran Limited having CIN L2430MH1958PLC011078 and having registered office at Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority .

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **GMJ & ASSOCIATES**  
Company Secretaries

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

**PLACE: MUMBAI**  
**DATE: 8<sup>th</sup> May, 2019**

**Annexure E**

(TO THE DIRECTOR'S REPORT)

**FORM NO. MR - 3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2019**

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 notified w.e.f. 3<sup>rd</sup> October, 2018 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share based Employee Benefits) Regulations, 2014; **[Not applicable during the period of audit]**.
  - f) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 notified w.e.f. 11<sup>th</sup> September, 2018; **[Not applicable during the period of audit]**
  - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable during the period of audit]**.
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable during the period of audit]**.
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not applicable during the period of audit]**.
- vi. Other laws applicable specifically to the Company namely:
  - a) Drugs and Cosmetics Act, 1940 and Rules made there-under;

- b) Drugs Price Control Order, 2013;
- c) National Pharmaceuticals Pricing Policy, 2012;
- d) The Pharmacy Act, 1948;
- e) The Narcotic Drugs and Psychotropic Substances Act, 1985;
- f) The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954;
- g) Food Safety and Standards Act, 2006.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India;
- b) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, Board Committee Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the information provided and the representation made by the Chief Financial Officer/Company Secretary, taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**For GMJ & ASSOCIATES**  
**Company Secretaries**

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

**PLACE: MUMBAI**  
**DATE: 8<sup>th</sup> MAY, 2019**

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

**ANNEXURE I**

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

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

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

For GMJ & ASSOCIATES  
Company Secretaries  
[CS PRABHAT MAHESHWARI]  
PARTNER  
M. No.: FCS 2405  
COP No. : 1432

PLACE: MUMBAI  
DATE: 8<sup>th</sup> MAY, 2019

**Annexure F**

(TO THE DIRECTOR'S REPORT)

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

**A. CONSERVATION OF ENERGY**

1. The company has replaced 75W CFL conventional lights by energy efficient of 5W-15W of 2500 tube light fixtures, which reduced the electricity consumption at Production Pen & Non Pen Plant including other areas.
2. Street Lights: Replaced 250W CFL conventional lights by energy efficient of 60W LED of 25 street pole light i.e. reduced energy consumption from 12 KW to 1.2 KW per Hrs & saved 10.5KW per Hrs.
3. Soft starter installed at various locations instead of earlier DOL starters.
4. Automatic Power factor Control: There is reduction in usage of current which ultimately saves energy
5. Screw Chiller 350 TR installed in place of reciprocation compressor. Screw chiller drew two third current as compare to reciprocating compressor. Saving 150 KW per Hrs.
6. Variable Frequency Device (VFD): There are MD Controller panel for controlling usage of Electrical power at factory and temperature Monitoring Device along with controlling Cooling tower fan auto switching system to reduce fuel power consumption. VFD is installed at various loads to save electrical power.
7. The Company has also invested in energy saving equipment's like Cooling Tower/ Pump at the Mahad Plant for total value of Rs.9,72,000.

**B. TECHNOLOGY ABSORPTION**

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

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Earnings: Rs.16686.46 lacs (Previous year: Rs. 13,174.64 lacs)  
Outgo : Rs.708.71 lacs (Previous year: Rs. 770.81 lacs)

**Annexure G**

(TO THE DIRECTOR'S REPORT)

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

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

Name	Ratio to Median
Surendra Somani – Executive Vice Chairman	37.85

Note: All Non-Executive Directors are paid sitting fees and hence not considered for comparison of median remuneration.

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

Name	% increase
Surendra Somani – Executive Vice Chairman	No change
Basant Kumar Soni – Chief Financial Officer	14.04%
Sunil Sodhani – Company Secretary & Compliance officer	8.92%

Percentage increase in the median remuneration of employee in the financial year	9.31%
Number of permanent employees on the Roll of the Company	359
Average percentile increase already made in the Salaries of the employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentile increase in the Managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial remuneration. :	
Average increase in Managerial Remuneration is 11.34% and Average increase in Non-managerial person is 9.31%.	

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

On behalf of the Board of Directors

Surendra Somani  
Executive Vice Chairman

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF,  
KOPRAN LIMITED**

**Report on the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of Kopran Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be Communicated in our report. For each matter below, the description of how our audit addressed the matter is provided in the above context.

Sr. No.	Key Audit Matter description	How to scope of our audit responded the key audit matter
1	<b>Evaluation of Provision and Contingent Liabilities :</b>	
	<p>As at the Balance Sheet date, the Company has significant open litigation and other contingent liabilities as disclosed in note no. 34(a). The assessment of the existence of the present legal or constructive obligation, analysis of the probability or possibility of the related payment require the management to make judgement and estimates in relation to the issues of each matter.</p> <p>The management with the help of opinion and advise of its experts have made such judgements and estimates relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability.</p> <p>Due to the level of judgement relating to recognition, valuation and presentation of provision and contingent liabilities, this is considered to be a key audit matter.</p>	<p>We have reviewed and held discussions with the management to understand their processes to identify new possible obligations and changes in existing obligations for compliance with the requirements of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets.</p> <p>We have also discussed with the management significant changes from prior periods and obtained a detailed understanding of these items and assumptions applied. We have held regular meetings with the management and key legal personnel responsible for handling legal matters.</p> <p>In addition, we have reviewed:</p> <ul style="list-style-type: none"> <li>• the details of the proceedings before the relevant authorities including communication from the advocates / experts;</li> <li>• legal advises / opinions obtained by the management, if any, from experts in the field of law on the legal cases;</li> <li>• status of each of the material matters as on the date of the balance sheet.</li> </ul> <p>We have assessed the appropriateness of provisioning based on assumptions made by the management and presentation of the significant contingent liabilities in the financial statements.</p>

Sr. No.	Key Audit Matter description	How to scope of our audit responded the key audit matter
2	<b>Valuation of inventory:</b>	
	<p>Inventory comprises of Raw Materials, Finished Goods, Stock in process and Stores and Spares. There is an inherent risk around the accuracy of the valuation of the closing stocks.</p> <p>Inventories are valued at lower of cost and net realisable value. These involve significant management judgement to determine the obsolete or slow moving items of inventory and to evaluate the realisable values. Further, Amoxicillin Trihydrate is the main raw material for the Company, which is partly imported, and is subject to high price fluctuation risk as well as foreign currency risk.</p> <p>The volatility in the prices of Amoxicillin Trihydrate may significantly impact the valuation of not only Raw material but also other items of inventory.</p> <p>In determining the net realizable value, the management uses data of sales of finished good available which is a management estimate.</p> <p>We have considered this as a key audit matter due to the significance in the amount of inventory and volatility in the prices of Amoxicillin Trihydrate.</p>	<p>We have reviewed the stock records and held discussions with the management. We verified arithmetical accuracy of valuation records / reports.</p> <p>For a sample of inventory items we have verified that the First in First out (FIFO) Method calculation in case of inventory is appropriate.</p> <p>We have reviewed the price movement of Amoxicillin Trihydrate with respect to cost to the Company.</p> <p>Compared such prices with the recent selling prices. Compared the value of Finished Goods with the last selling prices of the respective product to determine the basis of valuation adopted.</p>

**Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

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

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.



- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 34(a) to the standalone financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 48(a) to the standalone financial statements;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company - Refer Note 48(b) to the standalone financial statements.
  - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.

(B) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

**For KHANDELWAL JAIN & CO.**  
**Chartered Accountants**  
**Firm Registration No.: 105049W**

**(S. S. SHAH)**  
**PARTNER**  
**Membership No.: 033632**

Place: Mumbai  
Date : May 08, 2019

**Annexure “A” to the Independent Auditors’ Report**

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

- i a The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.
- b The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii The management has conducted physical verification of inventory once at the year-end, which, in our opinion, is reasonable. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account. In respect of inventories lying with third parties, these have substantially been confirmed by them.
- iii According to information and explanations given to us, the Company has granted unsecured loans to a subsidiary company covered in the register maintained under Section 189 of the Act. The Company has not granted any secured / unsecured loans to firms, LLPs or other parties covered in the register maintained under Section 189 of the Act.
  - a In respect of the aforesaid loans, the terms and conditions under which such loans were granted are, in our opinion prima facie not prejudicial to the Company's interest.
  - b The repayment terms are not stipulated as the loans are repayable on demand and the parties are regular in payment of interest.
  - c There were no overdue amount outstanding as at the year end.
- iv In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of sections 73 to 76 of the Act or any other provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii (a) According to the information and explanations given to us and records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, duty of customs, Cess, and any other material statutory dues, as applicable to it, with the appropriate authorities.
- (b) According to information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, duty of Customs, Cess, and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company, the dues of Income tax, Sales tax, Service tax, Goods and Service tax, duty of Customs, duty of Excise, Value added tax, which have not been deposited on account of any dispute, amount involved and the forum where dispute is pending are as under:

(₹ in Lakhs)

Name of the Statute	Nature of Dues	Amount Involved (₹ in Lakhs)	Period to which Amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	8.52	2002-03	High Court
	Excise Duty	1.46	2011-12	Joint Secretary
	Excise Duty	2.70	2005-06	
	Excise Duty	2.27	2012-13	
	Excise Duty	0.44	2014-15	Commissioner of Central Excise
	Excise Duty	1.51	1990-91	
	Cenvat Credit	0.07	2015-16	Appeal to be filed before Customs Excise and Service Tax Appellate Tribunal
	Cenvat Credit	1.09	2014-15	
	Cenvat Credit	10.56	2013-14	
	Cenvat Credit	91.66	2013-14	High Court, Mumbai
Service Tax Act Chapter V of the Finance Act, 1994	Service Tax	38.99	2001-02	Customs Excise and Service Tax Appellate Tribunal
		475.00	2006-07	
Drug Price Control Order-95 (DPCO - 95)	Difference in Pricing	591.34	2002-03	High Court, Mumbai
Income Tax Act, 1961	Income Tax	206.32	2016-17	Commissioner of Income Tax (Appelas)

- viii In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institutions and there are no loans or borrowings from Government and the Company has not issued any debentures.
- ix The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- x During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees, has been noticed or reported during the year, nor have we been informed of any such case by the management.
- xi According to the information and explanations given to us and the books of accounts verified by us, the Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with the Schedule V to the Companies Act, 2013.
- xii In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the said Order is not applicable to the Company.
- xiii According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- ivx According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the said Order is not applicable to the Company.

- xv According to the information and explanations given to us and based on our examination of the records of the company, the Company has not entered into any non-cash transactions for acquisition of assets for consideration other than cash referred to in section 192 of the Act with its directors or persons connected with them.
- xvi According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For KHANDELWAL JAIN & CO.**  
**Chartered Accountants**  
**Firm Registration No.: - 105049W**

**S. S. SHAH**  
**Partner**  
**Membership No. 033632**

Place: - Mumbai  
Date : - May 08, 2019

#### **Annexure “B” to the Independent Auditors’ Report**

(Referred to in paragraph 2A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kopran Limited of even date)

#### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of **KOPRAN LIMITED** (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the

auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal control over financial reporting established by the Company considering the essential components of internal controls stated in the Guidance Note issued by ICAI.

**For KHANDELWAL JAIN & CO.**  
**Chartered Accountants**  
**Firm Registration No.: - 105049W**

**S. S. SHAH**  
**Partner**  
**Membership No. 033632**

Place: - Mumbai  
Date : - May 08, 2019

**STANDALONE BALANCE SHEET AS AT MARCH 31st, 2019**

(₹ in Lakhs)

Particulars	Notes No.	As at 31st March, 2019	As at 31st March, 2018
<b>ASSETS</b>			
<b>1. Non - current assets</b>			
Property, Plant and Equipment	4	4,178.83	3,804.91
Capital work-in-progress		93.70	528.15
Intangible assets	5	9.53	9.96
Intangible assets under development		581.63	256.24
<b>Financial assets</b>			
Investments	6	15,751.61	15,691.72
Loans receivables	7	131.82	129.05
Deferred tax assets (net)	8	295.25	376.04
Other non - current assets	9	71.36	50.12
<b>Total non - current assets</b>		<b>21,113.73</b>	<b>20,846.19</b>
<b>2. Current assets</b>			
Inventories	10	2,518.94	2,975.45
<b>Financial assets</b>			
Trade receivables	11	4,459.00	2,013.03
Cash and cash equivalents	12	20.59	26.94
Bank balances other than cash and cash equivalents above	13	84.45	125.92
Loans receivables	14	535.94	487.29
Other financial assets	15	390.76	236.51
Other current assets	16	2,732.81	3,325.58
<b>Total current assets</b>		<b>10,742.49</b>	<b>9,190.72</b>
<b>Total Assets</b>		<b>31,856.22</b>	<b>30,036.91</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	4,324.89	4,324.89
Other equity	18	17,519.29	16,249.86
<b>Total Equity</b>		<b>21,844.18</b>	<b>20,574.75</b>
<b>LIABILITIES</b>			
<b>1. Non - current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19	2,170.96	2,189.18
Provisions	20	360.47	281.49
<b>Total non - current liabilities</b>		<b>2,531.43</b>	<b>2,470.67</b>
<b>2. Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21	1,883.20	2,356.45
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	22	116.43	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises	22	3,127.63	2,877.38
Other financial liabilities	23	1,742.42	1,407.60
Other current liabilities	24	510.25	208.75
Provisions	25	66.26	60.75
Current tax liabilities (net)	26	34.42	80.56
<b>Total current liabilities</b>		<b>7,480.61</b>	<b>6,991.49</b>
<b>Total equity and liabilities</b>		<b>31,856.22</b>	<b>30,036.91</b>
<b>Corporate information</b>	1		
<b>Significant accounting policies</b>	2		
<b>Notes forming part of the standalone financial statements</b>	3 to 54		

As per our report of even date  
For **Khandelwal Jain & Co**  
Chartered Accountants  
Firm Registration No: - 105049W

**S. S. Shah**  
Partner  
Membership No: - 033632

Place: Mumbai  
Date : May 08, 2019

For and on behalf of the Board of Directors

**SURENDRA SOMANI**  
Executive Vice Chairman  
DIN: 00600860

**DR. SIDDHAN SUBRAMANIAN**  
Director  
DIN: 02101174

**B. K. SONI**  
Chief Financial Officer

**SUNIL SODHANI**  
Company Secretary

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31st, 2019**

(₹ in Lakhs)

Particulars	Notes No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>I INCOME</b>			
Revenue from operations	27	19,664.59	15,370.55
Other income	28	309.62	785.96
<b>Total Income</b>		<b>19,974.21</b>	<b>16,156.51</b>
<b>II EXPENSES</b>			
Cost of materials consumed	29	9,591.13	8,004.89
Purchases of stock-in-trade		2,098.17	1,525.00
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	47.01	(405.64)
Employee benefits expense	31	2,038.32	1,833.87
Finance costs	32	545.53	663.36
Depreciation and amortization expense	4 & 5	310.64	322.18
Other expenses	33	3,607.66	3,516.76
<b>Total Expenses</b>		<b>18,238.46</b>	<b>15,460.42</b>
<b>Profit before exceptional items and tax</b>		<b>1,735.75</b>	<b>696.09</b>
Exceptional items (net)		-	-
<b>Profit before tax</b>		<b>1,735.75</b>	<b>696.09</b>
<b>Tax Expense</b>	46		
(1) Current Tax		347.55	114.70
(2) Deferred Tax		91.10	110.71
<b>Total tax expense</b>		<b>438.65</b>	<b>225.41</b>
<b>Profit for the year</b>		<b>1,297.10</b>	<b>470.68</b>
<b>Other Comprehensive Income (OCI)</b>			
<b>(i) Items that will not be reclassified subsequently to profit or loss</b>			
a) Net changes in fair value of investments in equity shares carried at fair value through OCI [(expenses) / income]		(1.22)	0.03
Income tax effect on Net changes in fair value of investments in equity shares carried at fair value through OCI [credit / (charge)]		0.07	-
b) Remeasurement of defined employee benefit plans [(expenses) / write back]		(36.75)	15.49
Income tax effect on remeasurement of defined employee benefit plans [(charge) / credit]		10.23	(5.41)
ii) a) Items that will be reclassified subsequently to profit or loss		-	-
b) Income tax relating to items that will be reclassified subsequently to profit or loss		-	-
<b>Total other comprehensive (loss) / income for the year</b>		<b>(27.67)</b>	<b>10.11</b>
<b>Total comprehensive income for the year</b>		<b>1,269.43</b>	<b>480.79</b>
<b>Earnings per equity share (₹)</b>			
Basic and diluted-par value of ₹ 10/- per share	35	3.00	1.09
<b>Corporate information</b>	1		
<b>Significant accounting policies</b>	2		
<b>Notes forming part of the standalone financial statements</b>	3 to 54		

As per our report of even date  
For **Khandelwal Jain & Co**  
Chartered Accountants  
Firm Registration No: - 105049W

**S. S. Shah**  
Partner  
Membership No: - 033632

Place: Mumbai  
Date : May 08, 2019

For and on behalf of the Board of Directors

**SURENDRA SOMANI**  
Executive Vice Chairman  
DIN: 00600860

**DR. SIDDHAN SUBRAMANIAN**  
Director  
DIN: 02101174

**B. K. SONI**  
Chief Financial Officer

**SUNIL SODHANI**  
Company Secretary

**Statement of changes in equity for the year ended March 31st, 2019**

**A) Equity share capital**

(₹ in Lakhs)	
Particulars	Amount
<b>As at April 1, 2017</b>	<b>4,324.89</b>
Changes in equity share capital	-
<b>As at March 31, 2018</b>	<b>4,324.89</b>
Changes in equity share capital	-
<b>As at March 31, 2019</b>	<b>4,324.89</b>

**B) Other equity**

Particulars	Reserve and surplus					Other comprehensive income		Total
	Capital reserve	General reserve	Securities premium	Export allowance reserve	Retained Earnings	Equity instruments through OCI	Remeasurements of net defined benefit plans	
As at April 1, 2017	1,484.74	814.21	12,256.20	0.40	1,134.47	(6.32)	85.37	15,769.07
Profit for the year	-	-	-	-	470.68	-	-	470.68
Other comprehensive income for the year	-	-	-	-	-	0.03	10.08	10.11
As at April 01, 2018	1,484.74	814.21	12,256.20	0.40	1,605.15	(6.29)	95.45	16,249.86
Profit for the year	-	-	-	-	1,297.10	-	-	1,297.10
Other comprehensive income for the year	-	-	-	-	-	(1.15)	(26.52)	(27.67)
Realised Gain/Loss on Equity FVTOCI transferred to Retained Earnings	-	-	-	-	(7.26)	7.26	-	-
<b>As at March 31, 2019</b>	<b>1,484.74</b>	<b>814.21</b>	<b>12,256.20</b>	<b>0.40</b>	<b>2,894.99</b>	<b>(0.18)</b>	<b>68.93</b>	<b>17,519.29</b>

**The Description of the nature and purpose of each reserve within equity is as follows:**

**a) Capital reserve:**

Capital Reserves are mainly the reserves created by way of forfeiting the deposits received against the share warrants issued in the earlier years and the merger of 'Kopran Pharmaceuticals Ltd.' with the Company, pursuant to the Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble High Court of Judicature at Bombay in the financial year 2004-05.

**b) General Reserve:**

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**c) Securities Premium:**

Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.



**d) Retained Earnings:**

Retained earnings are the profits that the Company has earned till date less any transfer to General Reserve, dividends or other distributions paid to the shareholders.

**e) Equity Instruments through OCI:**

This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

<b>Corporate information</b>	<b>1</b>
<b>Significant accounting policies</b>	<b>2</b>
<b>Notes forming part of the standalone financial statements</b>	<b>3 to 54</b>

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As per our report of even date  
For **Khandelwal Jain & Co**  
Chartered Accountants  
Firm Registration No: - 105049W

**S. S. Shah**  
Partner  
Membership No: - 033632

Place: Mumbai  
Date : May 08, 2019

**For and on behalf of the Board of Directors**

**SURENDRA SOMANI**  
Executive Vice Chairman  
DIN: 00600860

**B. K. SONI**  
Chief Financial Officer

**DR. SIDDHAN SUBRAMANIAN**  
Director  
DIN: 02101174

**SUNIL SODHANI**  
Company Secretary

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31st, 2019**

PARTICULARS	(₹ in Lakhs)	
	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Cash flow from operating activities</b>		
<b>Net Profit before tax</b>	1,735.75	696.09
<b>Adjustments for:</b>		
Depreciation and amortisation expense	310.64	322.18
Dividend income	(0.09)	(0.13)
Finance cost	545.53	663.36
Interest income	(16.86)	(60.85)
Profit on sale of Investment	-	-
Unrealised foreign exchange (gain) / loss (net)	(386.83)	(264.25)
Provision / write off for expected credit loss / trade receivables / advances (net)	29.20	6.51
Liabilities written back (net)	(87.03)	(0.43)
Financial guarantee Income	(62.50)	(62.50)
<b>Operating profit before working capital changes</b>	<u>2,067.81</u>	<u>1,299.98</u>
(Increase) / Decrease in inventories	456.51	(466.06)
Decrease / (increase) in trade receivables	(2,485.17)	1,878.71
Decrease / (increase) in loans receivables	48.72	40.78
Increase in other current / non-current assets	588.26	(355.38)
Increase / (Decrease) in trade payables	443.40	(685.99)
(Decrease) / Increase in provision for retirement benefits	47.74	57.39
(Decrease) / Increase in other financial liabilities	108.68	(130.80)
(Decrease) / Increase in other current liabilities	301.50	(86.85)
<b>Cash generated from operations</b>	<u>1,577.45</u>	<u>1,551.78</u>
Direct taxes paid (Net of refunds)	(393.69)	(301.82)
<b>Net cash flow from operating activities (A)</b>	<u>1,183.76</u>	<u>1,249.96</u>
<b>Cash flows (used in) / from investing activities</b>		
Purchase of fixed assets, including capital work-in-progress	(256.97)	(435.09)
Purchase of intangibles including Intangible assets under development	(326.83)	(108.07)
Proceeds from sale of fixed assets	8.73	-
Decrease in creditors for capital goods	(23.69)	10.62
Increase in capital advance	(17.69)	12.00
Proceeds from Non - current investments	1.40	-
Bank balances other than cash and cash equivalents above	41.47	4.07
Decrease / (increase) in other financial assets	209.41	262.58
Decrease / (Increase) in Loans receivables	(100.14)	-
Interest Income	16.86	60.85
Dividend Income	0.09	0.13
<b>Net cash flow used in investing activities (B)</b>	<u>(447.36)</u>	<u>(192.91)</u>
<b>Cash flows (used in) / from financing activities</b>		
Repayment of long-term borrowings (Net)	(9.05)	8.63
Inter corporate deposits (Net)	290.83	(625.27)
Repayment of short-term borrowings (Net)	(463.20)	197.75
Current maturities of long term debts	(21.58)	3.70
Interest accrued	5.78	7.33
Interest paid	(545.53)	(663.36)
<b>Net cash flow used in financing activities (C)</b>	<u>(742.75)</u>	<u>(1,071.22)</u>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	(6.35)	(14.17)
<b>Cash and cash equivalents at the beginning of the year</b>	26.94	42.37
<b>Effect of exchange rate changes on cash and cash equivalents</b>	-	(1.26)
<b>Cash and cash equivalents at the end of the year (refer note no. 12)</b>	<u>20.59</u>	<u>26.94</u>
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Director  
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**B. K. SONI**  
Chief Financial Officer

**SUNIL SODHANI**  
Company Secretary

## Notes form an integral part of the standalone financial statements

### 1) CORPORATE INFORMATION

Kopran Limited (referred to "KL" or "the Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 applicable in India. Its shares are listed on BSE and NSE in India. The Company is engaged in the business of manufacturing of Formulation (Finished Dosage Form).

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

The financial statements were authorised for issue by the board of directors on May 08, 2019.

### 2) SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

#### Historical Cost Convention

The Financial Statements have been prepared on the historical cost basis except for the followings:

- certain financial assets and liabilities and contingent consideration that is measured at fair value or amortised cost at the end of each reporting period.
- assets held for sale measured at fair value less cost to sell;
- defined benefit plans plan assets measured at fair value; and
- Derivative financial instruments;"

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Financial Statements are presented in Indian Rupees (which is the functional currency of the Company) in Lakhs and all values are rounded to the nearest in two decimal point except where otherwise stated.

#### 2.2 Current/non current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in Company's normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### 2.3 Summary of significant accounting policies

##### a) Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is entity's functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary items denominated in foreign currency at the year end and not covered under forward exchange contracts are translated at the functional currency spot rate of exchange at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**b) Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company categorizes assets and liabilities measured at fair value into one of three levels as follows:

**• Level 1 — Quoted (unadjusted)**

This hierarchy includes financial instruments measured using quoted prices.

**• Level 2**

inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**• Level 3**

inputs are unobservable inputs for the asset or liability.

**c) Non-current assets held for sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are disclosed separately under the head "Other Current Assets". Once classified as held for sale are not depreciated or amortised.

**d) Property, plant and equipment**

For transition to Ind AS, the Company has elected to continue with the carrying value of its Property, Plant and Equipment (PPE) recognized as of April 01, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date.

PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use (net of recoverable taxes) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It include professional fees and borrowing costs for qualifying assets.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of Property, plant and equipment are disclosed as "Capital advances" under "Other Non - Current Assets" and the cost of assets not ready intended use as at the balance sheet date are disclosed as 'Capital work-in-progress'.

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

#### **Depreciation methods, estimated useful lives and residual value**

Depreciation of these PPE commences when the assets are ready for their intended use.

Depreciation is calculated on straight line basis using the useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013.

The residual values are not more than 5% of the original cost of the asset.

On assets acquired on lease (including improvements to the leasehold premises), amortization has been provided for on Straight Line Method over the period of lease.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

#### **e) Intangible assets**

For transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognized as of April 01, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

Intangible assets are stated at cost (net of recoverable taxes) less accumulated amortization and impairment loss. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end and if necessary, changes in estimates are accounted for prospectively.

#### **Computer software**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use it
- there is an ability to use the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

#### **Amortisation methods and periods**

Intangible assets comprising of goodwill is amortized on a straight line basis over the useful life of five years which is estimated by the management.

Amortization on subsequent expenditure on intangible assets arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

#### **f) Impairment of non financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss (except for goodwill) is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the carrying amount of the asset.

#### **g) Leases**

##### **(i) As a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

##### **(ii) As a lessor**

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**h) Inventories**

Raw Materials, Stores and Spares and Packing Material are valued at lower of cost and net realizable value.

Work-in-Progress, Finished Goods and Stock-in-Trade are valued at lower of cost and net realizable value. Cost of Raw Materials, Stores & Spares and Packing Materials is determined using First in First out (FIFO) Method. Cost of Work-in-Progress and Finished Goods is determined on absorption costing method.

**i) Revenue recognition**

The Company has adopted Ind AS 115 standard effective April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is insignificant.

- (i) Revenue is recognized upon transfer of control of promised goods or services to Customers (i.e. when performance obligation is satisfied) for an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for trade discounts such as price concessions, volume discounts, or any other price concessions as may be agreed with the customers at the time of sale. Revenues also excludes Goods and Services Tax (GST) or any other taxes collected from the Customers and net of returns and discounts.

- (ii) In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.

(iii) Interest income

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

(iv) Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**j) Income Taxes**

**(i) Current income tax**

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**(ii) Deferred tax**

Deferred income tax is recognized using the balance sheet approach. Deferred tax is recognized on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**(iii) Minimum Alternate Tax**

MAT payable for a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available in the statement of profit and loss as deferred tax with a corresponding asset only to the extent that there is probable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The said asset is shown as 'MAT Credit Entitlement' under Deferred Tax. The Company reviews the same at each reporting date and writes down the asset to the extent the Company does not have the probable certainty that it will pay normal tax during the specified period.

**k) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

**Financial assets**

**Initial Recognition**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**(i) Debt instruments at amortised cost**

A debt instrument is measured at the amortised cost if both the following conditions are met:

- the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Debt instrument at FVTOCI**

A debt instrument is measured as at FVTOCI if both of the following criteria are met:

- the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(iii) Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

**(iv) Equity instruments measured at FVTOCI**

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**(v) Cash and Cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.



### **Investments in subsidiaries, Associates and Joint Ventures**

The Company has accounted for its subsidiaries, Associates and Joint Ventures at cost.

#### **De-recognition**

A financial asset is de-recognized only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

#### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL), simplified model approach for measurement and recognition of Impairment loss on Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income / expense in the statement of Profit and Loss.

#### **Financial liabilities**

##### **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### **Initial recognition and measurement**

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss.

##### **Subsequent measurement**

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

##### **(i) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting year. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

##### **(ii) Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

##### **(iii) Financial guarantee contracts**

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value and if not designated as at FVTPL, are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

#### **De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

#### **Embedded derivatives**

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

#### **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### **Derivative financial instruments and hedge accounting**

##### **Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward currency contracts, full currency swap, options and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

**Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:**

##### **(i) Fair value hedges**

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

##### **(ii) Cash flow hedges**

The effective portion of changes in the fair value of the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

**l) Convertible financial instrument**

Convertible instruments are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

**m) Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) defined benefit plans viz. gratuity,
- (b) defined contribution plans viz. provident fund.

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are disclosed as "Remeasurements of net defined benefit plans" under the head "Other Comprehensive Income" in the statement of changes in equity.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Defined contribution plans**

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**(vi) Termination benefits**

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

**n) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation and a reliable estimate can be made of the amount of obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

**o) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the year in which they are incurred.

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

**p) Segment Reporting - Identification of Segments**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographic segments.

**q) Earnings per share**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**r) Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks having the maturity of three months or less which are subject to insignificant risk of changes in value.

**s) Cash Flow Statement**

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**t) Dividends**

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**u) Significant accounting judgements, estimates and assumptions**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of non current assets, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement.

**(i) Impairment of non - financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Company.

**(ii) Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**(iii) Valuation of deferred tax assets**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**(iv) Defined benefit plans**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using Projected Unit Credit method with actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(v) Provisions and contingent liabilities :-**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

**(vi) Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

### **3) RECENT INDIAN ACCOUNTING STANDARDS / PRONOUNCEMENTS**

#### **Application of new and revised Ind Ass and Amendments**

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

#### **Ind AS 116 – Leases**

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company is evaluating the impact of this pronouncement on the financial statements.

**Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

**Ind AS 109 – Prepayment Features with Negative Compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any significant impact on its financial statements.

**Ind AS 19 – Plan Amendment, Curtailment or Settlement**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

**Ind AS 23 – Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

**Ind AS 28 – Long-term Interests in Associates and Joint Ventures**

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

**Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements**

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

Notes forming part of the Standalone Financial Statements

**4) PROPERTY, PLANT AND EQUIPMENT**

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer equipment	Total
<b>A. Gross amount</b>								
As at April 1, 2017	444.61	906.92	2,639.88	84.51	121.54	20.02	37.37	4,254.85
Additions	-	6.14	144.81	4.09	32.57	5.22	10.22	203.05
Disposals/Transfer	-	-	-	-	-	-	-	-
<b>As at March 31, 2018</b>	444.61	913.06	2,784.69	88.60	154.11	25.24	47.59	4,457.90
Additions	-	438.24	216.44	20.28	-	1.77	14.69	691.42
Disposals/Transfer	-	-	-	-	17.01	-	-	17.01
<b>As at March 31, 2019</b>	444.61	1,351.30	3,001.13	108.88	137.10	27.01	62.28	5,132.31
<b>B. Accumulated depreciation and impairment</b>								
As at April 1, 2017	-	46.53	240.07	10.04	17.17	3.86	15.47	333.14
Depreciation	-	46.60	231.07	10.67	17.57	4.73	9.21	319.85
Adjustments	-	-	-	-	-	-	-	-
<b>As at March 31, 2018</b>	-	93.13	471.14	20.71	34.74	8.59	24.68	652.99
Depreciation	-	48.81	217.80	10.47	20.43	4.04	7.22	308.77
Adjustments	-	-	-	-	8.28	-	-	8.28
<b>As at March 31, 2019</b>	-	141.94	688.94	31.18	46.89	12.63	31.90	953.48
<b>C. Net Carrying amount</b>								
<b>As at March 31, 2018</b>	444.61	819.93	2,313.55	67.89	119.37	16.65	22.91	3,804.91
<b>As at March 31, 2019</b>	444.61	1,209.36	2,312.19	77.70	90.21	14.38	30.38	4,178.83

Notes forming part of the Standalone Financial Statements

**5) INTANGIBLE ASSETS**

(₹ in Lakhs)

Particulars	Product development cost	Total
<b>A. Gross amount</b>		
<b>As At April 1, 2017</b>	12.69	12.69
Additions	-	-
Disposals	-	-
<b>As At March 31, 2018</b>	12.69	12.69
Additions/Transfer	1.44	1.44
Disposals/Transfer	-	-
<b>As at March 31, 2019</b>	14.13	14.13
<b>B. Accumulated amortisation</b>	-	-
<b>As At April 1, 2017</b>	0.40	0.40
Amortisation	2.33	2.33
Disposals	-	-
<b>As At March 31, 2018</b>	2.73	2.73
Amortisation	1.87	1.87
Disposals/Transfer	-	-
<b>As at March 31, 2019</b>	4.60	4.60
<b>C. Net Book value</b>		
<b>As At March 31, 2018</b>	9.96	9.96
<b>As at March 31, 2019</b>	9.53	9.53



**Notes forming part of the Standalone Financial Statements**

**6) NON - CURRENT FINANCIAL ASSETS - INVESTMENT**

(₹ in Lakhs)

Particulars	Face Value Per Share (in Rs.)	As at 31st March, 2019	As at 31st March, 2018
<b>a) Investments in equity instruments - Quoted - (at fair value through other comprehensive income (FVTOCI))</b>			
Nil shares (March 31, 2018: 200 shares) of Himachal Futuristic Communication Ltd.	1.00	-	0.05
Nil shares (March 31, 2018: 2,874 shares) of IMP Power Ltd.	10.00	-	2.56
30 shares (March 31, 2018: 30 shares) of Advent Computers Ltd.	10.00	-	-
<b>Sub - Total</b>		<b>-</b>	<b>2.61</b>
<b>b) Investments in Equity Instruments - Unquoted - (at fair value through other comprehensive income (FVTOCI))</b>			
20,000 shares (March 31, 2018: 20,000 shares) of Kapal Co-Op. Bank Ltd.	10.00	<b>2.00</b>	2.00
1,000 shares (March 31, 2018: 1,000 shares) of Saraswat Co-Op. Bank Ltd.	10.00	<b>1.64</b>	1.64
500 shares (March 31, 2018: 500 shares) of The New India Co-Op. Bank Ltd.	10.00	<b>0.26</b>	0.26
25,000 shares (March 31, 2018: 25,000 shares) of Mandvi Co-Op. Bank Ltd.	10.00	<b>2.50</b>	2.50
Less: Provision for impairment in value of investments		<b>(4.50)</b>	(4.50)
<b>Sub - Total</b>		<b>1.90</b>	1.90
<b>c) Investments in Government securities (non-trade) - (at amortised cost)</b>			
7 years national savings certificate (lodged with collector of central excise and sales tax authority- Mumbai)		<b>0.40</b>	0.40
<b>d) Investments in Equity Instruments Wholly owned subsidiary companies (Unquoted) - (at cost)</b>			
23,18,750 shares (March 31, 2018: 23,18,750 shares) of Kopran (H.K.) Limited, Hong Kong	1 HK\$	<b>100.06</b>	100.06
50,000 shares (March 31, 2018: 50,000 shares) of Kopran Lifesciences Ltd.	10.00	<b>5.00</b>	5.00
1,99,00,000 shares (March 31, 2018: 1,99,00,000 shares) of Kopran Research Laboratories Limited.	10.00	<b>15,644.25</b>	15,581.75
<b>Sub - Total</b>		<b>15,749.31</b>	15,686.81
<b>Total</b>		<b>15,751.61</b>	15,691.72
Aggregate amount of quoted Investments		<b>0.24</b>	8.65
Market value of quoted investments		-	2.61
Aggregate amount of unquoted Investments		<b>15,755.71</b>	15,693.21
Aggregate amount of impairment in value of investments		<b>4.50</b>	4.50

**Notes forming part of the Standalone Financial Statements**

**7) NON - CURRENT FINANCIAL ASSETS - LOANS RECEIVABLES**

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured, considered good</b>		
Security Deposits	131.82	129.05
<b>Total</b>	<u>131.82</u>	<u>129.05</u>

**8) DEFERRED TAX ASSETS (NET)**

<b>Deferred tax liabilities (Gross)</b>		
Relating to depreciation on fixed assets	(a) 423.88	522.13
<b>Deferred Tax Assets (Gross)</b>		
Provision for gratuity	89.00	88.03
Provision for leave encashment	29.72	31.56
Unabsorbed depreciation	-	294.00
Provision for expected credit loss	3.48	8.74
Provision for bonus	4.43	0.07
Provision for export benefit obligation	6.20	-
Fair value of equity instruments through OCI	0.07	-
	(b) <u>132.90</u>	<u>422.40</u>
MAT credit entitlement	(c) 586.23	475.77
<b>Net Deferred Tax Assets - (b) + (c) - (a)</b>	<b>Total</b> <u>295.25</u>	<u>376.04</u>

**9) OTHER NON - CURRENT ASSETS**

<b>Considered good</b>		
Capital advances	60.73	43.04
Prepaid expenses	10.63	7.08
<b>Total</b>	<u>71.36</u>	<u>50.12</u>

**10) INVENTORIES**

(Valued at lower of cost and net realisable value)		
Raw materials {Includes stocks in transit ₹ 8.72 Lakhs (March 31, 2018: ₹ 408.37 Lakhs)}	1,423.25	1,832.99
Work-in-progress	416.80	330.39
Finished goods	262.90	396.32
Stores and spares	53.96	49.38
Packing materials	362.03	366.37
<b>Total</b>	<u>2,518.94</u>	<u>2,975.45</u>

**Notes forming part of the Standalone Financial Statements**

**11) CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured, considered good</b>		
Receivable from other parties	3,597.47	1,784.41
Receivable from related party - subsidiary - Kopran Research Laboratories Limited	874.03	253.63
Less: Expected credit loss	(12.50)	(25.01)
<b>Total</b>	<b>4,459.00</b>	<b>2,013.03</b>

**12) CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS**

<b>Balances with banks</b>		
On Current Accounts	20.28	25.71
Cash on Hand	0.31	1.23
<b>Total</b>	<b>20.59</b>	<b>26.94</b>

**13) CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

Fixed deposits (Maturity of more than 3 months & less than 12 months) (Held as margin money or security against the guarantees)	84.45	125.92
<b>Total</b>	<b>84.45</b>	<b>125.92</b>

**14) CURRENT FINANCIAL ASSETS - LOANS RECEIVABLES**

<b>Unsecured, considered good</b>		
Security deposits	400.00	400.00
Advances to related party - Subsidiary - Kopran Research Laboratories Limited	100.14	-
Loans to employees	35.80	87.29
<b>Total</b>	<b>535.94</b>	<b>487.29</b>

**15) CURRENT FINANCIAL ASSETS - OTHERS**

Foreign currency forward / option contracts	388.99	235.38
Interest receivable	1.77	1.13
<b>Total</b>	<b>390.76</b>	<b>236.51</b>

**16) OTHER CURRENT ASSETS**

Prepaid Expenses	60.57	79.85
Balance with statutory / government authorities	2,654.26	3,224.75
Others	17.98	20.98
<b>Total</b>	<b>2,732.81</b>	<b>3,325.58</b>

**Notes forming part of the Standalone Financial Statements**

**17) EQUITY SHARE CAPITAL**

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount	Number	Amount
(₹ in Lakhs)				
<b>Authorised</b>				
Equity Shares of ₹ 10 each	5,62,50,000	5,625.00	5,62,50,000	5,625.00
<b>Total</b>	<u>5,62,50,000</u>	<u>5,625.00</u>	<u>5,62,50,000</u>	<u>5,625.00</u>
<b>Issued</b>				
Equity Shares of ₹ 10 each fully paid up	4,32,52,602	4,325.26	4,32,52,602	4,325.26
<b>Subscribed and Paid up</b>				
Equity Shares of ₹ 10 each fully paid up	4,32,52,602	4,325.26	4,32,52,602	4,325.26
Less: Calls in-Arrears (Other than Director's)		0.37		0.37
<b>Total</b>	<u>4,32,52,602</u>	<u>4,324.89</u>	<u>4,32,52,602</u>	<u>4,324.89</u>

**(I) Reconciliation of Number of Equity Shares**

	As at 31st March, 2019 Number of Shares	As at 31st March, 2018 Number of Shares
Opening Balance	4,32,52,602	4,32,52,602
Add : Shares Issued during the year	-	-
Closing Balance	<u>4,32,52,602</u>	<u>4,32,52,602</u>

**(ii) Rights, Preferences and Restrictions attaching to each class of shares Equity Shares having a face value of ₹10**

**As to voting**

The Company has only one class of shares referred to as equity shares having a face value of ₹ 10. Each holder of the equity share is entitled to one vote per share.

**As to distribution of dividends**

The Shareholders are entitled to receive dividend in proportion to the amount of paid up equity shares held by them. The Company has not declared any dividend during the year.

**As to repayment of capital**

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

**(iii) Shares held by Holding / Ultimate Holding Company and / or their Subsidiaries / Associates**

There is no Holding Company or Ultimate Holding Company of the Company. Accordingly, disclosures pertaining to shares of the Company held by held by holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company is not applicable.

**Notes forming part of the Standalone Financial Statements**

**(iv) Details of shareholders holding more than 5% shares in the company**

Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of Share held	% of Holding	No. of Share held	% of Holding
<b>Equity Shares of ₹ 10/- each fully paid</b>				
Panorama Finvest Pvt. Ltd.	38,00,000	8.79%	38,00,000	8.79%
Sarvamangal Mercantile Co. Ltd.	29,02,951	6.71%	29,02,951	6.71%
Oricon Enterprises Ltd.	59,61,758	13.78%	59,61,758	13.78%
Rajendra Somani	23,24,250	5.37%	23,24,250	5.37%

(₹ in Lakhs)

**18) OTHER EQUITY**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Reserves and surplus</b>		
Capital Reserve	1,484.74	1,484.74
General Reserve	814.21	814.21
Securities Premium Reserve	12,256.20	12,256.20
Export Allowance Reserve	0.40	0.40
Retained Earnings	2,894.98	1,605.15
<b>Sub - Total - A</b>	<b>17,450.53</b>	<b>16,160.70</b>
<b>Other Comprehensive Income (OCI)</b>		
Equity Instruments through OCI	(0.17)	(6.29)
Remeasurements of net defined benefit plans	68.92	95.45
<b>Sub - Total - B</b>	<b>68.75</b>	<b>89.16</b>
<b>Total - A + B</b>	<b>17,519.28</b>	<b>16,249.86</b>

**Note**

Refer statement of changes in equity for details of movements in the balances of each items of Reserves and Surplus and OCI under the head "Other Equity" and the nature and purpose of each reserve.

**19) NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS**

**Secured**

**Term Loans**

From Others - Vehicle loan

25.06 34.11

**Unsecured**

10% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each

558.00 858.00

**Inter corporate deposits**

Related Parties

1,163.00 897.59

Others

424.90 399.48

**Total** 2,170.96 2,189.18

**Notes forming part of the Standalone Financial Statements**

**Security, rate of interest and terms of repayment**

**a) Vehicle loans are secured by way of hypothecation of vehicles.**

Rate of Interest - 9.71% p.a. to 10.25 % p.a.

Terms of repayment are as under:

31.03.2020 - ₹ 9.09 Lakhs

31.03.2021 - ₹ 10.05 Lakhs

31.03.2022 - ₹ 8.45 Lakhs

31.03.2023 - ₹ 6.56 Lakhs

**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 March 15, 2025 or at any time after one year from March 31, 2012 at the option of the company.

**c) Inter-corporate deposits from related parties and other parties are unsecured.**

Rate of Interest - 10.50% p.a. to 13.50% p.a.

Inter corporate deposits are repayable as under:

31.03.2020 - ₹ 636.00 Lakhs

31.03.2021 - ₹ 636.00 Lakhs

31.03.2022 - ₹ 527.00 Lakhs

31.03.2023 - ₹ 524.90 Lakhs

**20) NON - CURRENT LIABILITIES - PROVISIONS**

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Gratuity	282.27	218.55
Leave encashment	78.20	62.94
<b>Total</b>	<b>360.47</b>	<b>281.49</b>

**21) CURRENT FINANCIAL LIABILITIES - BORROWINGS**

**Secured, Repayable on demand**

**From banks**

Cash credit / packing credit

1,744.86

1,623.50

Buyers credit

106.84

654.95

**Unsecured, repayable on demand**

Loan from Director

31.50

78.00

**Total** **1,883.20** **2,356.45**

**Security and rate of interest**

**Cash credit / packing credit / buyers credit is secured by:**

1st pari passu hypothecation charge on entire stocks and receivables of the Company both present and future.

2nd pari passu charge on entire fixed assets of the Company both present and future.

Corporate Guarantee of Subsidiary Company - Kopran Research Laboratories Limited and personal guarantee of director / promoter aggregating to ₹ 3,600.00 Lakhs.

Rate of Interest on cash credit - 10.05% p.a. to 11.50% p.a.

Rate of Interest on packing credit - Libor + 2.50% p.a.

Rate of Interest on buyers credit - Libor + 0.50% p.a to Libor + 1.50% p.a.

**Notes forming part of the Standalone Financial Statements**

**22) TRADE PAYABLES**

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Due to micro and small enterprises (Refer Note No. 52)	116.43	-
Due to Others [including acceptances ₹ 82.98 Lakhs (March 31, 2018: ₹ 75.61 Lakhs)]	3,127.63	2,877.38
<b>Total</b>	<b><u>3,244.06</u></b>	<b><u>2,877.38</u></b>

**23) CURRENT FINANCIAL LIABILITIES - OTHER**

Current maturities of long-term debt (for Security, rate of interest and terms of repayment refer Note No. 21(a) and (c) above)	645.09	666.67
10% Non Convertible Non Cumulative Redeemable Preference Shares of ₹10 each	300.00	-
<b>Terms of redemption of preference shares</b>		
i) 10,00,000 10% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each are redeemable at par on June 28, 2019 or at any time after one year from March 31, 2012 at the option of the company.		
ii) 20,00,000 10% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each are redeemable at par on June 22, 2019 or at any time after one year from March 31, 2012 at the option of the company.		
Interest accrued	20.27	14.49
Security deposits	7.50	9.69
<b>Other payables</b>		
Creditors for capital goods	46.25	69.94
Employees payables	253.09	200.15
Creditors for expenses	375.80	334.26
Provision for expenses	31.68	49.66
Others	62.74	62.74
<b>Total</b>	<b><u>1,742.42</u></b>	<b><u>1,407.60</u></b>

**24) OTHER CURRENT LIABILITIES**

Advance from customers	440.53	45.99
Statutory liabilities	47.44	56.37
Other payables	22.28	106.39
<b>Total</b>	<b><u>510.25</u></b>	<b><u>208.75</u></b>

**25) CURRENT LIABILITIES - PROVISIONS**

Gratuity	37.64	33.36
Leave encashment	28.62	27.39
<b>Total</b>	<b><u>66.26</u></b>	<b><u>60.75</u></b>

**26) CURRENT TAX LIABILITIES**

Provision for tax (Net of advance tax)	34.42	80.56
<b>Total</b>	<b><u>34.42</u></b>	<b><u>80.56</u></b>

**Notes forming part of the Standalone Financial Statements**

**27) REVENUE FROM OPERATION**

(₹ in Lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Sale of products	19,126.44	14,830.94
<b>Other operating revenues</b>		
Scrap sales	15.39	9.76
Export Incentive	522.76	529.85
<b>Total</b>	<u>19,664.59</u>	<u>15,370.55</u>

**28) OTHER INCOME**

<b>Dividend income</b>		
Long - term investments	0.09	0.13
<b>Interest Income</b>		
On fixed deposit	5.30	8.18
Others	11.56	52.67
Recovery of Bad Debts Earlier Written off	1.70	-
Liabilities written back (net)	87.03	0.43
Net gain on foreign currency transaction and translation	-	662.05
Financial guarantee obligation	62.50	62.50
Miscellaneous income	141.44	-
<b>Total</b>	<u>309.62</u>	<u>785.96</u>

**29) COST OF MATERIALS CONSUMED**

<b>Raw material consumption</b>		
Opening stock	1,832.99	1,805.49
Add: Purchases	7,677.45	6,587.69
	<u>9,510.44</u>	<u>8,393.18</u>
Less : Closing stock	1,423.25	1,832.99
<b>Sub - Total</b>	<u>8,087.19</u>	<u>6,560.19</u>
<b>Packing materials consumption</b>		
Opening stock	366.37	355.48
Add: Purchases	1,499.60	1,455.59
	<u>1,865.97</u>	<u>1,811.07</u>
Less : Closing stock	362.03	366.37
<b>Sub - Total</b>	<u>1,503.94</u>	<u>1,444.70</u>
<b>Total</b>	<u>9,591.13</u>	<u>8,004.89</u>

**30) CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

<b>Opening Inventories</b>		
Finished goods	396.32	111.79
Work in progress	330.39	209.28
	<u>726.71</u>	<u>321.07</u>
<b>Closing Inventories</b>		
Finished goods	262.90	396.32
Work in progress	416.80	330.39
	<u>679.70</u>	<u>726.71</u>
<b>Total</b>	<u>47.01</u>	<u>(405.64)</u>



**Notes forming part of the Standalone Financial Statements**

**31) EMPLOYEE BENEFITS EXPENSE**

Particulars	(₹ in Lakhs)	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries and Wages	1,767.65	1,592.42
Contribution to Provident and Other Funds	87.15	84.01
Staff welfare expenses	183.52	157.44
<b>Total</b>	<b>2,038.32</b>	<b>1,833.87</b>

**32) FINANCE COSTS**

Interest expense	340.11	376.05
Other borrowing cost	205.42	287.31
<b>Total</b>	<b>545.53</b>	<b>663.36</b>

**33) OTHER EXPENSES**

Stores and spares consumed		137.50	181.99
Power and fuel		629.63	504.07
Rent		240.00	240.00
<b>Repairs and maintenance</b>		-	-
Building		13.85	11.23
Machinery		12.94	17.88
Others		51.92	44.86
Insurance		15.77	15.60
Commission on sales		602.02	540.41
Selling and distribution expenses		99.38	124.63
Product Registration Charges		22.14	59.31
Job work charges		672.55	642.17
Packing, freight and forwarding		289.37	340.26
Payment to auditors (Refer Note No. 44)		7.54	7.50
Housekeeping and office maintainance		62.36	58.91
Printing and stationery		37.22	43.30
Postage, telegram and telephone		31.13	42.68
Travelling and conveyance		138.75	159.13
Legal and professional fees		319.75	318.26
Rates and taxes		51.55	45.98
Security charges		32.30	35.59
Directors' sitting fees		4.91	4.15
Sundry balances written off		10.28	0.33
Bad debts	31.43		176.03
Less: Provision for Expected credit loss written back	12.51	18.92	169.85
Corporate Social Responsibility Expenses		8.40	-
Excise duty		-	0.78
Net loss on foreign currency transaction and translation		36.06	-
Loss on Sale of License		5.75	20.39
Miscellaneous expenses		55.67	51.17
<b>Total</b>		<b>3,607.66</b>	<b>3,516.76</b>

**Notes forming part of the Standalone Financial Statements**

**34) CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>a) Contingent liabilities</b>		
Guarantees given by the company's bankers on behalf of the Company	17.14	68.75
Corporate guarantee given for loan taken by subsidiary (to the extent amount utilised)	3,967.88	3,873.94
Bills discounted with banks	2,461.22	3,195.59
Disputed tax Matters		
Excise duty demand disputed in appeal	120.28	120.28
Service tax demand disputed in appeal	513.99	513.99
Income tax demand disputed in appeal	206.32	-
Other claims / demands against company not acknowledged as debts		
a) Demand under Drug Price Control Order - 95 (DPCO - 95) demand disputed in appeal	591.34	591.34
b) Others	13.24	29.09

b) The Supreme Court in the case of Regional Provident Fund Commissioner Vs. Vicekananda Viday Mandir and Ors [LSI-62-SC-2019(NDEL)] has rendered a decision dated 28.02.2019 with reference to The Employees Provident Fund and Miscellaneous Provisions Act 1952 on a common question of law as to whether special allowance paid by an establishment to its employees would fall within the expression of 'basic wages' under section 2(b) (ii) read with section 6 of the Act for the purpose of computation of deduction towards provident Fund. The Supreme Court has held that in order to exclude the allowance from the ambit of basic wages, there must be evidence to show that the workman concerned has become eligible to get the extra amount beyond the normal work which he was otherwise required to put in. The test laid down by the Supreme Court will now have to be applied to each and every allowance to examine whether the allowance is excluded from the purview of wages or not. If the test for exclusion is met, then the said allowance would not form part of wages for the purpose of contribution under the Act. The Company is evaluating the impact of the decision of the Supreme Court on provident fund liability on account of various allowances to its employees. Pending necessary clarifications on the subject, no provision is considered necessary.

**c) Capital Commitments**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for	16.23	96.96

**35) BASIC AND DILUTED EARNINGS PER SHARE [EPS] COMPUTED IN ACCORDANCE WITH IND AS 33 "EARNINGS PER SHARE"**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Net Profit as per the Statement of Profit and Loss available for Equity Shareholders (₹ in Lakhs)	1,297.10	470.68
Number of Equity Shares outstanding (No's in Lakhs)	432.53	432.53
Weighted average number of Equity Shares for Basic and Diluted Earnings Per Share (No's in Lakhs)	432.53	432.53
Nominal value of equity shares ₹	10.00	10.00
Earnings Per Share:		
Basic (in ₹)	3.00	1.09
Diluted (in ₹)	3.00	1.09

**Notes forming part of the Standalone Financial Statements**

**36) CIF VALUE OF IMPORTS**

Particulars	(₹ in Lakhs)	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Raw Materials / Packing Material	2,935.19	1,771.85
Capital Goods (including Capital Work-in-Progress)	-	36.86
<b>Total</b>	<b>2,935.19</b>	<b>1,808.71</b>

**37) EXPENDITURE IN FOREIGN CURRENCY**

Commission	593.40	540.41
Registration Fees	18.76	59.20
Bank Interest on Buyers Credit	2.05	8.93
Export Promotion Expenses	49.99	108.02
Travelling Expenses	33.89	43.91
Research & Development Charges	-	0.48
Plant Inspection Charges	1.07	3.91
Professional Charges Others	0.93	-
Others	8.63	5.95
<b>Total</b>	<b>708.72</b>	<b>770.81</b>

**38) EARNINGS IN FOREIGN CURRENCY**

FOB Value of Exports	16,686.46	13,174.64
<b>Total</b>	<b>16,686.46</b>	<b>13,174.64</b>

**39) DISCLOSURE PURSUANT TO IND AS 19 "EMPLOYEE BENEFITS"**

**a) Defined contribution plan**

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

Employer's contribution to Provident Fund	77.93	73.04
Employer's contribution to Labour Welfare Fund	0.22	0.22
Employer's contribution to ESIC	9.00	10.75
<b>Total</b>	<b>87.15</b>	<b>84.01</b>

**b) Defined benefit plan**

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

**Notes forming part of the Standalone Financial Statements**

(₹ in Lakhs)

**i) Gratuity Benefits (unfunded)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Present value of the projected benefit obligation</b>		
Present value of benefit obligation at the beginning of the year	251.91	233.08
Interest cost	19.83	17.64
Current service cost	15.59	18.56
Past service cost	-	18.04
Actuarial (gains) / losses on obligations - due to change in financial assumptions	2.74	(20.57)
Actuarial (gains) / losses on obligations - due to experience	34.01	5.09
Benefits paid directly by employer	(4.17)	(19.93)
<b>Present value of benefit obligation at the end of the year</b>	<b>319.91</b>	<b>251.91</b>
<b>Change in the fair value of plan assets</b>		
Fair value of Plan Assets at the beginning of the year	-	-
Interest income	-	-
Contributions by the employer	-	-
Expected contributions by the employees	-	-
Return on plan assets, excluding interest income	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Amount recognised in the Balance Sheet</b>		
Present value obligations at the end of the year	(319.91)	(251.91)
Fair value of plan assets at the end of the year	-	-
Funded status surplus / (deficit)	(319.91)	(251.91)
<b>Net (liability) / asset recognised in the Balance Sheet</b>	<b>(319.91)</b>	<b>(251.91)</b>
<b>Net interest cost for the current year</b>		
Present value benefit obligation at the beginning of the year	251.91	233.08
Fair value of plan assets at the beginning of the year	-	-
Net liability / (asset) at the beginning	251.91	233.08
Interest cost	19.83	17.64
Interest income	-	-
<b>Interest cost for the current year</b>	<b>19.83</b>	<b>17.64</b>
<b>Expenses recognised in the statement of profit or loss for the current year</b>		
Current service cost	15.59	18.56
Net interest cost	19.83	17.64
Past service cost	-	18.04
<b>Expenses recognised</b>	<b>35.42</b>	<b>54.25</b>
<b>Expenses recognized in the other comprehensive income (OCI) for current year</b>		
Actuarial (gains) / losses on obligation for the year	36.75	(15.49)
Return on plan assets, excluding interest income	-	-
Change in asset ceiling	-	-
<b>Net (income) / expense for the year recognized in OCI</b>	<b>36.75</b>	<b>(15.49)</b>

**Notes forming part of the Standalone Financial Statements**

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Balance Sheet Reconciliation</b>		
Opening net liability	251.91	233.08
Expenses recognised in the statement of profit or loss	35.42	54.25
Expenses recognised in OCI	36.75	(15.49)
Benefits paid directly by employer	(4.17)	(19.93)
<b>Net liability / (asset) recognised in the Balance Sheet</b>	<b>319.91</b>	251.91
<b>Category of assets</b>		
NIL, as Funding status in unfunded.	-	-
<b>Maturity analysis of the benefit payments from the employer</b>		
<b>Projected benefits payable in future years from the date of reporting</b>		
1st following year	37.64	33.36
2nd following year	5.44	6.17
3rd following year	30.71	4.52
4th following year	17.05	29.10
5th following year	12.83	15.38
Sum of years of 6 to 10	106.71	66.53
Sum of years of 11 and above	608.58	498.28
<b>Sensitivity Analysis</b>		
<p>The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.</p> <p>The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.</p> <p>Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.</p> <p>There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.</p>		
<b>Projected benefit obligation on current assumptions</b>		
	<b>319.91</b>	251.91
Delta effect of + 0.50% change in rate of discounting	(14.76)	(11.62)
Delta effect of - 0.50% change in rate of discounting	15.95	12.56
Delta effect of + 0.50% change in rate of salary increase	16.07	12.58
Delta effect of - 0.50% change in rate of salary increase	(14.98)	(11.71)
Delta effect of + 0.50% change in rate of employee turnover	3.15	2.64
Delta effect of - 0.50% change in rate of employee turnover	(3.35)	(2.80)
<b>Assumptions used to determine the benefit obligations</b>		
Rate of Discounting	7.78%	7.87%
Rate of salary increase	5.50%	5.50%
Rate of employee turnover	1.00%	1.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	

**Notes forming part of the Standalone Financial Statements**

**ii) Leave Encashment (unfunded)**

(₹ in Lakhs)

<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>Present value of the projected benefit obligation</b>		
Present value benefit obligation at the beginning of the year	90.32	67.26
Interest cost	7.11	5.09
Current service cost	2.30	3.23
Actuarial (gains) / losses on obligations - due to change in financial assumptions	0.77	(5.77)
Actuarial (gains) / losses on obligations - due to experience	11.28	39.66
Benefits paid directly by employer	(4.96)	(19.14)
<b>Present value of benefit obligation at the end of the year</b>	<b>106.82</b>	<b>90.33</b>
<b>Change in the Fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	-	-
Interest Income	-	-
Contributions by the employer	-	-
Expected Contributions by the employees	-	-
Return on Plan assets, excluding interest income	-	-
<b>Fair value of Plan Assets at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Actuarial (gains) / losses recognised in the Statement of Profit or Loss for the current year</b>		
Actuarial (gains) / losses on obligation for the year	12.05	33.89
Return on plan assets, excluding interest income	-	-
Sub- total	12.05	33.89
<b>Actuarial (gains) / losses recognised in the Statement of Profit or Loss</b>	<b>12.05</b>	<b>33.89</b>
<b>Actual Return on Plan Assets</b>		
Interest income	-	-
Return on plan assets, excluding interest income	-	-
<b>Actual return on plan assets</b>	<b>-</b>	<b>-</b>
<b>Amount recognised in the Balance Sheet</b>		
Present value obligations at the end of the year	(106.82)	(90.33)
Fair value of plan assets at the end of the year	-	-
Funded status surplus / (deficit)	(106.82)	(90.33)
Unrecognised past service cost at the end of the period	-	-
<b>Net (liability) / asset recognised in the Balance Sheet</b>	<b>(106.82)</b>	<b>(90.33)</b>
<b>Net interest cost for the current year</b>		
Present value benefit obligation at the beginning of the year	90.32	67.26
Fair value of plan assets at the beginning of the year	-	-
Net (liability) / asset at the beginning	90.32	67.26
Interest cost	7.11	5.09
Interest income	-	-
<b>Net interest cost for the current year</b>	<b>7.11</b>	<b>5.09</b>

**Notes forming part of the Standalone Financial Statements**

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Expenses recognised in the statement of profit or loss for the current year</b>		
Current service cost	2.30	3.23
Net interest cost	7.11	5.09
Actuarial (gains) / losses	12.05	33.89
<b>Expenses recognised in the statement of profit or loss</b>	<b>21.46</b>	42.21
<b>Balance Sheet reconciliation</b>		
Opening net liability	90.32	67.26
Expenses recognised in the statement of profit or loss	21.46	42.21
Employers contribution	-	-
Benefits paid directly by employer	(4.96)	(19.14)
<b>Net liability / (assets) recognised in the Balance Sheet</b>	<b>106.82</b>	90.33
<b>Category of Assets</b>		
NIL, as Funding status in unfunded	-	-
<b>Assumptions used to determine the benefit obligations</b>		
Rate of Discounting	7.78%	7.87%
Rate of salary increase	5.50%	5.50%
Rate of employee turnover	0.00%	1.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	

**40) Disclosure of related parties/related party transactions pursuant to Ind AS 24 "related party disclosures"**

**(a) Names of related parties where control exists:**

Enterprises owned or controlled (wholly owned subsidiaries)  
 Kopran Research Laboratories Limited  
 Kopran (H. K.) Limited  
 Kopran Life Science Ltd.

**Key management Personnel**

Surendra Somani (Executive Vice Chairman)  
 B. K. Soni (Chief Financial Officer)  
 Sunil Sodhani (Company Secretary)

**Enterprises Significantly influenced by KMP or their relative**

Oricon Enterprises Limited  
 Shinrai Auto Services Limited  
 Kopran Laboratories Limited  
 Oriental Containers Ltd.

The following transactions were carried out during the year with the related parties in the ordinary course of business:

(₹ in Lakhs)

Nature of Transaction	Enterprises owned or controlled (wholly owned subsidiaries)		Key management personnel		Enterprises significantly influenced by KMP or their relative		Total	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
<b>Loan received</b>								
Oricon Enterprises Limited	-	-	-	-	1,130.00	1,705.00	1,130.00	1,705.00
Surendra Somani (Executive Vice Chairman)	-	-	60.00	170.00	-	-	60.00	170.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>60.00</b>	<b>170.00</b>	<b>1,130.00</b>	<b>1,705.00</b>	<b>1,190.00</b>	<b>1,875.00</b>
<b>Repayment of Loan taken</b>								
Surendra Somani (Executive Vice Chairman)	-	-	106.50	92.00	-	-	106.50	92.00
Oricon Enterprises Limited	-	-	-	-	877.00	1,509.00	877.00	1,509.00
Oriental Containers Ltd.	-	-	-	-	-	832.00	-	832.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>106.50</b>	<b>92.00</b>	<b>877.00</b>	<b>2,341.00</b>	<b>983.50</b>	<b>2,433.00</b>
<b>Purchases</b>								
Kopran Research Laboratories Limited	511.76	481.98	-	-	-	-	511.76	481.98
Oricon Enterprises Limited	-	-	-	-	378.01	53.72	378.01	53.72
<b>Total</b>	<b>511.76</b>	<b>481.98</b>	<b>-</b>	<b>-</b>	<b>378.01</b>	<b>53.72</b>	<b>889.77</b>	<b>535.70</b>
<b>Sales</b>								
Kopran Research Laboratories Limited	1,792.08	1,378.46	-	-	-	-	1,792.08	1,378.46
<b>Total</b>	<b>1,792.08</b>	<b>1,378.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,792.08</b>	<b>1,378.46</b>
<b>Interest Expense</b>								
Oricon Enterprises Limited	-	-	-	-	216.96	149.99	216.96	149.99
Oriental Containers Ltd.	-	-	-	-	-	48.52	-	48.52
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>216.96</b>	<b>198.51</b>	<b>216.96</b>	<b>198.51</b>
<b>Interest Received</b>								
Kopran Research Laboratories Limited	11.56	49.48	-	-	-	-	11.56	49.48
<b>Total</b>	<b>11.56</b>	<b>49.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.56</b>	<b>49.48</b>
<b>Loan Given</b>								
Kopran Research Laboratories Limited	4,758.45	3,255.32	-	-	-	-	4,758.45	3,255.32
<b>Total</b>	<b>4,758.45</b>	<b>3,255.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,758.45</b>	<b>3,255.32</b>
<b>Repayment of Loan Given</b>								
Kopran Research Laboratories Limited	4,658.31	3,571.60	-	-	-	-	4,658.31	3,571.60
<b>Total</b>	<b>4,658.31</b>	<b>3,571.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,658.31</b>	<b>3,571.60</b>
<b>Reimbursement of payment made on behalf of</b>								
Kopran Laboratories Limited	-	-	-	-	63.20	-	63.20	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63.20</b>	<b>-</b>	<b>63.20</b>	<b>-</b>



(₹ in Lakhs)

<b>Miscellaneous expenses</b>									
Oricon Enterprises Limited (Rent paid)	-	-	-	-	240.00	240.00	240.00	240.00	240.00
Shinrai Auto Services Limited (Repairs)	-	-	-	-	-	5.20	-	-	5.20
Kopran Life Sciences Ltd	0.01	-	-	-	-	-	0.01	-	-
<b>Total</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>240.00</b>	<b>245.20</b>	<b>240.01</b>	<b>245.20</b>	<b>245.20</b>
<b>Remuneration</b>									
Surendra Somani	-	-	151.34	148.73	-	-	151.34	148.73	148.73
B. K. Soni	-	-	25.03	20.18	-	-	25.03	20.18	20.18
Sunil Sodhani	-	-	14.69	13.61	-	-	14.69	13.61	13.61
<b>Total</b>	<b>-</b>	<b>-</b>	<b>191.06</b>	<b>182.52</b>	<b>-</b>	<b>-</b>	<b>191.06</b>	<b>182.52</b>	<b>182.52</b>
<b>Corporate Guarantee Given to</b>									
Kopran Research Laboratories Limited	6,250.00	6,250.00	-	-	-	-	6,250.00	6,250.00	6,250.00
<b>Total</b>	<b>6,250.00</b>	<b>6,250.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,250.00</b>	<b>6,250.00</b>	<b>6,250.00</b>
<b>Financial Guarantee Income</b>									
Kopran Research Laboratories Limited	62.50	62.50	-	-	-	-	62.50	62.50	62.50
<b>Total</b>	<b>62.50</b>	<b>62.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62.50</b>	<b>62.50</b>	<b>62.50</b>
<b>Miscellaneous Income</b>									
Kopran Research Laboratories Limited ( Rent Lease)	120.00	-	-	-	-	-	120.00	-	-
<b>Total</b>	<b>120.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120.00</b>	<b>-</b>	<b>-</b>
<b>Investment in the shares of the Subsidiary Company</b>									
Kopran Research Laboratories Limited	62.50	31.25	-	-	-	-	62.50	31.25	31.25
<b>Total</b>	<b>62.50</b>	<b>31.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62.50</b>	<b>31.25</b>	<b>31.25</b>
<b>Corporate Guarantee Given by</b>									
Kopran Research Laboratories Limited	3,600.00	3,600.00	-	-	-	-	3,600.00	3,600.00	3,600.00
<b>Total</b>	<b>3,600.00</b>	<b>3,600.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,600.00</b>	<b>3,600.00</b>	<b>3,600.00</b>
<b>Balance Payable / (Receivable) as at March 31, 2019</b>									
Oricon Enterprises Limited - Interest Payable	-	-	-	-	14.44	12.41	14.44	12.41	12.41
Kopran Research Laboratories Limited - Loan	(100.14)	-	-	-	-	-	(100.14)	-	-
Kopran Research Laboratories Limited - Trade Receivable	(874.03)	(253.63)	-	-	-	-	(874.03)	(253.63)	(253.63)
Oricon Enterprises Limited	-	-	-	-	230.74	174.30	230.74	174.30	174.30
Oricon Enterprises Limited - Loan	-	-	-	-	1,799.00	1,546.00	1,799.00	1,546.00	1,546.00
Surendra Somani	-	-	31.50	78.00	-	-	31.50	78.00	78.00
<b>Total</b>	<b>(974.17)</b>	<b>(253.63)</b>	<b>31.50</b>	<b>78.00</b>	<b>2,044.18</b>	<b>1,732.71</b>	<b>1,101.51</b>	<b>1,557.08</b>	<b>1,557.08</b>

The sitting fees paid to non - executive directors is ₹ 4.91 lakhs (March 31, 2018 ₹ 4.15 lakhs).

**Notes forming part of the Standalone Financial Statements**

**41) Disclosure of derivative**

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

(₹ in Lakhs)

Purpose	Currency	As at 31st March, 2019	As at 31st March, 2018
Forward exchange contracts (for export debtors)	USD	107.50	193.32
Forward contract value	₹	7,902.28	12,573.73
Forward exchange contracts (for Import Creditors)	USD	-	-
Forward contract value	₹	-	-

**b) The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at March 31, 2019 are as follows:**

Particulars	Foreign currency denomination	As at March 31, 2019		As at March 31, 2018	
		Foreign currency amount	Amount	Foreign currency amount	Amount
Payables	USD	23.80	1,645.72	27.17	1,767.18
	EURO	3.28	254.56	-	-
	GBP	0.84	76.32	0.01	0.50
Receivables	USD	43.68	3,020.29	25.04	1,628.67
	EURO	4.07	316.05	1.09	87.63
	GBP	0.49	44.18	0.61	56.56
	JYP	-	-	5.29	3.28
Foreign Currency Bank Balance	USD	0.02	1.35	0.05	3.21
Investment	HKD	23.19	204.75	23.19	191.78

The foreign currency outstanding has been translated at the rates of exchange prevailing on the balance sheet date.

**42) Disclosures pursuant to Ind AS 108 "Segment Reporting"**

The company is primarily engaged in the business of manufacturing of "Formulation (finished dosage form)" which in the context of Indian accounting standard (Ind AS) 108 on operating segments constitutes a single reportable segment.

In accordance with Ind AS 108 "operating segments", segment information has been given in the consolidated financial statements of the company and therefore no separate disclosure on segment information is given in these financial statements.

**43) Disclosures pursuant to Ind AS 17 "Leases"**

**a) The Company has taken office premises under operating lease.**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Lease payments in respect of such lease recognised in statement of profit and loss account	<b>240.00</b>	240.00

**Notes forming part of the Standalone Financial Statements**

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

(₹ in Lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Not later than one year	180.00	240.00
Later than one year and not later than five years	-	180.00
Later than five years	-	-

**44) Payments to auditor ( Excluding Goods and Service Tax)**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>As Auditor</b>		
Audit Fees	6.00	6.00
Tax Audit Fees	1.50	1.50
Out of Pocket expenses	0.04	-
<b>Total</b>	<b>7.54</b>	<b>7.50</b>

45) 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.

**46) Current tax and deferred tax**

**a) Income tax expense recognised in statement of profit and loss**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Current Tax</b>		
Current Income Tax Charge	347.55	114.70
Adjustments in respect of prior years	-	-
<b>Total</b>	<b>347.55</b>	<b>114.70</b>
<b>Deferred Tax</b>		
In respect of current year	91.10	110.71
<b>Total</b>	<b>91.10</b>	<b>110.71</b>
<b>Total tax expense recognised in Statement of Profit and Loss</b>	<b>438.65</b>	<b>225.41</b>

**b) Income tax recognised in other comprehensive income**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Deferred tax (liabilities) / assets</b>		
Net changes in Fair value of investments in equity shares carried at fair value through OCI	0.07	-
Remeasurement of Defined Benefit Obligations	10.23	(5.41)
<b>Total</b>	<b>10.30</b>	<b>(5.41)</b>

**Notes forming part of the Standalone Financial Statements**

**c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate**

(₹ in Lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Net profit as per Statement of Profit and Loss Account (before tax) – (i)	<b>1,735.73</b>	696.10
Corporate Tax Rate as per Income tax Act, 1961 – (ii)	<b>20.59</b>	21.34
Tax on Accounting Profit – (iii) = (i) * (ii)	<b>357.33</b>	148.55
<b>Tax difference on account of:</b>		
(Expense) / income (debited) / credited to Other Comprehensive Income which will not be re-classified to profit or loss - Remeasurement of defined employee benefit plans	<b>(7.82)</b>	3.31
Expenses not allowable under the Income tax Act, 1961	<b>(2.59)</b>	(36.27)
One fifth of Transition Amount (Credit item credited to other Equity)	<b>1.04</b>	1.22
Timing Differences - Deferred tax assets	<b>91.10</b>	110.71
Rounding off tax differences	<b>(0.41)</b>	(2.11)
<b>Income tax expense recognised in profit and loss</b>	<b>438.65</b>	225.41

**d) Movement of deferred tax**

**Deferred tax assets / (liabilities) in relation to the year ended March 31, 2019**

Particulars	Opening balance	Recognised in profit and loss	Recognised in OCI	Closing balance
Relating to depreciation on fixed assets	(522.13)	98.25	-	(423.88)
Provision for gratuity	88.03	(9.33)	10.30	89.00
Provision for leave encashment	31.56	(1.84)	-	29.72
Unabsorbed depreciation	294.00	(294.00)	-	-
Provision for expected credit loss	8.74	(5.26)	-	3.48
Provision for Bonus	0.07	4.36	-	4.43
Provision for export benefit obligation	-	6.20	-	6.20
Fair value of equity instruments through OCI	-	0.07	-	0.07
MAT Credit Entitlement	475.77	110.46	-	586.23
<b>Net Deferred Tax Assets</b>	<b>376.04</b>	<b>(91.10)</b>	<b>10.30</b>	<b>295.25</b>

**Deferred tax assets / (liabilities) in relation to the year ended March 31, 2018**

Particulars	Opening balance	Recognised in profit and loss	Recognised in OCI	Closing balance
Relating to depreciation on fixed assets	(513.87)	(8.26)	-	(522.13)
Provision for gratuity	81.45	11.99	(5.41)	88.03
Provision for leave encashment	23.50	8.06	-	31.56
Unabsorbed depreciation	484.57	(190.57)	-	294.00
Provision for expected credit loss	68.10	(59.36)	-	8.74
Provision for Bonus	(12.66)	12.73	-	0.07
MAT Credit Entitlement	361.07	114.70	-	475.77
<b>Net Deferred Tax Assets</b>	<b>492.16</b>	<b>(110.71)</b>	<b>(5.41)</b>	<b>376.04</b>

**Notes forming part of the Standalone Financial Statements**

**47) Details of Loans given, covered u/s 186 (4) of the Companies Act, 2013 and disclosure pursuant to clause 34 of the (Listing Obligations and Disclosure Requirements) Regulations, 2015**

(₹ in Lakhs)

Particulars		Year ended 31st March, 2019	Year ended 31st March, 2018
a)	<b>Loans and advances in the nature of loans</b>		
	<b>i) Loan to subsidiary: Kopran Research Laboratories Limited</b>		
	Loans given during the year	4,758.45	3,255.32
	Balance as at the year end	100.14	-
	Maximum amount outstanding at any time during the year	713.84	979.26
	Purpose: Working Capital		
b)	<b>Investment in the shares of the Subsidiary Company</b>		
	Kopran Research Laboratories Limited during the year	62.50	31.25
	For details of investments made in subsidiaries and balances as at March 31, 2019 refer Note No. 6(d)		
c)	<b>Corporate Guarantee given</b>		
	For loans sanctioned to Kopran Research Laboratories Limited	6,250.00	6,250.00

48) a) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

b) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

49) The figures for the comparative year / periods have been regrouped wherever necessary, to conform to the current year's classification.

**50) FINANCIAL INSTRUMENTS**

**i. Financial instruments by category**

Particulars	March 31, 2019			April 01, 2018		
	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
<b>FINANCIAL ASSETS</b>						
Non - current financial assets - Investment -		1.90	0.40	-	4.51	0.40
Non - current financial assets - Loans receivables	-	-	131.82	-	-	129.05
Current financial assets - Trade receivables -		-	4,459.00	-	-	2,013.03
Current financial assets - Cash and cash equivalents		-	20.59	-	-	26.94
Current financial assets - Bank Balances other than cash and cash equivalents		-	84.45	-	-	125.92
Current financial assets - Loans receivables		-	535.94	-	-	487.29
Current financial assets - Others		-	1.77	-	-	1.13
Derivatives designated as hedges - Foreign currency forward contracts	388.99	-	-	235.38	-	-
<b>Total</b>	<b>388.99</b>	<b>1.90</b>	<b>5,233.97</b>	<b>235.38</b>	<b>4.51</b>	<b>2,783.76</b>
<b>FINANCIAL LIABILITIES</b>						
Non - current financial liabilities - Borrowings	-	-	2,170.96	-	-	2,189.19
Current financial liabilities - Borrowings	-	-	1,883.20	-	-	2,356.45
Current financial liabilities - Trade payables	-	-	3,244.06	-	-	2,877.38
Current financial liabilities - Other	-	-	1,742.41	-	-	1,407.60
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9,040.63</b>	<b>-</b>	<b>-</b>	<b>8,830.62</b>

**Notes forming part of the Standalone Financial Statements**

**ii. Fair value measurements**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the fair value hierarchy that categorises the values into 3 levels. For the inputs to valuation techniques used to measure fair value of financial instruments refer Note No. 2.3(b)

**Assets and liabilities measured at fair value:**

Particulars	March 31, 2019			April 01, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
<b>Financial Investments which are measured at FVTPL</b>						
Investments	-	-	-	-	-	-
<b>Financial Investments which are measured at FVTOCI</b>						
Investments	1.90	-	-	4.51	-	-
<b>Derivatives designated as hedges</b>						
Foreign exchange forward contracts	-	388.99	-	-	235.38	-
<b>Financial Assets which are measured at Amortized Cost</b>						
Non - current financial assets - Investment	-	0.40	-	-	0.40	-
Non - current financial assets - Loans receivables	-	131.82	-	-	129.05	-
Current financial assets - Trade receivables	-	4,459.00	-	-	2,013.03	-
Current financial assets - Cash and cash equivalents	-	20.59	-	-	26.94	-
Current financial assets - Bank Balances other than cash and cash equivalents	-	84.45	-	-	125.92	-
Current financial assets - Loans receivables	-	535.94	-	-	487.29	-
Current financial assets - Others	-	1.77	-	-	1.13	-
<b>Total Financial Assets</b>	<b>1.90</b>	<b>5,622.96</b>	<b>-</b>	<b>4.51</b>	<b>3,019.14</b>	<b>-</b>
<b>Financial Liabilities</b>						
<b>Financial Liabilities which are measured at FVTPL</b>						
Non - current financial liabilities - Borrowings	-	-	-	-	-	-
<b>Financial Liabilities which are measured at Amortized Cost</b>						
Non - current financial liabilities - Borrowings	-	2,170.96	-	-	2,189.19	-
Current financial liabilities - Borrowings	-	1,883.20	-	-	2,356.45	-
Current financial liabilities - Trade payables	-	3,244.06	-	-	2,877.38	-
Current financial liabilities - Other	-	1,742.41	-	-	1,407.60	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>9,040.63</b>	<b>-</b>	<b>-</b>	<b>8,830.62</b>	<b>-</b>

**Notes:**

There have been no transfers among Level 1, Level 2 and Level 3 during the period

**Financial instrument measured at amortised cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Management does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**Notes forming part of the Standalone Financial Statements**

**51) Disclosures pursuant to Ind AS 1 "presentation of financial statements"- capital management**

Capital includes issued equity capital and share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximize the shareholder value. (₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non - current financial liabilities - Borrowings	2,170.96	2,189.19
Current financial liabilities - Borrowings	1,883.20	2,356.45
Current financial liabilities - Other - Current maturities of long - term debt	945.09	666.67
Less : cash and cash equivalents	(20.59)	(26.94)
<b>Net debt (A)</b>	<b>4,978.66</b>	5,185.37
Total Equity	21,844.18	20,574.75
<b>Total Capital (B)</b>	<b>21,844.18</b>	20,574.75
<b>Capital and Net Debt C = (A) + (B)</b>	<b>26,822.84</b>	25,760.12
<b>Gearing Ratio (A) / (C)</b>	<b>18.56%</b>	20.13%

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations. The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

**52) Disclosures pursuant to Ind AS 107 "Financial Instruments Disclosures"- Financial risk management objectives and policies**

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's business activities expose it to a variety of financial risks, namely market risks, credit risk and liquidity risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The top management is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**a) Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, borrowings, foreign currency receivables and payables.

**i) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates to the Company's long-term debt as well as short-term obligations with floating interest rates.

In order to manage its interest rate risk The Company diversifies its portfolio in accordance with the limits set by the risk management policies.

**Notes forming part of the Standalone Financial Statements**

As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 1% change in interest rates. A 1% decrease in interest rates would have led to approximately an additional ₹ 49.68 Lakhs gain for year ended March 31, 2019 (₹ 51.34 Lakhs gain for year ended March 31, 2018) in Interest expenses. A 1% increase in interest rates would have led to an equal but opposite effect.

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting

**ii) Foreign Currency Risk**

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the borrowings, import of raw materials, exports of Formulations and the Company's net investments in foreign subsidiaries.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies. It uses derivative instruments like foreign currency forwards to hedge exposure to foreign currency risk.

**Outstanding foreign currency exposure:**

(₹ in Lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Foreign currency amount	Amount in ₹	Foreign currency amount	Amount in ₹
<b>Receivables</b>				
USD	43.68	3,020.29	25.04	1,628.67
EURO	4.07	316.05	1.09	87.63
GBP	0.49	44.18	0.61	56.56
YEN	-	-	5.29	3.28
<b>Foreign Currency Bank Account</b>				
USD	0.02	1.35	0.05	3.21
<b>Investments</b>				
HKD	23.19	204.75	23.19	191.78
<b>Payables</b>				
USD	23.80	1,645.72	27.17	1,767.18
GBP	3.28	254.56	-	-
EURO	0.84	76.32	0.01	0.50
<b>Borrowings</b>				
USD	6.91	477.90	14.41	937.29

**Foreign exchange risk sensitivity:**

As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 1% change in interest rates. A 1% decrease in interest rates would have led to approximately an additional ₹ 11.41 Lakhs net gain for year ended March 31, 2019 (₹ 7.37 Lakhs net loss for year ended March 31, 2018) in Interest expenses. A 1% increase in interest rates would have led to an equal but opposite effect.



**Notes forming part of the Standalone Financial Statements**

**Forward exchange contracts:**

**Derivatives for hedging currency, outstanding are as under:**

(₹ in Lakhs)

Particulars	Purpose	Currency	As at 31st March, 2019	As at 31st March, 2018
Foreign currency forward contracts	Exports	USD	107.50	193.32
Forward contract value	Exports	₹	7,902.28	12,573.73
Foreign currency forward contracts	Imports	USD	-	-
Forward contract value	Imports	₹	-	-

**iii) Other price risk**

**a) Other price risk**

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments. The Company is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI. As at March 31, 2019, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 1.90 Lakhs (March 31, 2018 ₹ 4.51 Lakhs). The details of such investments in equity instruments are given in Note 6(a) and 6(b).

The Company is mainly exposed to change in market rates of its investments in equity investments recognised at FVTOCI. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

If the equity prices had been higher / lower by 10% from the market prices existing as at March 31, 2019, Other Comprehensive Income for the year ended March 31, 2019 would increase / decrease by ₹ Nil Lakhs (March 31, 2018 ₹ 0.27 Lakhs) with a corresponding increase/decrease in Total Equity of the Company as at March 31, 2019. 10% represents management's assessment of reasonably possible change in equity prices.

**b) Credit Risk**

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing / investing activities, including deposits with banks, foreign exchange transactions and financial guarantees. The Company has no significant concentration of credit risk with any counterparty.

**Trade receivables:**

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/ modified.

Total Trade receivable as on March 31, 2019 is ₹ 4,459.01 Lakhs (March 31, 2018 ₹ 2,013.03 Lakhs). The average credit period on sale of goods is 90 to 180 days. No interest is charges on trade receivables.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

**Notes forming part of the Standalone Financial Statements**

**Movement in the expected credit loss allowance on trade receivables**

(₹ in Lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Balance at the beginning of the year</b>	<b>25.02</b>	194.87
Addition	-	-
Write - offs	<b>(12.50)</b>	(169.85)
Recoveries	-	-
<b>Balance at the end of the year</b>	<b>12.52</b>	25.02

**c) Liquidity risk**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2019</b>				
Non - current financial liabilities - Borrowings	2,170.96	-	2,170.96	2,170.96
Current financial liabilities - Borrowings	1,883.20	1,883.20	-	1,883.20
Current financial liabilities - Trade payables	3,244.06	3,244.06	-	3,244.06
Current financial liabilities - Other	1,742.42	1,742.42	-	1,742.42
<b>As at March 31, 2018</b>				
Non - current financial liabilities - Borrowings	2,189.18	-	2,189.18	2,189.18
Current financial liabilities - Borrowings	2,356.45	2,356.45	-	2,356.45
Current financial liabilities - Trade payables	2,877.38	2,877.38	-	2,877.38
Current financial liabilities - Other	1,407.60	1,407.60	-	1,407.60

**Notes forming part of the Standalone Financial Statements**

**53) Micro, small and medium enterprises**

(₹ in Lakhs)

	<b>Particulars</b>	<b>Year ended 31st March, 2019</b>	<b>Year ended 31st March, 2018</b>
(a)	The principal amount remaining unpaid to any supplier at the end of each accounting year.	116.43	-
(b)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(c)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day.	-	-
(d)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(e)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

**54) Corporate Social Responsibility**

As per section 135 of the Companies Act, 2013, amount required to be spent by the Company during the year ended March 31, 2019 and 2018 is ₹ 8.77 lakhs and ₹ Nil, respectively, computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility (CSR). The Company incurred an amount of ₹ 8.40 lakhs and ₹ Nil during the year ended March 31, 2019 and 2018, respectively, towards CSR expenditure for purposes other than construction / acquisition of any asset.

As per our report of even date  
For **Khandelwal Jain & Co**  
Chartered Accountants  
Firm Registration No: - 105049W

**S. S. Shah**  
Partner  
Membership No: - 033632

Place: Mumbai  
Date : May 08, 2019

**For and on behalf of the Board of Directors**

**SURENDRA SOMANI**  
Executive Vice Chairman  
DIN: 00600860

**B. K. SONI**  
Chief Financial Officer

**DR. SIDDHAN SUBRAMANIAN**  
Director  
DIN: 02101174

**SUNIL SODHANI**  
Company Secretary



## Consolidated Financial Statements

**Independent Auditors' Report**

**To the Members of  
Kopran Limited**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of Kopran Limited (hereinafter referred to as "the Holding Company") and its subsidiaries listed in Annexure I (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31 March 2019, the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of Changes in Equity and the consolidated statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the Consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries referred to in "other matters" section herein below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI'), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be Communicated in our report. For each matter below, the description of audit procedures performed by us and by other auditors, of components not audited by us, as reported and communicated by them and furnished to us by the management, to address the matter, is provided in the above context.

Sr. No.	Key Audit Matter	How scope of the audit addressed the key audit matter
1	<b>Evaluation of Provision and Contingent Liabilities:</b>	
	<p>As at the Balance Sheet date, the Company has significant open litigation and other contingent liabilities as disclosed in note no. 34(a). The assessment of the existence of the present legal or constructive obligation, analysis of the probability or possibility of the related payment require the management to make judgement and estimates in relation to the issues of each matter.</p> <p>The management with the help of opinion and advise of its experts have made such judgements and estimates relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability.</p>	<p>We have reviewed and held discussions with the management to understand their processes to identify new possible obligations and changes in existing obligations for compliance with the requirements of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets.</p> <p>We have also discussed with the management significant changes from prior periods and obtained a detailed understanding of these items and assumptions applied. We have held regular meetings with the management and key legal personnel responsible for handling legal matters.</p>

	<p>Due to the level of judgement relating to recognition, valuation and presentation of provision and contingent liabilities, this is considered to be a key audit matter.</p>	<p>In addition, we have reviewed:</p> <ul style="list-style-type: none"> <li>• The details of the proceedings before the relevant authorities including communication from the advocates / experts;</li> <li>• Legal advises / opinions obtained by the management, if any, from experts in the field of law on the legal cases;</li> <li>• Status of each of the material matters as on the date of the balance sheet.</li> </ul> <p>We have assessed the appropriateness of provisioning based on assumptions made by the management and presentation of the significant contingent liabilities in the financial statements.</p>
<b>2</b>	<b>Valuation of inventory:</b>	
	<p>Inventory comprises of Raw Materials, Finished Goods, Stock in process and Stores and Spares. There is an inherent risk around the accuracy of the valuation of the closing stocks</p> <p>Inventories are valued at lower of cost and net realisable value. These involve significant management judgement to determine the obsolete or slow moving items of inventory and to evaluate the realisable values. Further, Amoxicillin Trihydrate is the main raw material for the Company, which is partly imported, and is subject to high price fluctuation risk as well as foreign currency risk.</p> <p>The volatility in the prices of Amoxicillin Trihydrate may significantly impact the valuation of not only Raw material but also other items of inventory.</p> <p>In determining the net realizable value, the management uses data of sales of finished good available which is a management estimate.</p> <p>We have considered this as a key audit matter due to the significance in the amount of inventory and volatility in the prices of Amoxicillin Trihydrate.</p>	<p>We have reviewed the stock records and held discussions with the management. We verified arithmetical accuracy of valuation records/ reports.</p> <p>For a sample of inventory items we have verified that the First in First out (FIFO) Method calculation in case of inventory is appropriate.</p> <p>We have reviewed the price movement of Amoxicillin Trihydrate with respect to cost to the Company.</p> <p>Compared such prices with the recent selling prices. Compared the value of Finished Goods with the last selling prices of the respective product to determine the basis of valuation adopted.</p>
<b>3</b>	<b>Estimated allowance of trade receivables:</b>	
	<p>The Trade receivables forms a significant part of the Group's total assets. The estimated allowance of trade receivables is identified key audit matter due to the use of significant judgement and estimates with respect to the recoverability of overdue trade receivables. As detailed in note 55(B) of financial statements, the management reviews and assesses the recoverability of the carrying value of all overdue trade receivables individually by considering the credit history including default or delay in payments, settlement records and subsequent settlements.</p> <p>Allowance for doubtful debts will be provided for the amount of trade receivables that are considered as irrecoverable.</p>	<p>Our audit procedures in relation to the estimated allowance of trade receivables included:</p> <ul style="list-style-type: none"> <li>• Understanding how allowance for doubtful debts is estimated by the management;</li> <li>• Testing the subsequent settlements of trade receivables, on a sample basis, to the source documents including bank statements and bank-in slips/ remittance advices.</li> <li>• Discussing with the management and evaluating the basis of trade debtors that are overdue and without/little settlements subsequent to the end of the reporting period identified by the management and their assessment on the recoverability of overdue trade receivables.</li> </ul>

### **Other Information**

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each entity of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity of the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each entity of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the entity has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group (Holding company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain safely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

We did not audit the financial statements/financial information of three subsidiaries, whose financial statements / financial information reflect total assets of ₹ 22,702.16 lakhs as at 31st March, 2019, total revenues of ₹18,429.35 lakhs and net cash flows amounting to ₹ 3.80 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the management.

#### **Report on Other Legal and Regulatory Requirements**

- A. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that :
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.



- c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of Changes in Equity and the consolidated statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, which are incorporated in India, as on 31 March 2019 and taken on record by the Board of Directors of the Holding Company respective companies, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 36(a) to the consolidated financial statements.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting statements, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer Notes 51(a) to the consolidated financial statements in respect of such items as it relates to the Group.
  - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India. Refer Notes 51(b) to the consolidated financial statements in respect of such items as it relates to the Group.
  - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealing in specified banks notes during the period from 8 November 2016 to 30 November 2016 have not been made since they do not pertain to the financial year ended 31 March 2019.

- B. With respect to the matter to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act :

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company (and on the basis of the reports of the statutory auditors of its subsidiaries which are incorporated in India) the remuneration paid during the year by the subsidiaries incorporated in India is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act.

**For KHANDELWAL JAIN & CO.**  
**Chartered Accountants,**  
**Firm Registration No.: 105049W**

**(S. S. Shah)**  
**Partner**  
**Membership No.: 033632**

Place : Mumbai  
Date : May 08, 2019

**Annexure I: List of entities consolidated as at 31st March 2019**

Sr. No.	Name of the subsidiary
1	Kopran Research Laboratories Limited
2	Kopran Lifesciences Limited
3	Kopran (H. K) Limited

**Annexure A to the Independent Auditor's Report**

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kopran Limited of even date)

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

In conjunction with our audit of the consolidated financial statements of Kopran Limited ("the Holding Company") as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiaries, which are incorporated in India as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiaries which are incorporated in India, based on our audit and the reports of the statutory auditors of the subsidiary companies incorporated in India. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we and the statutory auditors of the subsidiaries incorporated in India, have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system over financial reporting of the Holding Company and its subsidiaries which are incorporated in India.

**Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as

necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting:**

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

**Opinion**

In our opinion, the Holding Company and its subsidiaries which are incorporated in India, have, in all material respects, an adequate internal financial controls system over to financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Holding Company and its respective subsidiaries which are incorporated in India, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For KHANDELWAL JAIN & CO.**  
**Chartered Accountants,**  
**Firm Registration No.: 105049W**

**(S. S. Shah)**  
**Partner**  
**Membership No.: 033632**

Place : Mumbai  
Date : May 08, 2019

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31st, 2019**

(₹ In Lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>ASSETS</b>			
<b>1. Non - current assets</b>			
Property, Plant and Equipment	4	11,238.32	10,433.03
Capital work-in-progress		1,714.41	737.12
Goodwill		0.58	0.58
Intangible assets	5	23.28	9.96
Intangible assets under development		714.96	256.24
<b>Financial assets</b>			
Investments	6	2.30	4.91
Loans receivables	7	191.68	188.88
Deferred tax assets (net)	8	295.25	376.04
Other non - current assets	9	293.83	188.79
<b>Total non - current assets</b>		<b>14,474.61</b>	<b>12,195.55</b>
<b>2. Current assets</b>			
Inventories	10	7,344.62	7,101.24
<b>Financial assets</b>			
Trade receivables	11	8,664.35	6,476.79
Cash and cash equivalents	12	41.47	44.02
Bank balances other than cash and cash equivalents above	13	354.48	573.56
Loans receivables	14	445.05	547.86
Other financial assets	15	429.56	254.74
Current tax assets (net)	16	-	5.36
Other current assets	17	3,477.17	4,345.97
<b>Total current assets</b>		<b>20,756.70</b>	<b>19,349.54</b>
<b>Total Assets</b>		<b>35,231.31</b>	<b>31,545.09</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18	4,324.89	4,324.89
Other equity	19	12,522.68	10,145.94
<b>Total Equity</b>		<b>16,847.57</b>	<b>14,470.83</b>
<b>LIABILITIES</b>			
<b>1. Non - Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20	4,111.90	2,992.10
Provisions	21	641.58	514.35
Deferred tax liabilities (net)	22	158.96	14.48
<b>Total non - current liabilities</b>		<b>4,912.44</b>	<b>3,520.93</b>
<b>2. Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	23	4,544.42	5,211.41
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	24	116.43	23.62
b) total outstanding dues of creditors other than micro enterprises and small enterprises	24	4,999.47	6,043.30
Other financial liabilities	25	2,666.43	1,855.69
Other current liabilities	26	857.84	273.92
Provisions	27	71.47	64.83
Current tax liabilities (net)	28	215.24	80.56
<b>Total current liabilities</b>		<b>13,471.30</b>	<b>13,553.33</b>
<b>Total equity and liabilities</b>		<b>35,231.31</b>	<b>31,545.09</b>
<b>Corporate information</b>	1		
<b>Significant accounting policies</b>	2		
<b>Notes forming part of the consolidated financial statements</b>	3 to 57		

As per our report of even date

For **Khandelwal Jain & Co**

Chartered Accountants

Firm Registration No: - 105049W

**S. S. Shah**

Partner

Membership No: - 033632

Place: Mumbai

Date : May 08, 2019

For and on behalf of the Board of Directors

**SURENDRA SOMANI**  
Executive Vice Chairman  
DIN: 00600860

**DR. SIDDHAN SUBRAMANIAN**  
Director  
DIN: 02101174

**B. K. SONI**  
Chief Financial Officer

**SUNIL SODHANI**  
Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31st, 2019**

(₹ In Lakhs)

Particulars	Note No.	Year Ended 31st March, 2019	Year Ended 31st March, 2018
<b>INCOME</b>			
Revenue from operations	29	35,790.10	31,470.79
Other income	30	305.89	959.63
<b>Total Income</b>		<b>36,095.99</b>	<b>32,430.42</b>
<b>EXPENSES</b>			
Cost of materials consumed	31	19,618.95	17,615.95
Purchases of stock-in-trade		2,104.75	1,688.76
Changes in inventories of finished goods and work-in-progress	32	(926.71)	(498.81)
Employee benefits expense	33	3,710.61	3,223.73
Finance costs	34	899.06	859.51
Depreciation and amortization expense	4 & 5	873.92	851.29
Other expenses	35	6,649.16	6,401.46
<b>Total Expenses</b>		<b>32,929.74</b>	<b>30,141.89</b>
<b>Profit before exceptional items and tax</b>		<b>3,166.25</b>	<b>2,288.53</b>
Exceptional items (net)		-	-
<b>Profit before tax</b>		<b>3,166.25</b>	<b>2,288.53</b>
<b>Tax Expense</b>	49		
(1) Current tax		528.37	114.70
(2) Deferred tax		235.58	125.20
<b>Total tax expense</b>		<b>763.95</b>	<b>239.90</b>
<b>Profit for the year</b>		<b>2,402.30</b>	<b>2,048.63</b>
<b>Other comprehensive income for the year</b>			
<b>(I) Items that will not be reclassified subsequently to profit or loss</b>			
a) Net changes in fair value of investments in equity shares carried at fair value through OCI [(expenses) / income]		(1.22)	0.03
Income tax effect on Net changes in fair value of investments in equity shares carried at fair value through OCI [credit / (charge)]		0.07	-
b) Remeasurement of defined employee benefit plans [(expenses) / write back]		(47.69)	11.41
Income tax effect on remeasurement of defined employee benefit plans [credit / (charge)]		10.23	(5.41)
ii) a) Items that will be reclassified to profit or loss			
Exchange difference in translating the financial statements of foreign operation		13.06	-
b) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive (loss) / income for the year</b>		<b>(25.55)</b>	<b>6.03</b>
<b>Total comprehensive income for the year</b>		<b>2,376.75</b>	<b>2,054.66</b>
<b>Earnings per equity share (₹)</b>			
Basic and diluted-par value of ₹ 10/- per share	37	5.55	4.74
<b>Corporate information</b>	1		
<b>Significant accounting policies</b>	2		
<b>Notes forming part of the consolidated financial statements</b>	3 to 57		

As per our report of even date  
For **Khandelwal Jain & Co**  
Chartered Accountants  
Firm Registration No: - 105049W

**S. S. Shah**  
Partner  
Membership No: - 033632

Place: Mumbai  
Date : May 08, 2019

For and on behalf of the Board of Directors

**SURENDRA SOMANI**  
Executive Vice Chairman  
DIN: 00600860

**DR. SIDDHAN SUBRAMANIAN**  
Director  
DIN: 02101174

**B. K. SONI**  
Chief Financial Officer

**SUNIL SODHANI**  
Company Secretary

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31st, 2019**

(₹ In Lakhs)

**A) Equity Share Capital**

Particulars	Amount
<b>As at April 1, 2017</b>	<b>4,325.26</b>
Changes in equity share capital	-
<b>As at March 31, 2018</b>	<b>4,325.26</b>
Changes in equity share capital	-
<b>As at March 31, 2019</b>	<b>4,325.26</b>

**B) Other Equity**

Particulars	Reserve and Surplus					Other Comprehensive Income			Total
	Capital Reserve	General Reserve	Securities Premium	Export allowance reserve	Retained Earnings	Equity instruments through OCI	Foreign exchange fluctuation reserve	Remeasurements of net defined benefit plans	
<b>As at April 1, 2017</b>	<b>1,484.74</b>	<b>814.21</b>	<b>12,226.95</b>	<b>0.40</b>	<b>(6,564.38)</b>	<b>(6.32)</b>	<b>93.10</b>	<b>93.77</b>	<b>8,142.47</b>
Profit for the year	-	-	-	-	2,048.64	-	(1.20)	-	2,047.44
Other comprehensive income for the year	-	-	-	-	-	0.03	-	6.00	6.03
Adjustments of security deposits during the year	-	-	-	-	(50.00)	-	-	-	(50.00)
<b>As at April 01, 2018</b>	<b>1,484.74</b>	<b>814.21</b>	<b>12,226.95</b>	<b>0.40</b>	<b>(4,565.74)</b>	<b>(6.29)</b>	<b>91.90</b>	<b>99.77</b>	<b>10,145.94</b>
Profit for the year	-	-	-	-	2,402.30	-	13.06	-	2,415.36
Other comprehensive income for the year	-	-	-	-	-	(1.15)	-	(37.46)	(38.61)
Realised Gain/Loss on Equity FVTOCI transferred to Retained Earnings	-	-	-	-	(7.26)	7.26	-	-	-
<b>As at March 31, 2019</b>	<b>1,484.74</b>	<b>814.21</b>	<b>12,226.95</b>	<b>0.40</b>	<b>(2,170.70)</b>	<b>(0.18)</b>	<b>104.96</b>	<b>62.30</b>	<b>12,522.68</b>

The Description of the nature and purpose of each reserve within equity is as follows:

**a) Foreign Currency Translation Reserve:**

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly to retained earnings and accumulated in foreign currency translation reserve.

**b) Capital Reserve:**

Capital Reserves are mainly the reserves created by way of forfeiting the deposits received against the share warrants issued in the earlier years and the merger of 'Kopran Pharmaceuticals Ltd.' with the Company, pursuant to the Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble High Court of Judicature at Bombay in the financial year 2004-05.

**c) General Reserve:**

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**d) Securities Premium:**

Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc

**e) Retained Earnings:**

Retained earnings are the profits that the Company has earned till date less any transfer to General Reserve, dividends or other distributions paid to the shareholders

**f) Equity Instruments through OCI:**

This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

<b>Corporate information</b>	<b>1</b>
<b>Significant accounting policies</b>	<b>2</b>
<b>Notes forming part of the consolidated financial statements</b>	<b>3 to 57</b>

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As per our report of even date  
For **Khandelwal Jain & Co**  
Chartered Accountants  
Firm Registration No: - 105049W

**S. S. Shah**  
Partner  
Membership No: - 033632

Place: Mumbai  
Date : May 08, 2019

**For and on behalf of the Board of Directors**

**SURENDRA SOMANI**  
Executive Vice Chairman  
DIN: 00600860

**B. K. SONI**  
Chief Financial Officer

**DR. SIDDHAN SUBRAMANIAN**  
Director  
DIN: 02101174

**SUNIL SODHANI**  
Company Secretary

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31st, 2019**

(₹ In Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
<b>Cash flows from operating activities</b>		
<b>Net Profit before tax</b>	3,166.25	2,288.53
<b>Adjustments for:</b>		
Depreciation and amortisation expense	873.92	851.29
Amortisation of premium on operating lease	1.55	1.40
Dividend income	(0.09)	(0.13)
Finance cost	899.06	859.51
Interest income	(11.48)	(75.45)
Unrealised foreign exchange (gain) / loss (net)	(386.83)	(264.25)
Provision / write off for expected credit loss / trade receivables / advances (net)	181.86	41.91
Liabilities written back (net)	(235.59)	(10.98)
Other operating (income) / expenses	-	(1.77)
Adjustment to security deposits	-	(50.00)
<b>Operating profit before working capital changes</b>	<u>4,488.65</u>	<u>3,640.06</u>
<b>Movements in working capital</b>		
Increase in inventories	(243.38)	(1,044.81)
Decrease / (increase) in trade receivables	(2,379.43)	857.21
Increase in loans receivables	100.01	(13.30)
Increase in other current / non-current assets	857.48	(1,102.49)
Increase / (Decrease) in trade payables	(874.30)	1,380.90
Increase in provisions	86.18	89.15
(Decrease) / Increase in other financial liabilities	148.86	(831.70)
(Decrease) / Increase in other current liabilities	732.48	(89.57)
Effects of exchange fluctuation reserve	13.06	(1.20)
<b>Cash generated from operations</b>	<u>2,929.61</u>	<u>2,884.25</u>
Direct taxes paid (Net of refunds)	(388.33)	(307.18)
<b>Net cash flow from operating activities</b>	<u><u>2,541.28</u></u>	<u><u>2,577.07</u></u>
<b>Cash flows (used in) / from investing activities</b>		
Purchase of fixed assets, including capital work-in-progress, capital advance and creditors for capital goods	(2,661.42)	(1,065.02)
Purchase of intangibles including Intangible assets under development	(475.85)	(108.07)
Proceeds from sale of fixed assets	8.73	-
Decrease in creditors for capital goods	318.17	10.62
Increase in capital advance	(96.23)	14.24
Proceeds from Non - current investments	1.40	-
Bank balances other than cash and cash equivalents above	219.08	48.34
Decrease / (increase) in other financial assets	188.84	(71.92)
Interest Income	11.48	75.45
Dividend Income	0.09	0.13
<b>Net cash flow used in investing activities</b>	<u><u>(2,485.71)</u></u>	<u><u>(1,096.23)</u></u>
<b>Cash flows (used in) / from financing activities</b>		
Proceeds from long-term borrowings (Net)	(15.71)	11.21
Current maturities of long-term debt	56.96	13.71
Inter corporate deposits	1,398.42	(269.01)
Proceeds from short-term borrowings (Net)	(619.85)	(405.97)
Interest accrued	21.12	7.80
Interest paid	(899.06)	(859.51)
<b>Net cash flow used in financing activities</b>	<u><u>(58.12)</u></u>	<u><u>(1,501.77)</u></u>



**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31st, 2019**

(₹ In Lakhs)

Particulars	(A+B+C)	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Net increase in cash and cash equivalents	(A+B+C)	(2.55)	(20.93)
Cash and cash equivalents at the beginning of the year		44.02	66.21
Effect of exchange rate changes on cash and cash equivalents		-	(1.26)
Cash and cash equivalents at the end of the year (refer note no. 12)		<u>41.47</u>	<u>44.02</u>

**Note:**

The above cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 - "Statement of Cash Flow".

<b>Corporate information</b>	<b>1</b>
<b>Significant accounting policies</b>	<b>2</b>
<b>Notes forming part of the consolidated financial statements</b>	<b>3 to 57</b>

As per our report of even date  
For **Khandelwal Jain & Co**  
Chartered Accountants  
Firm Registration No: - 105049W

**S. S. Shah**  
Partner  
Membership No: - 033632  
Place: Mumbai  
Date : May 08, 2019

**For and on behalf of the Board of Directors**

**SURENDRA SOMANI**  
Executive Vice Chairman  
DIN: 00600860

**B. K. SONI**  
Chief Financial Officer

**DR. SIDDHAN SUBRAMANIAN**  
Director  
DIN: 02101174

**SUNIL SODHANI**  
Company Secretary

**Notes forming part of the Consolidated Financial Statements**

**1) CORPORATE INFORMATION**

Kopran Limited (referred to as "KL" or "the Holding Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 applicable in India. Its shares are listed on BSE and NSE in India.

The Holding Company and its subsidiaries are engaged in the business of manufacturing of Formulation (Finished Dosage Form) and Active Pharmaceutical Ingredients (API).

The Holding Company, its subsidiaries, associate and joint venture together referred as "the Company" or "the Group".

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

The financial statements were authorised for issue by the board of directors on May 08, 2019.

**2) SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation**

**Compliance with Ind AS**

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

**Historical Cost Convention**

The consolidated financial statements have been prepared on the historical cost basis except for the followings:

- certain financial assets and liabilities and contingent consideration that is measured at fair value or amortised cost at the end of each reporting period.
- assets held for sale measured at fair value less cost to sell;
- defined benefit plans plan assets measured at fair value; and
- Derivative financial instruments;

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The consolidated financial statements are presented in Indian Rupees (which is the functional currency of the Holding Company) in Lakhs and all values are rounded to the nearest in two decimal point except where otherwise stated.

**Principles of Consolidation**

The consolidated financial statements relate to Kopran Limited ("the Company") and its subsidiary companies, associates and joint ventures. The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.

In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve.

Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognized in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

Non Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Group.

Non Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Group's shareholders.

## Notes forming part of the Consolidated Financial Statements

Investment in Associates and Joint Ventures has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.

The Group accounts for its share of post acquisition changes in net assets of associates and joint ventures, after eliminating unrealized profits and losses resulting from transactions between the Group and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

### 2.2 Current/non current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in Group's normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### 2.3 Summary of significant accounting policies

#### (a) Foreign currency translation

##### (i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is groups's functional and presentation currency.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary items denominated in foreign currency at the year end and not covered under forward exchange contracts are translated at the functional currency spot rate of exchange at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

##### (iii) Foreign operations

For the purposes of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operations, are translated to the Indian Rupees at exchange rates at the end of each reporting period. The income and expenses of such foreign operations are translated at the average exchange rates for the period. Resulting foreign currency differences are recognised to retained earnings and presented within equity as part of Foreign Currency Translation Reserve.

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Notes forming part of the Consolidated Financial Statements

**(b) Fair value measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

**The Group categorizes assets and liabilities measured at fair value into one of three levels as follows:**

• **Level 1 — Quoted (unadjusted)**

This hierarchy includes financial instruments measured using quoted prices.

• **Level 2**

inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

• **Level 3**

inputs are unobservable inputs for the asset or liability.

**(c) Non-current assets held for sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are disclosed separately under the head "Other Current Assets". Once classified as held for sale are not depreciated or amortised.

**(d) Property, plant and equipment**

For transition to Ind AS, the Group has elected to continue with the carrying value of its Property, Plant and Equipment (PPE) recognized as of April 01, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date.

PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use (net of recoverable taxes) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It include professional fees and borrowing costs for qualifying assets.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

## Notes forming part of the Consolidated Financial Statements

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of Property, plant and equipment are disclosed as "Capital advances" under "Other Non - Current Assets" and the cost of assets not ready intended use as at the balance sheet date are disclosed as 'Capital work-in-progress'.

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

### Depreciation methods, estimated useful lives and residual value

Depreciation of these PPE commences when the assets are ready for their intended use.

Depreciation is calculated on straight line basis using the useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013.

The residual values are not more than 5% of the original cost of the asset.

On assets acquired on lease (including improvements to the leasehold premises), amortization has been provided for on Straight Line Method over the period of lease.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

## (e) Goodwill and Other Intangible assets

For transition to Ind AS, the Group has elected to continue with the carrying value of intangible assets recognized as of April 01, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

### Goodwill

Goodwill represents the excess of consideration transferred, together with the amount of non-controlling interest in the acquiree, over the fair value of the Group's share of identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash generating units that are expected to benefit from the synergies of the combination. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a cash generating unit to which goodwill is allocated, the goodwill associated with the disposed cash generating unit is included in the carrying amount of the cash-generating unit when determining the gain or loss on disposal.

### Other intangible assets

Intangible assets are stated at cost (net of recoverable taxes) less accumulated amortization and impairment loss. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end and if necessary, changes in estimates are accounted for prospectively.

### Computer software

Costs associated with maintaining software programmes are recognised as an expense has incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

**Notes forming part of the Consolidated Financial Statements**

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use it
- there is an ability to use the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

**Amortisation methods and periods**

Intangible assets comprising of goodwill is amortized on a straight line basis over the useful life of five years which is estimated by the management.

Amortization on subsequent expenditure on intangible assets arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

**(f) Impairment of non financial assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss (except for goodwill) is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the carrying amount of the asset.

**(g) Leases**

**(i) As a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**(ii) As a lessor**

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**Notes forming part of the Consolidated Financial Statements**

**(h) Inventories**

Raw Materials, Stores and Spares and Packing Material are valued at lower of cost and net realizable value.

Work-in-Progress, Finished Goods and Stock-in-Trade are valued at lower of cost and net realizable value. Cost of Raw Materials, Stores & Spares and Packing Materials is determined using First in First out (FIFO) Method. Cost of Work-in-Progress and Finished Goods is determined on absorption costing method.

**(i) Revenue recognition**

The Group has adopted Ind AS 115 standard effective April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is insignificant.

**(i)** Revenue is recognized upon transfer of control of promised goods or services to Customers (i.e. when performance obligation is satisfied) for an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for trade discounts such as price concessions, volume discounts, or any other price concessions as may be agreed with the customers at the time of sale. Revenues also excludes Goods and Services Tax (GST) or any other taxes collected from the Customers and net of returns and discounts.

**(ii)** In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.

**(iii) Interest income**

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

**(iv) Dividend income**

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

**(j) Income Taxes**

**(i) Current income tax**

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**(ii) Deferred tax**

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes forming part of the Consolidated Financial Statements

**(iii) Minimum Alternate Tax (MAT)**

MAT payable for a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available in the statement of profit and loss as deferred tax with a corresponding asset only to the extent that there is probable certainty that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The said asset is shown as 'MAT Credit Entitlement' under Deferred Tax. The Group reviews the same at each reporting date and writes down the asset to the extent the Group does not have the probable certainty that it will pay normal tax during the specified period.

**(k) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

**Financial assets**

**Initial Recognition**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**(i) Debt instruments at amortised cost**

A debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Debt instrument at FVTOCI**

A debt instrument' is measured as at FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(iii) Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

**(iv) Equity instruments measured at FVTOCI**

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the Group has elected to present the value changes in 'Other Comprehensive Income'.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**(v) Cash and Cash equivalents**

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.



## Notes forming part of the Consolidated Financial Statements

### De-recognition

A financial asset is de-recognized only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

### Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL), simplified model approach for measurement and recognition of Impairment loss on Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income / expense in the statement of Profit and Loss.

### Financial liabilities

#### Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

#### Initial recognition and measurement

Financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss.

#### Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

#### (i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting year. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### (ii) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

#### (iii) Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value and if not designated as at FVTPL, are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

## Notes forming part of the Consolidated Financial Statements

### De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

### Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

### Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### Derivative financial instruments and hedge accounting

#### Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, full currency swap, options and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

**Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:**

#### (i) Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

**Notes forming part of the Consolidated Financial Statements**

**(ii) Cash flow hedges**

The effective portion of changes in the fair value of the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

**(l) Convertible financial instrument**

Convertible instruments are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

**(m) Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post-employment obligations**

The Group operates the following post-employment schemes:

- (a) defined benefit plans viz. gratuity,
- (b) defined contribution plans viz. provident fund.

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

**Notes forming part of the Consolidated Financial Statements**

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are disclosed as "Remeasurements of net defined benefit plans" under the head "Other Comprehensive Income" in the statement of changes in equity.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Defined contribution plans**

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**(vi) Termination benefits**

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

**(n) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation and a reliable estimate can be made of the amount of obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Claims against the Group where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

**(o) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the year in which they are incurred.

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

**(p) Segment Reporting - Identification of Segments**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by geographic segments.

**(q) Earnings per share**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**Notes forming part of the Consolidated Financial Statements**

**(r) Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks having the maturity of three months or less which are subject to insignificant risk of changes in value.

**(s) Cash Flow Statement**

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**(t) Dividends**

The Group recognises a liability to make dividend distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**(u) Significant accounting judgements, estimates and assumptions**

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of non current assets, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement.

**(i) Impairment of non - financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Group.

**(ii) Useful lives of property, plant and equipment**

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**(iii) Valuation of deferred tax assets**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**(iv) Defined benefit plans**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using Projected Unit Credit method with actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(v) Provisions and contingent liabilities**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

Notes forming part of the Consolidated Financial Statements

(vi) Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**3) RECENT INDIAN ACCOUNTING STANDARDS / PRONOUNCEMENTS**

**Application of new and revised Ind Ass and Amendments**

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective from April 1, 2019:

**Ind AS 116 – Leases**

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

**The Group is evaluating the impact of this pronouncement on the financial statements.**

**Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

**Ind AS 109 – Prepayment Features with Negative Compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any significant impact on its financial statements.

**Ind AS 19 – Plan Amendment, Curtailment or Settlement**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

**Ind AS 23 – Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

**Notes forming part of the Consolidated Financial Statements**

**Ind AS 28 – Long-term Interests in Associates and Joint Ventures**

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any long-term interests in associates and joint ventures.

**Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements**

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

Notes forming part of the Consolidated Financial Statements

(₹ In Lakhs)

**4) PROPERTY, PLANT AND EQUIPMENT**

Particulars	Freehold Land	Buildings	Plant & Equipment	Furniture & Fixture	Vehicles	Office Equipment	Computer Equipment	R & D Equipment	Total
<b>Gross Amount</b>									
<b>As At April 1, 2017</b>	444.61	2,034.06	8,469.16	118.72	132.09	21.81	41.71	4.08	11,266.24
Additions	-	60.79	706.21	6.61	52.29	6.97	14.99	-	847.86
Disposals/Transfer	-	-	-	-	-	-	-	-	-
<b>As At March 31, 2018</b>	444.61	2,094.85	9,175.37	125.33	184.38	28.78	56.70	4.08	12,114.10
Additions	-	894.50	711.72	28.04	6.75	2.75	39.59	-	1,683.35
Adjustments *	-	-	2.55	0.99	-	-	-	-	3.54
Disposals/Transfer	-	-	-	-	17.01	-	-	-	17.01
<b>As At March 31, 2019</b>	444.61	2,989.35	9,889.64	154.36	174.12	31.53	96.29	4.08	13,783.98
<b>Accumulated depreciation and impairment</b>									
<b>As At April 1, 2017</b>	-	81.74	696.82	15.02	17.22	4.04	16.65	0.65	832.14
Depreciation	-	83.36	712.20	15.95	20.48	5.12	11.62	0.20	848.93
Disposals/Transfer	-	-	-	-	-	-	-	-	-
<b>As At March 31, 2018</b>	-	165.10	1,409.02	30.97	37.70	9.16	28.27	0.85	1,681.07
Additions	-	90.83	720.14	16.23	24.24	4.71	13.76	0.20	870.11
Adjustments *	-	-	1.76	0.99	-	-	-	-	2.75
Disposals/Transfer	-	-	-	-	8.28	-	-	-	8.28
<b>As At March 31, 2019</b>	-	255.93	2,130.92	48.19	53.66	13.87	42.03	1.05	2,545.65
<b>Net Carrying Amount</b>									
<b>As At March 31, 2018</b>	444.61	1,929.75	7,766.35	94.36	146.68	19.62	28.43	3.23	10,433.03
<b>As At March 31, 2019</b>	444.61	2,733.42	7,758.72	106.17	120.46	17.66	54.26	3.03	11,238.33

\* Adjustments represents impact of fluctuation in foreign currency due to translation of fixed assets of foreign subsidiary.

**5) INTANGIBLE ASSETS**

Particulars	Product Development Cost	Intangible Assets- Ticagrelor	Goodwill on Consolidation	Total
<b>Gross Amount</b>				
<b>As At April 1, 2017</b>	12.69	-	0.58	13.27
Additions	-	-	-	-
Disposals	-	-	-	-
<b>As At March 31, 2018</b>	12.69	-	0.58	13.27
Additions/Transfer	1.44	15.68	-	17.12
Disposals/Transfer	-	-	-	-
<b>As At March 31, 2019</b>	14.13	15.68	0.58	30.39
<b>Accumulated amortisation</b>				
<b>As At April 1, 2017</b>	0.40	-	-	0.40
Amortisation	2.33	-	-	2.33
Disposals	-	-	-	-
<b>As At March 31, 2018</b>	2.73	-	-	2.73
Amortisation	1.87	1.94	-	3.81
Disposals/Transfer	-	-	-	-
<b>As At March 31, 2019</b>	4.60	1.94	-	6.54
<b>Net Carrying Amount</b>				
<b>As At March 31, 2018</b>	9.96	-	0.58	10.54
<b>As At March 31, 2019</b>	9.53	13.74	0.58	23.85



Notes forming part of the Consolidated Financial Statements

**6) NON - CURRENT FINANCIAL ASSETS - INVESTMENT**

(₹ in Lakhs)

Particulars	Face Value Per Share (in Rs.)	As at 31st March, 2019	As at 31st March, 2018
<b>a) Investments in equity instruments - Quoted - (at fair value through other comprehensive income (FVTOCI))</b>			
Nil shares (March 31, 2018: 200 shares) of Himachal Futuristic Communication Ltd.	1.00	-	0.05
Nil shares (March 31, 2018: 2,874 shares) of IMP Power Ltd.	10.00	-	2.56
30 shares (March 31, 2018: 30 shares) of Advent Computers Ltd.	10.00	-	-
	<b>Sub - Total (A)</b>	<b>-</b>	<b>2.61</b>
<b>b) Investments in Equity Instruments - Unquoted - (at fair value through other comprehensive income (FVTOCI))</b>			
20,000 shares (March 31, 2018: 20,000 shares) of Kapol Co-Op. Bank Ltd.	10.00	2.00	2.00
1,000 shares (March 31, 2018: 1,000 shares) of Saraswat Co-Op. Bank Ltd.	10.00	1.64	1.64
500 shares (March 31, 2018: 500 shares) of The New India Co-Op. Bank Ltd.	10.00	0.26	0.26
25,000 shares (March 31, 2018: 25,000 shares) of Mandvi Co-Op. Bank Ltd.	10.00	2.50	2.50
Less: Provision for impairment in value of investments		<b>(4.50)</b>	<b>(4.50)</b>
	<b>Sub - Total (B)</b>	<b>1.90</b>	<b>1.90</b>
<b>c) Investments in Government securities (non-trade) - (at amortised cost)</b>			
7 years national savings certificate (lodged with collector of central excise and sales tax authority- Mumbai)		0.40	0.40
	<b>Sub - Total (C)</b>	<b>0.40</b>	<b>0.40</b>
	<b>Total - (A+B+C)</b>	<b>2.30</b>	<b>4.91</b>
Aggregate amount of quoted Investments		0.24	8.65
Market value of quoted investments		-	2.61
Aggregate amount of unquoted Investments		6.40	6.40
Aggregate amount of impairment in value of investments		4.50	4.50

**7) NON - CURRENT FINANCIAL ASSETS - LOANS RECEIVABLES**

**Unsecured, Considered Good**

Security Deposits		191.68	188.88
	<b>Total</b>	<b>191.68</b>	<b>188.88</b>

Notes forming part of the Consolidated Financial Statements

**8) DEFERRED TAX ASSETS (NET)**

Particulars		₹ In Lakhs)	
		As at 31st March , 2019	As at 31st March,2018
<b>Deferred Tax liabilities (Gross)</b>			
Relating to depreciation on fixed assets	(a)	423.88	522.13
<b>Deferred Tax Assets (Gross)</b>			
Provision for gratuity		89.00	88.03
Provision for leave encashment		29.72	31.56
Unaborsorbed depreciation		-	294.00
Provision for expected credit loss		3.48	8.74
Provision for bonus		4.43	0.07
Provision for export benefit obligation		6.20	-
Fari value of equity instruments through OCI		0.07	-
	(b)	<u>132.90</u>	<u>422.40</u>
MAT credit entilement	(c)	<u>586.23</u>	<u>475.77</u>
<b>Net Deferred Tax Assets - (b) + (c) - (a)</b>		<u><u>295.25</u></u>	<u><u>376.04</u></u>

**9) OTHER NON - CURRENT ASSETS**

**Considered good**

Capital advances		154.07	57.84
Deduction of Income Tax		7.95	-
Premium on Land under operating lease		118.00	119.52
Prepaid expenses		13.81	11.43
<b>Total</b>		<u><u>293.83</u></u>	<u><u>188.79</u></u>

**10) INVENTORIES**

(Valued at lower of cost or net realisable value)

Raw materials {Includes stocks in transit ₹154.49 Lakhs (March 31, 2018: ₹1,351.20 Lakhs)}		3,427.22	4,121.50
Work-in-progress		2,778.21	1,930.94
Finished goods		546.97	467.53
Stores and spares		176.25	165.18
Packing materials		415.97	416.09
<b>Total</b>		<u><u>7,344.62</u></u>	<u><u>7,101.24</u></u>

**11) CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**

**Unsecured Considered Good**

Receivable from other parties		8,676.85	6,504.24
Less: Expected credit loss		(12.50)	(27.45)
<b>Sub - total (A)</b>		<u>8,664.35</u>	<u>6,476.79</u>
Credit impaired		66.06	141.20
Less: Expected credit loss		(66.06)	(141.20)
<b>Sub - total (B)</b>		<u>-</u>	<u>-</u>
<b>Total - A + B</b>		<u><u>8,664.35</u></u>	<u><u>6,476.79</u></u>

Notes forming part of the Consolidated Financial Statements

**12) CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS**

Particulars	₹ In Lakhs)	
	As at 31st March , 2019	As at 31st March,2018
<b>Balances with Banks</b>		
On Current Accounts	39.71	42.27
Cash on Hand	1.76	1.75
<b>Total</b>	<b>41.47</b>	<b>44.02</b>

**13) CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

Fixed deposits (Maturity of more than 3 months & less than 12 months) (Held as margin money or security against the guarantees)	354.48	573.56
<b>Total</b>	<b>354.48</b>	<b>573.56</b>

**14) CURRENT FINANCIAL ASSETS - LOANS RECEIVABLES**

<b>Unsecured, considered good</b>		
Security deposits	400.00	400.00
Loans to employees	45.05	147.86
<b>Total</b>	<b>445.05</b>	<b>547.86</b>

**15) CURRENT FINANCIAL ASSETS - OTHERS**

Foreign currency forward / option contracts	427.79	253.61
Interest receivable	1.77	1.13
<b>Total</b>	<b>429.56</b>	<b>254.74</b>

**16) CURRENT TAX ASSETS (NET)**

Advance income-tax (Net of provision of taxation)	-	5.36
<b>Total</b>	<b>-</b>	<b>5.36</b>

**17) OTHER CURRENT ASSETS**

Prepaid Expenses	104.69	118.56
Balance with statutory / government authorities	3,352.76	4,204.11
Others	19.72	23.30
<b>Total</b>	<b>3,477.17</b>	<b>4,345.97</b>

Notes forming part of the Consolidated Financial Statements

**18) EQUITY SHARE CAPITAL**

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount	Number	Amount
<b>Authorised</b> Equity Shares of ₹ 10 each	5,62,50,000	5,625.00	5,62,50,000	5,625.00
<b>Total</b>	<u>5,62,50,000</u>	<u>5,625.00</u>	<u>5,62,50,000</u>	<u>5,625.00</u>
<b>Issued</b> Equity Shares of ₹10 each fully paid up	4,32,52,602	4,325.26	4,32,52,602	4,325.26
<b>Subscribed and Paid up</b> Equity Shares of ₹ 10 each fully paid up Less: Calls in-Arrears (Other than Director's)	4,32,52,602 -	4,325.26 0.37	4,32,52,602 -	4,325.26 0.37
<b>Total</b>	<u>4,32,52,602</u>	<u>4,324.89</u>	<u>4,32,52,602</u>	<u>4,324.89</u>

**(I) Reconciliation of Number of Equity Shares**

Particulars	As at 31st Mar, 2019 Number of Shares	As at 31st Mar, 2018 Number of Shares
<b>Opening Balance</b>	4,32,52,602	4,32,52,602
Add : Shares Issued during the year	-	-
<b>Closing Balance</b>	<u>4,32,52,602</u>	<u>4,32,52,602</u>

**(ii) Rights, Preferences and Restrictions attaching to each class of shares. Equity Shares having a face value of ₹ 10.**

**As to voting**

The Company has only one class of shares referred to as equity shares having a face value of ₹ 10. each holder of the equity share is entitled to one vote per share.

**As to distribution of dividends**

The Shareholders are entitled to receive dividend in proportion to the amount of paid up equity shares held by them. The Company has not declared any dividend during the year.

**As to repayment of capital**

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

**(iii) Shares held by Holding / Ultimate Holding Company and / or their Subsidiaries / Associates**

There is no Holding Company or Ultimate Holding Company of the Company. Accordingly, disclosures pertaining to shares of the Company held by held by holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company is not applicable.

**(iv) Details of shareholders holding more than 5% shares in the company**

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares of ₹ 10 each fully paid</b>				
Panorama Finvest Pvt. Ltd.	3,800,000	8.79%	3,800,000	8.79%
Sarvamangal Mercantile Co. Ltd.	2,902,951	6.71%	2,902,951	6.71%
Oricon Enterprises Ltd.	5,961,758	13.78%	5,961,758	13.78%
Rajendra Somani	2,324,250	5.37%	2,324,250	5.37%

Notes forming part of the Consolidated Financial Statements

**19) OTHER EQUITY**

Particulars	As at 31st March, 2019	(₹ In Lakhs) As at 31st March, 2018
<b>Reserves and Surplus</b>		
Capital Reserve	1,484.74	1,484.74
General Reserve	814.21	814.21
Securities Premium	12,226.95	12,226.95
Export Allowance Reserve	0.40	0.40
Retained Earnings	<u>(2,170.70)</u>	<u>(4,565.74)</u>
<b>Sub - Total - A</b>	<u><b>12,355.60</b></u>	<u><b>9,960.56</b></u>
<b>Other Comprehensive Income (OCI)</b>		
Equity Instruments through OCI	(0.18)	(6.29)
Foreign exchange fluctuation reserve	104.96	91.90
Remeasurements of net defined benefit plans	62.30	99.77
<b>Sub - Total - B</b>	<u><b>167.08</b></u>	<u><b>185.38</b></u>
<b>Total - A + B</b>	<u><b>12,522.68</b></u>	<u><b>10,145.94</b></u>

**Note**

Refer statement of changes in equity for details of movements in the balances of each items of Reserves and Surplus and OCI under the head "Other Equity" and the nature and purpose of each reserve.

**20) NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS**

<b>Secured</b>		
<b>Term Loans</b>		
From Others - Vehicle loan	28.06	43.77
<b>Unsecured</b>		
10% Non Convertible Non Cumulative Redeemable Preference Shares of ₹10 each	558.00	858.00
<b>Inter corporate deposits</b>		
Related Parties	1,463.00	1,690.85
Others	424.90	399.48
<b>From Others</b>		
Loan Against Property of Bottle closure - Indiabulls	1,637.94	-
<b>Total</b>	<u><b>4,111.90</b></u>	<u><b>2,992.10</b></u>

**Security, rate of interest and terms of repayment**

**a) Vehicle loans are secured by way of hypothecation of vehicles.**

Rate of Interest - 8.94% p.a. to 10.25 % p.a.

Terms of repayment are as under:

31.03.2020 - ₹19.23 Lakhs

31.03.2021 - ₹13.05 Lakhs

31.03.2022 - ₹ 8.45 Lakhs

31.03.2023 - ₹ 6.56 Lakhs

**b) Terms of redemption of preference shares**

5,580,000 10% Non Convertible Non Cumulative Redeemable Preference Shares of ₹10 each are redeemable at par on March 15, 2025 or at any time after one year from March 31, 2012 at the option of the company.

**c) Inter-corporate deposits from related parties and other parties are unsecured.**

Rate of Interest - 10.50% p.a. to 13.50% p.a.

Inter corporate deposits are repayable as under:

31.03.2020 - ₹ 636.00 Lakhs

31.03.2021 - ₹ 936.00 Lakhs

31.03.2022 - ₹ 527.00 Lakhs

31.03.2023 - ₹ 524.90 Lakhs

**d) Loan Against Property of Bottle closure - Indiabulls**

The term loan carry adjustable interest rate of ICLR - 10% margin p.a. and is repayable in 144 equal monthly installments. The loan is secured against property of Bottle Closure India Private Limited. The loan is guaranteed by others.

Notes forming part of the Consolidated Financial Statements

**21) NON - CURRENT LIABILITIES - PROVISIONS**

Particulars	(₹ In Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Gratuity	507.67	406.95
Leave encashment	133.91	107.40
<b>Total</b>	<b>641.58</b>	<b>514.35</b>

**22) DEFERRED TAX LIABILITIES**

<b>Deferred Tax Liability</b>		
Relating to depreciation on fixed assets	(a) 355.62	298.96
<b>Deferred Tax Assets</b>		
Unabsorbed Depreciation & Business Loss adjusted for timing difference	-	189.20
Disallowances under Income tax Act, 1961	99.36	95.28
	(b) 99.36	284.48
Deferred tax assets recognised to extent of Deferred tax liabilities	99.36	-
Less: MAT Credit Entitlement	97.30	-
<b>Total</b>	<b>158.96</b>	<b>14.48</b>

**23) CURRENT FINANCIAL LIABILITIES - BORROWINGS**

Secured, Repayable on demand		
From banks		
Cash credit / packing credit	3,815.20	3,810.83
Buyers credit	688.31	1,322.58
<b>Unsecured, repayable on demand</b>		
Loan from Director	38.50	78.00
Intercorporate Deposit from Related Parties	2.41	-
<b>Total</b>	<b>4,542.01</b>	<b>5,211.41</b>

**Security and rate of interest**

**Cash credit / packing credit / buyers credit is secured by:**

1st pari passu hypothecation charge on entire stocks and receivables of the Company both present and future.

2nd pari passu charge on entire fixed assets of the Company both present and future.

Corporate Guarantee of Subsidiary Company - Kopran Research Laboratories Limited and personal guarantee of director / promoter aggregating to ₹ 3,600.00 Lakhs.

Corporate Guarantee of Holding Company - Kopran Limited and personal guarantee of director / promoter aggregating to ₹ 6,250.00 Lakhs.

Rate of Interest on cash credit - 10.05% p.a. to 11.50% p.a.

Rate of Interest on packing credit - Libor + 2.50% p.a.

Rate of Interest on buyers credit - Libor + 0.50% p.a to Libor + 1.50% p.a."

**24) TRADE PAYABLES**

Due to micro and small enterprises (Refer Note No. 45)	116.43	23.62
Due to Others [including acceptances ₹ 82.98 Lakhs (March 31, 2018: ₹ 75.61 Lakhs)]	4,999.47	6,043.30
<b>Total</b>	<b>5,115.90</b>	<b>6,066.92</b>

Notes forming part of the Consolidated Financial Statements

**25) CURRENT FINANCIAL LIABILITIES - OTHER**

Particulars	(₹ In Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Current maturities of long-term debt (for Security, rate of interest and terms of repayment refer Note No. 20(a), (c) and (d) above).	736.83	679.87
10% Non Convertible Non Cumulative Redeemable preference Shares of ₹ 10 each	300.00	-
<b>Terms of redemption of preference shares</b>		
i) 10,00,000 10% Non Convertible Non Cumulative Redeemable Preference Shares of ₹10 each are redeemable at par on June 28, 2019 or at any time after one year from March 31, 2012 at the option of the company.		
ii) 20,00,000 10% Non Convertible Non Cumulative Redeemable Preference Shares of ₹10 each are redeemable at par on June 22, 2019 or at any time after one year from March 31, 2012 at the option of the company.		
Interest accrued	37.97	16.85
Security deposits	22.50	24.69
<b>Other payables</b>		
Creditors for capital goods	488.39	170.22
Employees payables	451.70	400.77
Creditors for expenses	375.80	450.03
Provision for expenses	32.48	49.66
Others	220.76	63.60
<b>Total</b>	<b>2,666.43</b>	<b>1,855.69</b>

**26) OTHER CURRENT LIABILITIES**

Advance from customers	740.53	45.99
Statutory liabilities	84.95	86.86
Other payables	32.36	141.07
<b>Total</b>	<b>857.84</b>	<b>273.92</b>

**27) CURRENT LIABILITIES - PROVISIONS**

Gratuity	41.39	36.51
Leave encashment	30.08	28.32
<b>Total</b>	<b>71.47</b>	<b>64.83</b>

**28) CURRENT TAX LIABILITIES**

Provision for tax (Net of advance tax)	215.24	80.56
<b>Total</b>	<b>215.24</b>	<b>80.56</b>

Notes forming part of the Consolidated Financial Statements

**29) REVENUE FROM OPERATIONS**

Particulars	(₹ In Lakhs)	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Sale of products	34,876.20	30,610.48
<b>Other operating revenues</b>		
Scrap sales	48.95	23.58
Export Incentive	852.95	824.73
Others	-	12.00
<b>Total</b>	<u>35,778.10</u>	<u>31,470.79</u>

**30) OTHER INCOME**

<b>Dividend income</b>		
Long - term investments	0.09	0.13
<b>Interest Income</b>		
On fixed deposit	23.75	39.60
Others	12.27	35.85
Recovery of Bad Debts Earlier Written off	1.70	-
Liabilities written back (net)	235.59	10.98
Net gain on foreign currency transaction and translation	11.05	871.46
Service tax refund	-	1.61
Miscellaneous income	21.44	-
<b>Total</b>	<u>305.89</u>	<u>959.63</u>

**31) COST OF MATERIAL CONSUMED**

<b>Raw material consumption</b>		
Opening stock	4,121.50	3,570.43
Add: Purchases	17,215.85	16,548.79
	21,337.35	20,119.22
Less : Closing stock	3,427.22	4,121.50
<b>Sub - Total</b>	<u>17,910.13</u>	<u>15,997.72</u>
<b>Packing materials consumption</b>		
Opening stock	416.09	430.76
Add: Purchases	1,708.70	1,603.56
	2,124.79	2,034.32
Less : Closing stock	415.97	416.09
<b>Sub - Total</b>	<u>1,708.82</u>	<u>1,618.23</u>
<b>Total</b>	<u>19,618.95</u>	<u>17,615.95</u>

**32) CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

<b>Opening Inventories</b>		
Finished goods	467.53	258.82
Work in progress	1,930.94	1,640.84
	2,398.47	1,899.66
<b>Closing Inventories</b>		
Finished goods	546.97	467.53
Work in progress	2,778.21	1,930.94
	3,325.18	2,398.47
<b>Total</b>	<u>(926.71)</u>	<u>(498.81)</u>



Notes forming part of the Consolidated Financial Statements

**33) EMPLOYEE BENEFITS EXPENSE**

Particulars	(₹ In Lakhs)	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries and Wages	3,257.98	2,822.54
Contribution to Provident and other funds	160.05	156.72
Staff welfare expenses	292.58	244.47
<b>Total</b>	<b>3,710.61</b>	<b>3,223.73</b>

**34) FINANCE COSTS**

Interest expense	655.54	533.45
Other borrowing cost	243.52	326.06
<b>Total</b>	<b>899.06</b>	<b>859.51</b>

**35) OTHER EXPENSES**

Stores and spares consumed	393.87	496.19
Power and fuel	1,710.15	1,489.51
Rent	253.22	240.00
<b>Repairs and maintenance</b>		
Building	67.53	46.21
Machinery	162.27	145.40
Others	66.76	57.89
Insurance	54.43	64.08
Commission on sales	797.16	795.38
Selling and distribution expenses	121.01	160.85
Product Registration Charges	22.14	59.31
Job work charges	842.13	771.12
Packing, freight and forwarding	514.70	556.42
Payment to auditors (Refer Note No. 47)	15.38	13.30
Housekeeping and office maintainance	76.85	58.91
Printing and stationery	65.50	65.30
Postage, telegram and telephone	31.13	53.45
Travelling and conveyance	226.18	228.82
Legal and professional fees	433.26	384.52
Rates and taxes	58.54	68.12
Security and labour charges	135.34	122.87
Directors' sitting fees	5.71	4.69
Sundry balances written off	10.28	0.33
Bad debts	261.67	176.03
Less: Provision for Expected credit loss written back	(90.09)	(134.45)
Amortization of premium on Operating lease	1.55	1.40
Corporate Social Responsibility Expenses	8.40	-
Excise duty	-	138.81
Loss on Sale of License	5.75	15.86
Miscellaneous expenses	398.34	321.14
<b>Total</b>	<b>6,649.16</b>	<b>6,401.46</b>

Notes forming part of the Consolidated Financial Statements

**36) CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

Particulars	(₹ In Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>a) Contingent liabilities</b>		
Guarantees given by the company's bankers on behalf of the Group	17.14	68.75
Corporate guarantee given to Bank for finance provided to Kopran Limited	3,600.00	3,600.00
Corporate guarantee given for loan taken by subsidiary (to the extent amount utilised)	3,967.88	3,873.94
Bills discounted with banks	2,511.25	3,295.61
<b>Disputed tax Matters</b>		
Excise duty demand disputed in appeal	140.30	140.30
Service tax demand disputed in appeal	523.34	523.34
Income tax demand disputed in appeal	206.32	-
<b>Other claims / demands against company not acknowledged as debts</b>		
a) Demand under Drug Price Control Order - 95 (DPCO - 95) demand disputed in appeal	591.34	591.34
b) Others	13.24	29.09
<b>b)</b>		
The Supreme Court in the case of Regional Provident Fund Commissioner Vs. Vicekananda Viday Mandir and Ors [LSI-62-SC-2019(NDEL)] has rendered a decision dated 28.02.2019 with reference to The Employees Provident Fund and Miscellaneous Provisions Act 1952 on a common question of law as to whether special allowance paid by an establishment to its employees would fall within the expression of 'basic wages' under section 2(b) (ii) read with section 6 of the Act for the purpose of computation of deduction towards provident Fund. The Supreme Court has held that in order to exclude the allowance from the ambit of basic wages, there must be evidence to show that the workman concerned has become eligible to get the extra amount beyond the normal work which he was otherwise required to put in. The test laid down by the Supreme Court will now have to be applied to each and every allowance to examine whether the allowance is excluded from the purview of wages or not. If the test for exclusion is met, then the said allowance would not form part of wages for the purpose of contribution under the Act. The Company is evaluating the impact of the decision of the Supreme Court on provident fund liability on account of various allowances to its employees. Pending necessary clarifications on the subject, no provision is considered necessary.		
<b>c) Capital Commitments</b>		
Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for	112.55	106.30

**37) BASIC AND DILUTED EARNINGS PER SHARE [EPS] COMPUTED IN ACCORDANCE WITH IND AS 33 "EARNINGS PER SHARE"**

	Year ended 31st March, 2019	Year ended 31st March, 2018
Net Profit as per the Statement of Profit and Loss available for equity Shareholders (₹in Lakhs)	2,402.30	2,048.63
Number of Equity Shares outstanding (No's in Lakhs)	432.53	432.53
Weighted average number of Equity Shares for Basic and Diluted Earnings Per Share (No's in Lakhs)	432.53	432.53
Nominal value of equity shares ₹	10.00	10.00
<b>Earnings Per Share:</b>		
Basic (in ₹)	5.55	4.74
Diluted (in ₹)	5.55	4.74

**38) CIF VALUE OF IMPORTS**

Raw Materials / Packing Material	11,240.53	10,778.81
Capital Goods (including Capital Work-in-Progress)	181.71	115.07
<b>Total</b>	<u>11,422.24</u>	<u>10,893.88</u>

Notes forming part of the Consolidated Financial Statements

**39) EXPENDITURE IN FOREIGN CURRENCY**

Particulars	(₹ In Lakhs)	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Commission	700.99	699.68
Registration Fees	18.76	59.20
Bank Interest on Buyers Credit	5.89	25.12
Export Promotion Expenses	49.99	108.89
Travelling Expenses	53.81	60.04
Research & Development Charges	-	0.48
Product Registration	4.01	2.27
Plant Inspection Charges	1.07	3.91
Professional Charges Others	0.93	-
Others	32.36	28.94
<b>Total</b>	<b>867.81</b>	<b>988.53</b>

**40) EARNINGS IN FOREIGN CURRENCY**

FOB Value of Exports	27,662.75	23,446.11
<b>Total</b>	<b>27,662.75</b>	<b>23,446.11</b>

**41) DISCLOSURE PURSUANT TO IND AS 19 "EMPLOYEE BENEFITS"**

**a) Defined contribution plan**

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

Employer's contribution to Provident Fund	142.71	131.19
Employer's contribution to Labour Welfare Fund	0.44	0.43
Employer's contribution to ESIC	16.91	25.10
<b>Total</b>	<b>160.06</b>	<b>156.72</b>

**b) Defined Benefit plan**

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

**i) Gratuity Benefits (unfunded)**

Particulars	As at 31st March 2019,	As at 31st March 2018,
<b>Present value of the projected benefit obligation</b>		
Present value of benefit obligation at the beginning of the year	443.46	391.72
Interest cost	34.90	29.65
Current service cost	32.36	33.68
Past service cost	-	25.01
Actuarial (gains) / losses on obligations - due to change in financial assumptions	13.68	(27.05)
Actuarial (gains) / losses on obligations - due to experience	34.01	15.64
Benefits paid directly by employer	(9.36)	(25.19)
<b>Present value of benefit obligation at the end of the year</b>	<b>549.05</b>	<b>443.46</b>
<b>Change in the fair value of plan assets</b>		
Fair value of Plan Assets at the beginning of the year	-	-
Interest income	-	-
Contributions by the employer	-	-
Expected contributions by the employees	-	-
Return on plan assets, excluding interest income	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>-</b>	<b>-</b>

Notes forming part of the Consolidated Financial Statements

(₹ In Lakhs)

<b>Amount recognised in the Balance Sheet</b>		
Present value obligations at the end of the year	<b>(549.05)</b>	(443.46)
Fair value of plan assets at the end of the year	-	-
Funded status surplus / (deficit)	<b>(549.05)</b>	(443.46)
<b>Net (liability) / asset recognised in the Balance Sheet</b>	<b>(549.05)</b>	(443.46)
<b>Net interest cost for the current year</b>		
Present value benefit obligation at the beginning of the year	<b>443.46</b>	391.72
Fair value of plan assets at the beginning of the year	-	-
Net liability / (asset) at the beginning	<b>443.46</b>	391.72
Interest cost	<b>34.90</b>	29.65
Interest income	-	-
<b>Interest cost for the current year</b>	<b>34.90</b>	29.65
<b>Expenses recognised in the statement of profit or loss for the current year</b>		
Current service cost	<b>32.36</b>	33.68
Net interest cost	<b>34.90</b>	29.65
Past service cost	-	25.01
<b>Expenses recognised</b>	<b>67.26</b>	88.34
<b>Expenses recognized in the other comprehensive income (OCI) for current year</b>		
Actuarial (gains) / losses on obligation for the year	<b>47.69</b>	(11.41)
Return on plan assets, excluding interest income	-	-
Change in asset ceiling	-	-
<b>Net (income) / expense for the year recognized in OCI</b>	<b>47.69</b>	(11.41)
<b>Balance Sheet Reconciliation</b>		
Opening net liability	<b>443.46</b>	391.72
Expenses recognised in the statement of profit or loss	<b>67.26</b>	88.34
Expenses recognised in OCI	<b>47.69</b>	(11.41)
Benefits paid directly by employer	<b>(9.36)</b>	(25.19)
<b>Net liability / (asset) recognised in the Balance Sheet</b>	<b>549.05</b>	443.46
<b>Category of assets</b>		
NIL, as Funding status in unfunded.	-	-
<b>Maturity analysis of the benefit payments from the employer</b>		
<b>Projected benefits payable in future years from the date of reporting</b>		
1st following year	<b>41.38</b>	36.51
2nd following year	<b>9.57</b>	9.58
3rd following year	<b>36.69</b>	10.98
4th following year	<b>24.25</b>	34.45
5th following year	<b>39.14</b>	21.76
Sum of years of 6 to 10	<b>194.70</b>	150.64
Sum of years of 11 and above	<b>1,088.08</b>	922.81
<b>Sensitivity Analysis</b>		
<p>The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.</p> <p>The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.</p> <p>Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.</p> <p><b>There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.</b></p>		
Projected benefit obligation on current assumptions	<b>481.06</b>	443.46
Delta effect of + 0.50% change in rate of discounting	<b>(15.93)</b>	(21.78)
Delta effect of - 0.50% change in rate of discounting	<b>28.56</b>	23.51
Delta effect of + 0.50% change in rate of salary increase	<b>28.57</b>	23.37
Delta effect of - 0.50% change in rate of salary increase	<b>(26.67)</b>	(21.78)
Delta effect of + 0.50% change in rate of employee turnover	<b>4.89</b>	4.27
Delta effect of - 0.50% change in rate of employee turnover	<b>(5.20)</b>	(4.53)
<b>Assumptions used to determine the benefit obligations</b>		
Rate of Discounting	<b>7.78%</b>	7.87%
Rate of salary increase	<b>5.50% &amp; 6.00%</b>	5.50% & 6.00%
Rate of employee turnover	<b>1.00%</b>	1.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	

**Notes forming part of the Consolidated Financial Statements**

**ii) Leave Encashment (unfunded)**

(₹ In Lakhs)

Particulars	As at 31st March 2019,	As at 31st March 2018,
<b>Present value of the projected benefit obligation</b>		
Present value benefit obligation at the beginning of the year	135.72	109.72
Interest cost	10.68	8.31
Current service cost	7.44	7.89
Actuarial (gains) / losses on obligations - due to change in financial assumptions	9.54	(-7.47)
Actuarial (gains) / losses on obligations - due to experience	11.28	39.81
Benefits paid directly by employer	(10.68)	(22.54)
<b>Present value of benefit obligation at the end of the year</b>	<b>163.98</b>	<b>135.72</b>
<b>Change in the Fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	-	-
Interest Income	-	-
Contributions by the employer	-	-
Expected Contributions by the employees	-	-
Return on Plan assets, excluding interest income	-	-
<b>Fair value of Plan Assets at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Actuarial (gains) / losses recognised in the Statement of Profit or Loss for the current year</b>		
Actuarial (gains) / losses on obligation for the year	20.82	32.34
Return on plan assets, excluding interest income	-	-
<b>Sub- total</b>	<b>20.82</b>	<b>32.34</b>
<b>Actuarial (gains) / losses recognised in the Statement of Profit or Loss</b>	<b>20.82</b>	<b>32.34</b>
<b>Actual Return on Plan Assets</b>		
Interest income	-	-
Return on plan assets, excluding interest income	-	-
<b>Actual return on plan assets</b>	<b>-</b>	<b>-</b>
<b>Amount recognised in the Balance Sheet</b>		
Present value obligations at the end of the year	(163.98)	(135.72)
Fair value of plan assets at the end of the year	-	-
Funded status surplus / (deficit)	(163.98)	(135.72)
Unrecognised past service cost at the end of the period	-	-
<b>Net (liability) / asset recognised in the Balance Sheet</b>	<b>(163.98)</b>	<b>(135.72)</b>
<b>Net interest cost for the current year</b>		
Present value benefit obligation at the beginning of the year	135.72	109.72
Fair value of plan assets at the beginning of the year	-	-
Net (liability) / asset at the beginning	135.72	109.72
Interest cost	10.68	8.31
Interest income	-	-
<b>Net interest cost for the current year</b>	<b>10.68</b>	<b>8.31</b>
<b>Expenses recognised in the statement of profit or loss for the current year</b>		
Current service cost	7.44	7.89
Net interest cost	10.68	8.31
Actuarial (gains) / losses	20.82	32.34
<b>Expenses recognised in the statement of profit or loss</b>	<b>38.94</b>	<b>48.54</b>
<b>Balance Sheet reconciliation</b>		
Opening net liability	135.72	109.72
Expenses recognised in the statement of profit or loss	38.94	48.54
Employers contribution	-	-
Benefits paid directly by employer	(10.68)	(22.54)
<b>Net liability / (assets) recognised in the Balance Sheet</b>	<b>163.98</b>	<b>135.72</b>
<b>Category of Assets</b>		
NIL, as Funding status in unfunded	-	-
Assumptions used to determine the benefit obligations		
Rate of Discounting	7.78%	7.87%
Rate of salary increase	5.50% & 6.00%	5.50% & 6.00%
Rate of employee turnover	0.00%	1.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	

**Notes forming part of the Consolidated Financial Statements**

42) Disclosure of related parties/related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

**Names of related parties where control exists :**

Key Management Personnel	Surendra Somani (Executive Vice Chairman)
	B. K. Soni (Chief Financial Officer)
	Sunil Sodhani (Company Secretary)
	Chandra M. Singhi (Director)
	Rakesh Doshi (Director)
	K. B. Shetty (Chief Financial Officer)
	Shiv Bhagwan Biyani (Director - till November 14, 2017)
	Hansa Gaggar (Company Secretary - till december 24, 2018)
	Ahren A Rodrigues (Company Secretary - w.e.f december 24, 2018)
	Mrs. Vandana Somani (Director)
	Enterprises Significantly influenced by KMP or their relative (With whom there are transaction)
	Shinrai Auto Services Limited
	Kopran Laboratories Limited
	Oriental Containers Ltd.

The following transactions were carried out during the year with the related parties in the ordinary course of business

(₹ In Lakhs)

Nature of Transaction	Key Management Personnel		Enterprises Significantly influenced by KMP or their relative (With whom there are transaction)		Total	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
<b>Loan Received</b>						
Oricon Enterprises Limited	-	-	2,030.00	2,705.00	2,030.00	2,705.00
Oriental Containers Ltd.	-	-	-	-	-	-
Mrs. Vandana Somani	60.00	500.00	-	-	60.00	500.00
Surendra Somani	-	170.00	-	-	-	170.00
<b>Total</b>	<b>60.00</b>	<b>670.00</b>	<b>2,030.00</b>	<b>2,705.00</b>	<b>2,090.00</b>	<b>3,375.00</b>
<b>Repayment of Loan taken</b>						
Surendra Somani	106.50	92.00	-	-	106.50	92.00
Oricon Enterprises Limited	-	-	1,330.00	2,159.00	1,330.00	2,159.00
Oriental Containers Ltd.	-	-	-	832.00	-	832.00
Mrs. Vandana Somani	-	1,164.00	-	-	-	1,164.00
<b>Total</b>	<b>106.50</b>	<b>1,256.00</b>	<b>1,330.00</b>	<b>2,991.00</b>	<b>1,436.50</b>	<b>4,247.00</b>
<b>Purchases</b>						
Oricon Enterprises Limited	-	-	685.12	2,258.08	685.12	2,258.08
<b>Total</b>	<b>-</b>	<b>-</b>	<b>685.12</b>	<b>2,258.08</b>	<b>685.12</b>	<b>2,258.08</b>
<b>Interest Expense</b>						
Oricon Enterprises Limited	-	-	258.25	232.85	258.25	232.85
Oriental Containers Ltd.	-	-	-	52.64	-	52.64
<b>Total</b>	<b>-</b>	<b>-</b>	<b>258.25</b>	<b>285.49</b>	<b>258.25</b>	<b>285.49</b>

**Notes forming part of the Consolidated Financial Statements**

The following transactions were carried out during the year with the related parties in the ordinary course of business

(₹ In Lakhs)

Nature of Transaction	Key Management Personnel		Enterprises Significantly influenced by KMP or their relative (With whom there are transaction)		Total	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
<b>Reimbursement of payment made on behalf of</b>						
Kopran Laboratories Limited - Others	-	-	63.20	-	63.20	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>63.20</b>	<b>-</b>	<b>63.20</b>	<b>-</b>
<b>Miscellaneous Expenses</b>						
Oricon Enterprises Limited - Rent	-	-	240.00	240.00	240.00	240.00
Oricon Enterprises Limited - Others	-	-	25.32	4.98	25.32	4.98
Shinrai Auto Services Limited - Repairs	-	-	-	5.20	-	5.20
<b>Total</b>	<b>-</b>	<b>-</b>	<b>265.32</b>	<b>250.18</b>	<b>265.32</b>	<b>250.18</b>
<b>Remuneration</b>						
Surendra Somani	151.34	148.73	-	-	151.34	148.73
B.K. Soni	25.03	20.18	-	-	25.03	20.18
Sunil Sodhani	14.69	13.61	-	-	14.69	13.61
Chandra M. Singhi	44.72	37.05	-	-	44.72	37.05
Rakesh Doshi	35.69	12.42	-	-	35.69	12.42
K.B. Shetty	10.25	10.14	-	-	10.25	10.14
Shiv Bhagwan Biyani	-	10.56	-	-	-	10.56
Hansa Gaggar	2.10	3.18	-	-	2.10	3.18
Ahren A Rodrigues	0.90	-	-	-	0.90	-
<b>Total</b>	<b>284.72</b>	<b>255.87</b>	<b>-</b>	<b>-</b>	<b>284.72</b>	<b>255.87</b>
<b>Director Sitting fees</b>						
Shiv Bhagwan Biyani	-	0.08	-	-	-	0.08
Mrs. Vandana Somani	0.21	0.15	-	-	0.21	0.15
<b>Total</b>	<b>0.21</b>	<b>0.23</b>	<b>-</b>	<b>-</b>	<b>0.21</b>	<b>0.23</b>
<b>Balance Payable / (Receivable) as at March 31, 2019</b>						
Oricon Enterprises Ltd - Interest Payable	-	-	16.85	18.67	16.85	18.67
Oricon Enterprises Ltd.	-	-	230.74	174.30	230.74	174.30
Oricon Enterprises Limited - Loan	-	-	2,099.00	3,557.47	2,099.00	3,557.47
Surendra Somani	38.50	85.00	-	-	38.50	85.00
<b>Total</b>	<b>38.50</b>	<b>85.00</b>	<b>2,346.59</b>	<b>3,750.44</b>	<b>2,385.09</b>	<b>3,835.44</b>

The sitting fees paid to non - executive directors is ₹ 5.71 lakhs (March 31, 2018 ₹ 4.69 lakhs).

Notes forming part of the Consolidated Financial Statements

(₹ In Lakhs)

43) Disclosure of Derivatives:

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

Purpose	Currency	As at March 31, 2019	As at March 31, 2018
Forward exchange contracts (for export debtors)	USD	124.87	210.47
Forward contract value	₹	9,157.54	13,689.20
Forward exchange contracts (for Import Creditors)	USD	-	-
Forward contract value	₹	-	-

(ii) The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at March 31, 2019 are as follows :

Particulars	Foreign Currency Denomination	As at March 31, 2019		As at March 31, 2018	
		Foreign Currency Amount	Amount	Foreign Currency Amount	Amount
Payables	USD	56.90	3,934.92	68.78	4,473.45
	EURO	3.30	255.71	-	-
	GBP	0.84	76.32	0.01	0.92
Receivables	USD	70.27	4,858.96	49.88	3,244.20
	EURO	5.35	414.84	1.52	122.54
	GBP	0.49	44.18	0.61	56.29
	JYP	-	-	5.29	3.28
Foreign Currency Bank Account	USD	0.02	1.35	0.05	3.25

The foreign currency outstanding has been translated at the rates of exchange prevailing on the Balance Sheet date.

44) Disclosures pursuant to Ind AS 108 "Segment Reporting"

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Group's reportable segments are as follows:

The Company is primarily engaged in the business of manufacturing of "Formulation (Finished Dosage Form) and Active Pharmaceutical Ingredients (API)" i.e., "Pharmaceuticals" which in the context of Ind AS 108 on "Operating Segments" constitutes a single reportable segment and hence no separate financial disclosures provided in respect of its single business segment.

a) Information about products

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Bulk Drugs	17,295.34	16,960.81
Tablet / Capsules / Liquids	17,190.86	13,467.70
Others	425.82	181.97
<b>Total</b>	<b>34,876.02</b>	<b>30,610.48</b>

b) Information about geographical areas

The management also evaluates the Group's revenue performance based on geographical segments. The Group's geographical segments are as follows:

(i) Revenue from operations

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
India	6,303.72	7,189.44
South Africa	9,883.09	8,037.36
Egypt	2,737.96	2,373.04
Turkey	176.37	2,036.14
Germany	508.68	-
Rest of World	16,168.28	11,834.81
<b>Total</b>	<b>35,778.10</b>	<b>31,470.79</b>

(ii) Non-current assets

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
India	13,985.38	11,588.91
Hong Kong	10.86	12.81
<b>Total</b>	<b>13,996.24</b>	<b>11,601.72</b>



**Notes forming part of the Consolidated Financial Statements**

**c) Information about major customers**

Revenues from one of the customers of the Company were approximately ₹ 5,169.35 Lakhs representing approximately 14.82% of the Company's total revenue from operations, for the year ended March 31, 2019.

Revenues from one of the customers of the Company were approximately ₹ 5,575.18 Lakhs representing approximately 23.13% of the Company's total revenue from operations, for the year ended March 31, 2018.

The reportable segments derives their revenues from the sale of pharmaceuticals products. The CODM reviews revenue as the performance indicator. The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Group's consolidated financial statements.

**45) Dues to Micro, Small and Medium Enterprises (MSME)**

(₹ In Lakhs)

Particulars	As at March 31st, 2019	As at March 31, 2018
(a) The principal amount remaining unpaid to any supplier at the end of each accounting year.	137.60	23.62
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(c) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day.	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

**46) Disclosures pursuant to Ind AS 17 "Leases"**

**a) The Company has taken office premises under operating lease.**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Lease payments in respect of such lease recognised in statement of profit and loss account	240.00	240.00

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

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Not later than one year	180.00	240.00
Later than one year and not later than five years	-	180.00
Later than five years	-	-

**47) Payment to auditors (excluding Service Tax / Goods and Service Tax)**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>As Statutory Auditors</b>		
Audit Fees	12.34	10.30
Tax Audit Fees	3.00	3.00
Out of Pocket expenses	0.04	-
<b>Total</b>	<b>15.38</b>	<b>13.30</b>

**48)** 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.

**Notes forming part of the Consolidated Financial Statements**

**49) Current tax and deferred tax**

**a) Income Tax Expense recognised in statement of profit and loss**

(₹ In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current Tax</b>		
Current Income Tax Charge	528.37	114.70
Adjustments in respect of prior years	-	-
<b>Total</b>	<b>528.37</b>	<b>114.70</b>
<b>Deferred Tax</b>		
In respect of current year	235.58	125.20
<b>Total</b>	<b>235.58</b>	<b>125.20</b>
<b>Total tax expense recognised in Statement of Profit and Loss</b>	<b>763.95</b>	<b>239.90</b>

**b) Income Tax recognised in Other Comprehensive Income**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Deferred Tax (Liabilities) / Assets</b>		
Net changes in Fair value of investments in equity shares carried at fair value through OCI	0.07	-
Remeasurement of Defined Benefit Obligations	10.23	(5.41)
<b>Total</b>	<b>10.30</b>	<b>(5.41)</b>

**c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate**

Particulars	As at March 31, 2019	As at March 31, 2018
Net profit as per Statement of Profit and Loss Account (before tax)	3,166.25	2,288.53
Corporate Tax Rate as per Income tax Act, 1961	20.59	21.34
Tax on Accounting Profit	589.24	506.89
<b>Tax difference on account of:</b>		
(Expense) / income (debited) / credited to Other Comprehensive Income which will not be re-classified to profit or loss - Remeasurement of defined employee benefit plans	(7.82)	2.43
Expenses not allowable under the Income tax Act, 1961	(2.59)	(28.72)
One fifth of Transition Amount (Credit item credited to other Equity)	1.47	1.22
Timing Differences - Deferred tax assets	235.58	125.20
Expenses allowable under the Income tax Act, 1961	(51.52)	(116.84)
Set off against carry forward of losses of earlier year under the Income tax Act, 1961	-	(241.18)
Rounding off tax differences	(0.41)	(9.10)
<b>Income tax expense recognised in profit and loss</b>	<b>763.95</b>	<b>239.90</b>

**d) Movement of Deferred Tax**

**Deferred tax assets / (liabilities) in relation to the year ended March 31, 2019**

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Relating to depreciation on fixed assets	(821.09)	41.58	-	(779.50)
Provision for gratuity	88.03	(9.26)	10.23	89.00
Provision for leave encashment	31.56	(1.84)	-	29.72
Unabsorbed depreciation	294.00	(294.00)	-	-
Provision for expected credit loss	8.74	(5.26)	-	3.48
Provision for Bonus	0.07	4.36	-	4.43
Provision for export benefit obligation	-	6.20	-	6.20
Fair value of equity instruments through OCI	-	-	0.07	0.07
Loss adjusted for timing difference	189.20	(189.20)	-	-
Disallowances under Income tax Act, 1961	95.28	4.08	-	99.36
MAT Credit Entitlement	475.77	207.76	-	683.53
<b>Net Deferred Tax Assets</b>	<b>361.56</b>	<b>(235.58)</b>	<b>10.30</b>	<b>136.29</b>

**Notes forming part of the Consolidated Financial Statements**

**Deferred tax assets / (liabilities) in relation to the year ended March 31, 2018**

(₹ In Lakhs)

Particulars	Opening Balance	Recognised in profit	Recognised in OCI and Loss	Closing Balance
Relating to depreciation on fixed assets	(513.87)	(307.23)	-	(821.09)
Provision for gratuity	81.45	11.99	(5.41)	88.03
Provision for leave encashment	23.50	8.06	-	31.56
Unabsorbed depreciation	484.57	(190.57)	-	294.00
Provision for expected credit loss	68.10	(59.36)	-	8.74
Provision for Bonus	(12.66)	12.73	-	0.07
Unabsorbed Depreciation & Business Loss adjusted for timing difference	-	-	-	-
Loss adjusted for timing difference	-	189.20	-	189.20
Disallowances under Income tax Act, 1961	-	95.28	-	95.28
MAT Credit Entitlement	361.07	114.70	-	475.77
<b>Net Deferred Tax Assets</b>	<b>492.16</b>	<b>(125.20)</b>	<b>(5.41)</b>	<b>361.56</b>

**50) Details of Loans given, covered u/s 186 (4) of the Companies Act, 2013 and disclosure pursuant to clause 34 of the (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Corporate Guarantee given</b>		
For loans sanctioned to Kopran Research Laboratories Limited	6,250.00	6,250.00
For loans sanctioned to Kopran Limited	3,600.00	3,600.00

- 51) a) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.  
b) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 52) The figures for the comparative year / periods have been regrouped wherever necessary, to conform to the current year's classification.

**53) FINANCIAL INSTRUMENTS**

**i. Financial Instruments by Category**

Particulars	March 31, 2019			March 31, 2018		
	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
<b>Financial Assets</b>						
Non - current financial assets - Investment	-	1.90	0.40	-	4.51	0.40
Non - current financial assets - Loans receivables	-	-	191.68	-	-	188.88
Current financial assets - Trade receivables	-	-	8,664.35	-	-	6,476.79
Current financial assets - Cash and cash equivalents	-	-	41.47	-	-	44.02
Current financial assets - Bank Balances other than cash and cash equivalents	-	-	354.48	-	-	573.56
Current financial assets - Loans receivables	-	-	445.05	-	-	547.86
Current financial assets - Others	-	-	1.77	-	-	1.13
Derivatives designated as hedges - Foreign currency forward contracts	427.79	-	-	253.61	-	-
<b>Total</b>	<b>427.79</b>	<b>1.90</b>	<b>9,699.20</b>	<b>253.61</b>	<b>4.51</b>	<b>7,832.64</b>
<b>Financial Liabilities</b>						
Non - current financial liabilities - Borrowings	-	-	4,111.90	-	-	2,992.10
Current financial liabilities - Borrowings	-	-	4,544.42	-	-	5,211.41
Current financial liabilities - Trade payables	-	-	5,115.90	-	-	6,066.92
Current financial liabilities - Other	-	-	2,666.43	-	-	1,855.69
<b>Total</b>	<b>-</b>	<b>-</b>	<b>16,438.65</b>	<b>-</b>	<b>-</b>	<b>16,126.12</b>

**Notes forming part of the Consolidated Financial Statements**

(₹ In Lakhs)

**ii. Fair Value Measurements**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the fair value hierarchy that categorises the values into 3 levels. For the inputs to valuation techniques used to measure fair value of financial instruments refer Note No. 2.3(b)

**Assets and liabilities measured at fair value:**

Particulars	March 31, 2019			March 31, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
<b>Financial Investments which are measured at FVTPL</b>						
Investments	-	-	-	-	-	-
<b>Financial Investments which are measured at FVTOCI</b>						
Investments	1.90	-	-	4.51	-	-
<b>Derivatives designated as hedges</b>						
Foreign exchange forward contracts	-	427.79	-	-	253.61	-
<b>Financial Assets which are measured at Amortized Cost</b>						
Non - current financial assets - Investment	-	0.40	-	-	0.40	-
Non - current financial assets - Loans receivables	-	191.68	-	-	188.88	-
Current financial assets - Trade receivables	-	8,664.35	-	-	6,476.79	-
Current financial assets - Cash and cash equivalents	-	41.47	-	-	44.02	-
Current financial assets - Bank Balances other than cash and cash equivalents	-	354.48	-	-	573.56	-
Current financial assets - Loans receivables	-	445.05	-	-	547.86	-
Current financial assets - Others	-	1.77	-	-	1.13	-
<b>Total Financial Assets</b>	<b>1.90</b>	<b>10,126.99</b>	<b>-</b>	<b>4.51</b>	<b>8,086.25</b>	<b>-</b>
<b>Financial Liabilities</b>						
<b>Financial Liabilities which are measured at FVTPL</b>						
Non - current financial liabilities - Borrowings	-	-	-	-	-	-
<b>Financial Liabilities which are measured at Amortized Cost</b>						
Non - current financial liabilities - Borrowings	-	4,111.90	-	-	2,992.10	-
Current financial liabilities - Borrowings	-	4,544.42	-	-	5,211.41	-
Current financial liabilities - Trade payables	-	5,115.90	-	-	6,066.92	-
Current financial liabilities - Other	-	2,666.43	-	-	1,855.69	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>16,438.65</b>	<b>-</b>	<b>-</b>	<b>16,126.12</b>	<b>-</b>

**Notes:**

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

**Financial Instrument measured at Amortised Cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Management does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**Notes forming part of the Consolidated Financial Statements**

(₹ In Lakhs)

**54) Disclosures pursuant to Ind AS 1 "Presentation of Financial Statements"- Capital Management**

Capital includes issued equity capital and share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value.

Particulars	As at March 31st, 2019	As at March 31st, 2018
Non - current financial liabilities - Borrowings	4,111.90	2,992.10
Current financial liabilities - Borrowings	4,544.42	5,211.41
Current financial liabilities - Other - Current maturities of long - term debt	1,036.83	679.87
Less : cash and cash equivalents	(41.47)	(44.02)
<b>Net debt (A)</b>	<b>9,651.68</b>	<b>8,839.36</b>
<b>Total Equity</b>	<b>16,847.57</b>	<b>14,470.83</b>
<b>Total Capital (B)</b>	<b>16,847.57</b>	<b>14,470.83</b>
<b>Capital and Net Debt C = (A) + (B)</b>	<b>26,499.25</b>	<b>23,310.19</b>
<b>Gearing Ratio (A) / (C)</b>	<b>36.42%</b>	<b>37.92%</b>

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations. The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

**55) Disclosures pursuant to Ind AS 107 "Financial Instruments Disclosures"- Financial risk management objectives and policies**

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's business activities expose it to a variety of financial risks, namely market risks, credit risk and liquidity risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The top management is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**a) Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, borrowings, foreign currency receivables and payables.

**i) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates to the Company's long-term debt as well as short-term obligations with floating interest rates.

In order to manage its interest rate risk, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 1% change in interest rates. A 1% decrease in interest rates would have led to approximately an additional ₹ 96.52 Lakhs gain for year ended March 31, 2019 (₹88.05 Lakhs gain for year ended March 31, 2018) in Interest expenses. A 1% increase in interest rates would have led to an equal but opposite effect.

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

**Notes forming part of the Consolidated Financial Statements**

**ii) Foreign Currency Risk**

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the borrowings, import of raw materials, exports of Formulations and the Company's net investments in foreign subsidiaries.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies. It uses derivative instruments like foreign currency forwards to hedge exposure to foreign currency risk.

**Outstanding foreign currency exposure:**

(₹ In Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Foreign Currency Amount	Amount In ₹	Foreign Currency Amount	Amount in ₹
<b>Receivables</b>				
USD	70.27	4,858.96	49.88	3,244.20
EURO	5.35	414.84	1.52	122.54
GBP	0.49	44.18	0.61	56.29
YEN	-	-	5.29	3.28
<b>Foreign Currency Bank Account</b>				
USD	0.02	1.35	0.05	3.25
<b>Payables</b>				
USD	56.90	3,934.92	68.78	4,473.45
GBP	3.30	255.71	-	-
EURO	0.84	76.32	0.01	0.92
<b>Borrowings</b>				
USD	20.62	1,425.86	29.04	1,888.81

**Foreign exchange risk sensitivity:**

As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 1% change in interest rates. A 1% decrease in interest rates would have led to approximately an additional ₹ 3.68 Lakhs net loss for year ended March 31, 2019 (₹ 29.30 Lakhs net loss for year ended March 31, 2018) in Interest expenses. A 1% increase in interest rates would have led to an equal but opposite effect.

**Forward Exchange Contracts:**

**Derivatives for hedging currency, outstanding are as under:**

Particulars	Purpose	Currency	As at March 31, 2019	As at March 31, 2018
Foreign currency forward contracts	Exports	USD	124.87	210.47
Forward contract value	Exports	₹	9,157.54	13,689.20
Foreign currency forward contracts	Imports	USD	-	-
Forward contract value	Imports	₹	-	-

**iii) Other Price Risk**

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments. The Company is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI. As at March 31, 2019, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 1.90 Lakhs (March 31, 2018 ₹ 4.51 Lakhs). The details of such investments in equity instruments are given in Note 6(a) and 6(b).

The Company is mainly exposed to change in market rates of its investments in equity investments recognised at FVTOCI. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

If the equity prices had been higher / lower by 10% from the market prices existing as at March 31, 2019, Other Comprehensive Income for the year ended March 31, 2019 would increase / decrease by ₹ Nil Lakhs (March 31, 2018 ₹ 0.27 Lakhs) with a corresponding increase/decrease in Total Equity of the Company as at March 31, 2019. 10% represents management's assessment of reasonably possible change in equity prices.

**Notes forming part of the Consolidated Financial Statements**

**b) Credit Risk**

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing / investing activities, including deposits with banks, foreign exchange transactions and financial guarantees. The Company has no significant concentration of credit risk with any counterparty.

**Trade receivables:**

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/ modified.

Total Trade receivable as on March 31, 2019 is ₹ 8,664.35 Lakhs (March 31, 2018 ₹ 6,476.79 Lakhs). The average credit period on sale of goods is 90 to 180 days. No interest is charges on trade receivables.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

**Movement in the expected credit loss allowance on trade receivables**

(₹ In Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Balance at the beginning of the year</b>	<b>168.65</b>	303.10
Addition	-	-
Write - offs	<b>(90.09)</b>	(134.45)
Recoveries	-	-
<b>Balance at the end of the year</b>	<b>78.56</b>	168.65

**c) Liquidity Risk**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Particulars	Carrying Amount	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2019</b>				
Non - current financial liabilities - Borrowings	4,111.90	-	4,111.90	4,111.90
Current financial liabilities - Borrowings	4,544.42	4,544.42	-	4,544.42
Current financial liabilities - Trade payables	5,115.90	5,115.90	-	5,115.90
Current financial liabilities - Other	2,666.43	2,666.43	-	2,666.43
<b>As at March 31, 2018</b>				
Non - current financial liabilities - Borrowings	2,992.10	-	2,992.10	2,992.10
Current financial liabilities - Borrowings	5,211.41	5,211.41	-	5,211.41
Current financial liabilities - Trade payables	6,066.92	6,066.92	-	6,066.92
Current financial liabilities - Other	1,855.69	1,855.69	-	1,855.69

**56) Corporate Social Responsibility**

As per section 135 of the Companies Act, 2013, amount required to be spent by the Company during the year ended March 31, 2019 and 2018 is ₹ 8.77 lakhs and ₹ Nil, respectively, computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility (CSR). The Company incurred an amount of ₹ 8.40 lakhs and ₹ Nil during the year ended March 31, 2019 and 2018, respectively, towards CSR expenditure for purposes other than construction / acquisition of any asset.

Notes forming part of the Consolidated Financial Statements

(₹ In Lakhs)

57) Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interests

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Holding Company</b> Kopran Limited	62.46	21,844.18	61.82	1,297.10	108.30	(27.67)	61.25	1,269.43
<b>Indian Subsidiaries</b> Kopran Research Laboratories Limited Kopran Lifesciences Limited	36.94 0.01	12,918.88 3.82	38.19 -	801.20 (0.07)	42.82 -	(10.94) -	38.13 -	790.26 (0.07)
<b>Foreign Subsidiaries</b> Kopran (H. K.) Limited	0.59	204.78	(0.01)	(0.21)	(51.12)	13.06	0.62	12.85
<b>Total before consolidation adjustments</b>	100.00	34,971.66	100.00	2,098.02	100.00	(25.55)	100.00	2,072.47
Adjustment arising out of consolidation	-	18,124.09	-	(304.28)	-	-	-	(304.28)
<b>Total after consolidation adjustments</b>	-	16,847.57	-	2,402.30	-	(25.55)	-	2,376.75

As per our report of even date

For **Khandelwal Jain & Co**  
Chartered Accountants  
Firm Registration No: - 105049W

**S. S. Shah**  
Partner  
Membership No: - 033632

Place: Mumbai  
Date : May 08, 2019

For and on behalf of the Board of Directors

**SURENDRA SOMANI**  
Executive Vice Chairman  
DIN: 00600860

**B. K. SONI**  
Chief Financial Officer

**DR. SIDDHAN SUBRAMANIAN**  
Director  
DIN: 02101174

**SUNIL SODHANI**  
Company Secretary



**KOPRAN LIMITED**

CIN: L2430 MH1958PLC 011078

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

Website: www.kopran.com, Email: investors@kopran.com,

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

**NOTICE OF 60<sup>th</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 60<sup>th</sup> Annual General Meeting of the members of Kopran Limited will be held on Saturday, 20<sup>th</sup> July, 2019 at 11.00 a.m. at Shri S.K. Somani Memorial Hall, 79, Marine Drive, Mumbai-400 020, to transact the following business:

**Ordinary Business**

**Item no. 1:** To receive, consider and adopt:

- (a) the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 together with the Reports of the Board of Directors and Statutory Auditors thereon.
- (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 together with the Reports of the Statutory Auditors thereon.

**Item no. 2:** To appoint a Director in place of Mr. Adarsh Somani (DIN: 00192609), a Non Executive/Non Independent Director, who retires by rotation and being eligible, offers himself for re-appointment.

**Special Business**

**Item no. 3:** Appointment of Mr. Susheel Somani (DIN: 00601727) as Director

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 (including any modification or re-enactment thereof), if any, and the Rules made thereunder and Regulation 17 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Mr. Susheel Somani (DIN: 00601727) who has given his consent for appointment as Director, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing him as Director of the Company, who is liable to retire by rotation at the Annual General Meeting.”

**Item no. 4:** Appointment of Mrs. Mamta Biyani (DIN: 01850136) as an Independent Director

To consider and if thought fit, to pass the following resolution as **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 (the Act), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (SEBI Listing Regulations) Mrs. Mamta Biyani (DIN: 01850136), who has given her consent for appointment as an Independent Director of the Company and has also submitted a declaration that she meets the criteria of independence under section 149(6) of the Act and the SEBI Listing Regulations, and who is eligible for appointment and whose appointment has been recommended by the Nomination & Remuneration Committee and by the Board of Directors for consideration by the Members be and is hereby appointed as Independent Director of the Company, to hold office for a term of five consecutive years with effect from the conclusion of this Annual General Meeting.”

**Item No 5:** Appointment of Mr. Narayan Atal (DIN: 00237626) as an Independent Director

To consider and if thought fit, to pass the following resolution as **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 (the Act), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (SEBI Listing Regulations) Mr. Narayan Atal (DIN: 00237626), who has given his consent for appointment as an Independent Director of the Company and has also submitted a declaration that he meets the criteria of independence under section 149(6) of the Act and the SEBI Listing

Regulations, and who is eligible for appointment and whose appointment has been recommended by the Nomination & Remuneration Committee and by the Board of Directors for consideration by the Members be and is hereby appointed as Independent Director of the Company, to hold office for a term of five consecutive years with effect from the conclusion of this Annual General Meeting.”

**Item No 6:** Approval of Remuneration payable to Mr. Surendra Somani (DIN: 00600860) as Executive Vice Chairman for the remainder period of his tenure till 31<sup>st</sup> December, 2019

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

“**RESOLVED THAT** consent of members of the Company be hereby accorded for payment of remuneration in excess of the limits prescribed pursuant to the Regulation 17(6)(e)(i) of SEBI (LODR) Regulations, 2015 as amended, to Mr. Surendra Somani (DIN: 00600860) as Executive Vice Chairman as per the terms of his appointment already approved by members for his existing term ending on 31<sup>st</sup> December, 2019.

**Item No 7:** Re-appointment of Mr. Surendra Somani (DIN: 00600860) as Executive Vice Chairman

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Act, the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Company hereby approves the re-appointment of Mr. Surendra Somani (DIN:- 00600860) as Whole-time Director not liable to retire by rotation designated as Executive Vice Chairman of the Company for a period of three years with effect from 1<sup>st</sup> January, 2020 (the date of appointment) upon the principal terms and conditions set out in the Explanatory Statement annexed hereto including the remuneration to be paid in the event of inadequacy of profits in any financial year, with liberty to the Board of Directors of the Company to increase, alter and vary without further reference to the members the terms and conditions of the said appointment including the said remuneration in such manner as may be agreed between the Board of Directors and Mr. Surendra Somani.”

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

Pursuant to Section 102 of the Companies Act, 2013 (‘the Act’), the following Explanatory Statement along with Annexure sets out all material facts relating to the business mentioned under Item Nos. 3, 4, 5, 6 & 7 of the accompanying Notice dated 8<sup>th</sup> May, 2019.

**Item No. 3:** Pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act read with applicable Rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the Articles of Association of the Company, the Board of Directors has received a notice from a member proposing the candidature of Mr. Susheel Somani as a Director to be appointed under the provisions of Section 149, 152 and 160 of the Companies Act, 2013. The Company has received from Mr. Susheel Somani consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014 and intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The Resolution seeks the approval of members for the appointment of Mr. Susheel Somani as a Director of the Company who is liable to retire by rotation at the Annual General Meeting. In the opinion of the Board of Directors, Mr. Susheel Somani proposed to be appointed, as a Director, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder. The Board is of the view considering his good health and vast experience in industry will assist the Company to achieve its objective. The performance evaluation of Mr. Susheel Somani as Chairman of the Company and Director in his earlier stint was conducted under the Board Evaluation process in the month of March 2019 on the basis of structured questionnaire which was prepared after taking into consideration, inputs received from the Directors covering various aspects of the Boards functioning, obligations and governance and the performance of Mr. Susheel Somani was considered satisfactory.

The Profile and specific areas of expertise of Mr. Susheel Somani are provided as Annexure to this Notice.

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

The Board recommends the resolution set forth in Item No. 3 for the approval of the Members.

**Item No. 4:** Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors (‘Board’), appointed Mrs. Mamta Biyani (DIN: 01850136) as an Additional Director (Independent) of the Company with effect from 8<sup>th</sup> May, 2019 not liable to retire by rotation. Pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, Mrs. Mamta Biyani will hold office up to the date of the ensuing Annual General Meeting (‘AGM’) and is eligible to be appointed as an Independent Director of the Company.

The Company has received from Mrs. Mamta Biyani (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Act and (iii) declaration that she meets the criteria of independence as prescribed under section 149(6) of the Act. Mrs. Mamta Biyani is not debarred from holding the office of Director pursuant to any SEBI orders.

The profile and specific areas of expertise of Mrs. Mamta Biyani are provided as Annexure to this Notice.

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

The Board recommends the resolution set forth in Item No. 4 for the approval of the Members.

**Item No. 5:** Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors ('Board'), appointed Mr. Narayan Atal (DIN: 00237626) as an Additional Director (Independent) of the Company with effect from 8th May, 2019 not liable to retire by rotation. Pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, Mr. Narayan Atal will hold office up to the date of the ensuing Annual General Meeting ('AGM') and is eligible to be appointed as an Independent Director of the Company.

The Company has received from Mr. Narayan Atal (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) declaration that he meets the criteria of independence as prescribed under section 149(6) of the Act. Mr. Narayan Atal is not debarred from holding the office of Director pursuant to any SEBI orders.

The profile and specific areas of expertise of Mr. Narayan Atal are provided as Annexure to this Notice.

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

The Board recommends the resolution set forth in Item No. 5 for the approval of the Members.

**Item No. 6:** The members of the Company at the Annual General Meeting held on 2<sup>nd</sup> September, 2017 had approved the appointment of Mr. Surendra Somani (DIN: 00600860) as Executive Vice Chairman of the Company for a period of three years commencing from 1<sup>st</sup> January, 2017 and ending on 31<sup>st</sup> December, 2019 at a remuneration payable to by way of salary in excess of 5% of net profit of the Company. As per the amended SEBI (LODR) Regulations, 2015 maximum salary payable to Executive Director of the promoter group should not exceed 2.5% of the net profit and any payment in excess of 2.5% of net profit has to be approved by the members by special resolution. The estimated salary payment of Mr. Surendra Somani for nine months ending December 2019 till the expiry of his current term in office would be 1.14 cr needs to be approved by members.

The Board is of the view that the significant professional expertise and rich experience across wide spectrum of functional areas such as marketing, business strategy and finance and the remuneration as per pharmaceutical industry standards is less than commensurate to what is paid to Mr. Surendra Somani.

None of the Directors and Key Managerial Personnel of the Company and/or their relatives, except Mr. Surendra Somani and Mr. Varun Somani, son of Mr. Surendra Somani is concerned or interested, financially or otherwise, in the resolution as set out at Item no. 6 of the Notice.

The Board recommends the resolution set forth in Item No. 6 for the approval of the Members.

**Item No. 7:** Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of your Company has, at its meeting held on 8<sup>th</sup> May, 2019 re-appointed Mr. Surendra Somani (DIN: 00600860) as Executive Vice Chairman of the Company with effect from 1<sup>st</sup> January, 2020 for an additional term of three years. The Board unanimously approved re-appointment and payment of remuneration in excess of limits prescribed, subject to approval by member's in ensuing General Meeting as per the provisions of Section 196, 197 and Part II Section II of Schedule V and other applicable provision under the Companies Act, 2013 and Regulation 17(6)(e)(i) and other relevant provisions of SEBI (LODR) Regulations, 2015 as amended.

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

Term of Appointment:

Three years from 1<sup>st</sup> January, 2020 to 31<sup>st</sup> December, 2022 as Executive Vice Chairman.

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**A) General Information :**

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

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2018	Year Ended 31.03.2019
Sales	19077	16156	<b>19664</b>
PBDIT	1335	696	<b>1735</b>
Net Profit	848	481	<b>1297</b>

3. Foreign investments and collaborations: Foreign Investment in wholly owned subsidiary Kopran (H.K.) Ltd., Hongkong Rs.100.06 lacs.

**B) Information About Appointee:**

Name of the Director	Mr. Surendra Somani
Director Identification Number	00600860
Date of Joining the Board	11 <sup>th</sup> June 1977
Profile of the Director & Nature of Expertise	Mr. Surendra Somani aged 64 years, is a Commerce Graduate from Mumbai University. He is an Industrialist and Executive Vice Chairman of Kopran Ltd. – a well-diversified Pharmaceutical Company engaged in the manufacture of Finished Dosage Forms and Active Pharmaceutical Ingredients. He has a vast experience and knowledge of the Pharmaceutical Industry and looks after the overall management of the Company since 1981. 1988 – Started a Medical Electronics Division under the name of Kopran Laboratories Ltd. specializing in distribution of Electronic Diagnostic Equipment's.
Number of shares	503075 Equity Shares.
Past Remuneration	1.52 Crores Per Annum
Remuneration Proposed	Basic Salary: Rs.8,25,000 per month House Rent Allowance: Rs.4,12,500 per month Perquisites 1. Furniture for Residence and electricity charges will be provided by the Company. 2. Reimbursement of medical expenses incurred. 3. Reimbursement of membership fee for one club in India including admission and life membership fees. 4. Gratuity as per Gratuity Act. 5. Leave with full pay or encashment thereof as per the Rules of the Company. 6. Free use of car with driver, free telephone and computer facilities at residence for the Company's business. 7. Within the overall pay structure as mentioned above, the Executive Vice Chairman may be given any other allowances, benefits and perquisites as per the Nomination and Remuneration Committee, may decide from time to time. Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.
Job Profile & Brief terms of appointment.	Substantial power of management, including but not limited to administration, finance, marketing and sales, purchase, production, quality control under the overall superintendence and direction of the Board. Appointment is for a period of three years with effect from 1 <sup>st</sup> January, 2020. His tenure as Executive Vice Chairman will expire on 31 <sup>st</sup> December, 2022.

Notice period and Severance fees	Notice not less than 90 days in writing by either party. Severance Fees is max not to accede remuneration of Notice Period.
Relationships between Directors \ inter-se	Father of Mr. Varun Somani, Non-Executive Director
Directorships held in other Public Companies	1. Kopran Lifesciences Ltd
Memberships/ Chairmanships of Committees in other Public Companies	None
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	There is no change in salary structure compared to the previous term in office as Executive Vice Chairman. The salary is commensurate to the Pharma industry standards.

**C) Other Information.**

Reason of loss or inadequate profits	Company has considerably improved its performance on consolidated basis in the financial year 2018-19.
Steps taken or proposed to be taken for improvements	Detailed note is available in the Directors Report and Report on Management Discussion and Analysis.
Expected increase in productivity and profits in measurable terms	The management is having a positive view on Company's performance on the steps taken to explore sales at different geographical locations is yielding results and the Company is in capacity expansion mode.

**Annexure (TO THE EXPLANATORY STATEMENT)**

Details of Directors proposed to be appointed/re-appointed seeking appointment at the Annual General Meeting scheduled to be held on 20<sup>th</sup> July, 2019 [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended.

Name of the Director	Mr. Adarsh Somani	Mr. Susheel Somani	Mrs. Mamta Biyani	Mr. Narayan Atal
Director Identification Number	00192609	00601727	01850136	00237626
Date of Birth	20.04.1974	01.11.1941	28.03.1967	21.02.1956
Age	45 years	77 years	52 years	63 years
Date of Appointment	29.05.2018	Proposed Appointment as Director from the conclusion of the Annual General Meeting of the Company	8.05.2019	8.05.2019
Qualifications	Bachelor of Commerce from Mumbai University	M.sc in Organic Chemistry from Institute of Science, Bombay University	Graduate (B.A)	B.Com (Hons) – Sydenham College (Bombay University) LL.B. (Gen) – Bombay University FCA – Institute of Chartered Accountants of India. (7th Rank and Gold Medal in Auditing) CWA – Institute of Cost & Works Accountants of India.
Terms and conditions of appointment & Category	Non-Executive Director (Promoter). He is entitled only to receive sitting fees for Board and Committee Meetings.	Non-Executive Director (Promoter). He is entitled only to receive sitting fees for Board and Committee Meetings.	Non-Executive Director (Independent). She is entitled only to receive sitting fees for Board and Committee Meetings.	Non-Executive Director (Independent). He is entitled only to receive sitting fees for Board and Committee Meetings.
Brief Profile of the Directors	Mr. Adarsh Somani has over 20 years of indispensable experience in the FMCG, Marketing and Real estate sectors. One of the pioneers in developing awareness of qualitative health products in India.	Mr. Susheel Somani has passed M.sc in Organic Chemistry from Institute of Science, Bombay University in 1965 and six months residential course called "Management Education Programme" at Indian Institute of Management, Ahmedabad in 1979-80. He also holds position as Director in Oricon Enterprises Limited, G Claridge And Company Limited, Debonair Publications Limited, Claridge Moulded Fibre Limited, United Maleable Company Limited and Shinrai Auto Services Limited.	Mrs. Mamta Biyani has completed her degree in Bachelor of Arts and has 12 years of experience in the field of Marketing. She holds position as Director in Oricon Enterprises Limited, Black Label Fashions Private Limited and Kopran Research Laboratories Limited (Subsidiary of the Company).	Mr. Narayan Atal has 33 years of experience as a Chartered Accountant in Practice. He holds position as Director in Elpro International Limited, Ajcon Global Services Ltd, Gama Leafin Private Limited, Ajcon Finance Limited, Madhu Corporate Park Limited, Jagjeevan Properties Private Limited, Dinbandhu Estates Private Limited and Elpro Estates Limited.
Expertise in specific functional areas	Marketing of FMCG Products, Real Estate and Finance.	Finance and Human Resource	Business and Marketing	Finance
Shareholding in the Company	1,81,250 Equity Shares	8,71,900 Equity Shares	NIL	NIL



Relationship with other Directors & KMP's	Not related	Not related	Not related	Not related
Directorship in other Companies	<ol style="list-style-type: none"> <li>1. Hotel Empire Ltd</li> <li>2. Kopran Lifestyle Ltd</li> <li>3. Reay Road Iron and Metal Warehousing Pvt. Ltd</li> <li>4. Sarvamangal Merchantile Co. Ltd.</li> <li>5. Kopran Laboratories Limited</li> <li>6. Kopran Lifesciences Limited</li> <li>7. Oricon Enterprises Ltd.</li> <li>8. Debonair Publications Limited</li> <li>9. Skyland Securities Pvt. Ltd.</li> <li>10. Apurva Caplease and Finance Pvt. Ltd.</li> <li>11. Sorabh Trading Pvt. Ltd.</li> <li>12. Bigflex Lifescience Pvt. Ltd.</li> <li>13. Exerfit Wellness Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Debonair Publications Limited</li> <li>2. G Claridge And Company Limited</li> <li>3. Claridge Moulded Fibre Limited</li> <li>4. United Maleable Company Limited</li> <li>5. Hotel Empire Limited</li> <li>6. Kopran Lifesciences Limited</li> <li>7. CMFL Packaging Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Oricon Enterprises Limited</li> <li>2. Black Label Fashions Private Limited</li> <li>3. Kopran Research Laboratories Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Elpro International Limited</li> <li>2. Ajcon Global Services Ltd</li> <li>3. Gama Leafin Private Limited</li> <li>4. Ajcon Finance Limited</li> <li>5. Madhu Corporate Park Limited</li> <li>6. Jagjeevan Properties Private Limited</li> <li>7. Dinbandhu Estates Private Limited</li> <li>8. Elpro Estates Limited</li> </ol>
Committee membership in other companies	<p>Oricon Enterprises Ltd.</p> <p>Corporate Social Responsibility Committee – Chairman</p> <p>Sarvamangal Merchantile Co. Ltd.</p> <p>Audit Committee – Member Nomination &amp; Remuneration Committee - Member</p>	NIL	<p>Kopran Research laboratories Limited</p> <p>Audit Committee – Member Nomination &amp; Remuneration Committee - Member</p>	<p>Elpro International Limited</p> <p>Audit Committee – Chairman Nomination &amp; Remuneration Committee – Member Stakeholders Relationship Committee – Member Corporate Social Responsibility Committee – Member</p> <p>Ajcon Global Services Ltd.</p> <p>Audit Committee – Chairman &amp; Member Nomination &amp; Remuneration Committee – Chairman &amp; Member Stakeholders Relationship Committee – Chairman &amp; Member</p>

Place: Mumbai  
Date :8<sup>th</sup> May, 2019

For Kopran Limited

Sunil Sodhani  
Company Secretary & Compliance Officer

**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 at Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy provided such person shall not act as a proxy for any other person or shareholder.
4. Members / Proxies should bring duly filled in and signed Attendance Slip for attending the meeting.
5. The Company's Register of Members and Share Transfer Books shall be closed from 10<sup>th</sup> July, 2019 to 12<sup>th</sup> July, 2019 (both days inclusive).
6. The Notice of the AGM along with Annual Reports for financial year 2018-19 is being sent by electronic mode to those members whose E-mail addresses are registered with the Depositories/RTA. Members desirous of physical copy of the same can send their request to the registered office of the Company or to the E-mail ID : investors@kopran.com
7. To support the 'green initiative', the members who have not registered their E-mail addresses are requested to register the same with their depositories.
8. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members shall be provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited (NSDL) on all resolutions set forth in this Notice.
9. Other instructions
  - a. Ms. Nirali Mehta, Practicing Company Secretary (Membership No. A37734, COP No. 20754) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the members who do not have access to the e-voting process) in a fair and transparent manner.
  - b. The Scrutinizer shall, within a period not exceeding 3 working days from the conclusion of the e-voting period, unblock the votes in presence of at least 2 witnesses not in employment of the Company and make a Scrutinizer's Report of the vote cast in favour or against, if any, forthwith to the Chairman of the Company.
  - c. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Ms. Nirali Mehta, Practicing Company Secretary (Membership No. A37734, COP No. 20754), at the Registered Office of the Company not later than 19<sup>th</sup> July, 2019 (5.00 p.m. IST). Ballot Form received after this date will be treated as invalid. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
  - d. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kopran.com and on the website of NSDL within two days of the passing of the resolutions at the 60<sup>th</sup> AGM of the Company on 20<sup>th</sup> July, 2019 and communicated to the BSE & NSE, where the shares of the Company are listed.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 17<sup>th</sup> July, 2019 at 9.00 a.m. and ends on 19<sup>th</sup> July, 2019 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 13<sup>th</sup> July, 2019 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- (ii) The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>  
Step 2 : Cast your vote electronically on NSDL e-Voting system.



Details on Step 1 is mentioned below:

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cs@mindspright.co.in](mailto:cs@mindspright.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**PROXY FORM**

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

**Kopran Limited**

CIN: L24230MH1958PLC011078

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

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

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

(1) Name: .....	Signature
Address: .....	
E-mail Id: ..... or failing him;	
(2) Name: .....	Signature
Address: .....	
E-mail Id: ..... or failing him;	
(3) Name: .....	Signature
Address: .....	
E-mail Id: .....	

As my/ our proxy to attend and vote (on a poll) for me / us and on my/our behalf at the 60<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, 20<sup>th</sup> July, 2019 at 11.00 a.m. at Shri S. K. Somani Memorial Hall, 79 Marine Drive, Mumbai – 400 020 and at any adjournment thereof in respect of such resolution as are indicated below:

Item No.	Resolutions in brief	For	Against
	Ordinary Business		
1.	To receive, consider and adopt: (a) the Audited Standalone Financial Statement together with Auditor's Report and Director's Report for the financial year ended 31 <sup>st</sup> March, 2019 (b) the Audited Consolidated Financial Statement together with Auditor's Report for the financial year ended 31 <sup>st</sup> March, 2019		
2.	Re-Appointment of Mr. Adarsh Somani (DIN: 00192609) as a Director who retires by rotation.		
	Special Business		
3.	Appointment of Mr. Susheel Somani (DIN: 00601727) as Director		
4.	Appointment of Mrs. Mamta Biyani (DIN: 01850136) as an Independent Director		
5.	Appointment of Mr. Narayan Atal (DIN: 00237626) as an Independent Director		
6.	Approval of Remuneration payable to Mr. Surendra Somani (DIN: 00600860) as Executive Vice Chairman for the remainder period of his tenure in office till 31 <sup>st</sup> December, 2019		
7.	Re-appointment of Mr. Surendra Somani (DIN: 00600860) as Executive Vice Chairman		

Signed this .....day of .....2019

Signature of the Shareholder .....

Signature of the Proxyholder .....



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

**KOPRAN LIMITED**

(CIN: L2430MH1958PLC011078)  
Registered Office : Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018  
Website: www.kopran.com, Email: investors@kopran.com, Tel. No.022-43661111, Fax No.022-24950363

**Form No. MGT-12**

**Polling Paper**

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

**BALLOT PAPER**

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

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

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

Item No.	Resolutions	Number of Shares held by me	I assent to the Resolution	I dissent from the Resolution
	Ordinary Business			
1.	To receive, consider and adopt: (a) the Audited Standalone Financial Statements together with Auditor's Report and Director's Report for the financial year ended 31 <sup>st</sup> March, 2019 (b) the Audited Consolidated Financial Statements together with Auditor's Report for the financial year ended 31 <sup>st</sup> March, 2019			
2.	Re-Appointment of Mr. Adarsh Somani (DIN: 00192609) as a Director who retires by rotation.			
	Special Business			
3.	Appointment of Mr. Susheel Somani (DIN: 00601727) as Director			
4.	Appointment of Mrs. Mamta Biyani (DIN: 01850136) as an Independent Director			
5.	Appointment of Mr. Narayan Atal (DIN: 00237626) as an Independent Director			
6.	Approval of Remuneration payable to Mr. Surendra Somani (DIN: 00600860) as Executive Vice Chairman for the remainder period of his tenure in office till 31 <sup>st</sup> December, 2019			
7.	Re-appointment of Mr. Surendra Somani (DIN: 00600860) as Executive Vice Chairman			

Place : Mumbai  
Date : 20<sup>th</sup> July, 2019

**(Signature of the Shareholder)**

**KOPRAN LIMITED**

(CIN: L2430MH1958PLC011078)  
Registered Office : Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018

**Attendance Slip**

(To be presented at the entrance)

I /We hereby record my / our presence at the 60<sup>th</sup> Annual General Meeting of the Company at Shri S. K. Somani Memorial Hall, 79 Marine Drive, Mumbai – 400 020 on Saturday, 20<sup>th</sup> July, 2019 at 11.00 a.m.

Shareholders Details:

Name of the first named shareholder (Block Letters)

.....

Folio No.: .....

DPID No.: .....

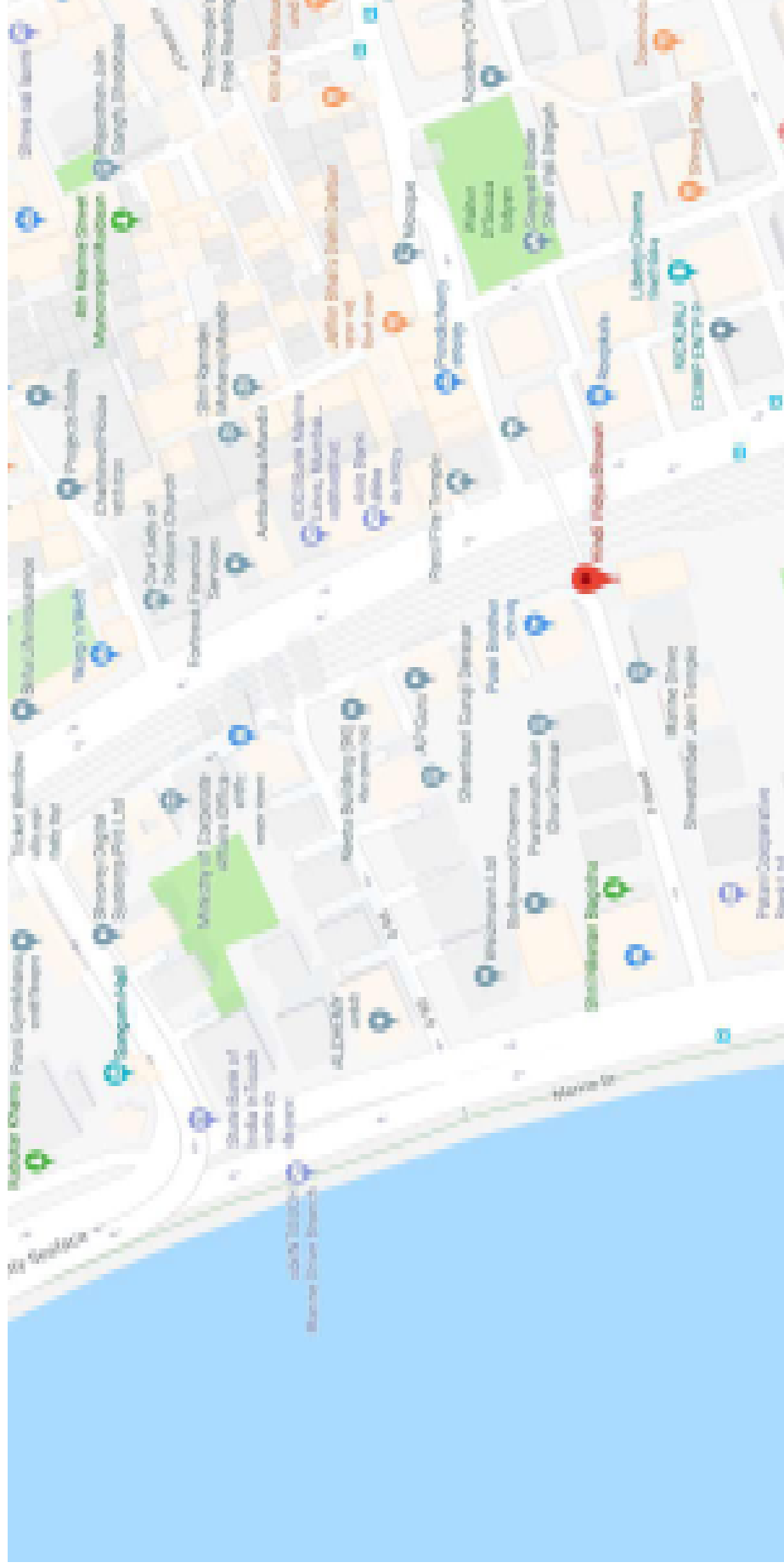
Client ID No.: .....

Name of Proxy holder .....

.....  
Signature of Proxy holder

.....  
Signature of Shareholders

# Google Maps Hindi Vidya Bhavan



Date :24<sup>th</sup> June 2019

**Mandatory update of PAN and Bank details  
Only for shareholders holding shares in physical form**

Dear Shareholder,

Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20<sup>th</sup> April, 2018, shareholders holding shares in physical form whose folio do not have / have incomplete details with respect to PAN and bank particulars are mandatorily required to furnish the PAN and bank account details to the Company / Registrar & Transfer Agent (RTA) for registration under their folio.

Hence you are requested to submit the following documents within 21 days of receipt of this communication in case you have not submitted the same earlier:

- Enclosed form duly filled in and signed by the shareholder (including joint holders)
- Self-attested copy of PAN card of the shareholder (including joint holders)
- Cancelled cheque leaf should bear the name of account holder (In absence of personalised cheque, self-attested copy of first page of pass book)
- Address proof (self-attested copy of Aadhar-card/voter id/electricity bill/telephone bill)

In case if you have any queries or need any assistance in this regard, please contact the following address :

Bigshare Services Pvt. Ltd  
1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol  
Andheri East, Mumbai – 400 059

Tel. No. 91 22 62638200 / Email : investor@bigshareonline.com

Important information: In terms of SEBI Gazette Notification dated June 08, 2018, shares in physical form will not be transferred after December 05, 2018. Hence, in your interest, it is advised to get your shares converted into demat form at the earliest.

Regards,

Yours faithfully,  
For Kopran Limited

Sd/-  
Sunil Sodhani  
Company Secretary & Compliance Officer

Encl : as above

**FORM FOR FURNISHING PAN AND BANK DETAILS**

Bigshare Services Pvt. Ltd  
 1<sup>st</sup> Floor, Bharat Tin Works Building  
 Opp. Vasant Oasis, Makwana Road, Marol,  
 Andheri East, Mumbai – 400 059

Dear Sir/Madam,  
 Unit: Kopran Limited

I/we hereby furnish our PAN and bank mandate details for updating in your records. I/we am/are enclosing herewith:

- 1) Self-attested copy of PAN card of the shareholder (including joint holders)
- 2) Original personalized cancelled cheque leaf / First page of bank pass book
- 3) Address proof (self-attested copy of Aadhar-card/voter id/electricity bill/telephone bill)

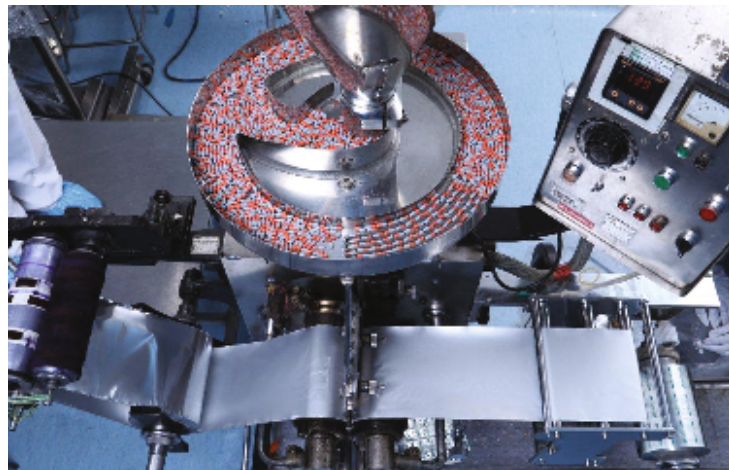
Folio No.	
Mobile No.	
E-Mail id	

Bank Account Details : (for electronic credit of dividends)										
Name of the Bank										
Name of the Branch										
Account Number (as appearing in cheque book)										
Account Type (Please tick as applicable)					Saving		Current		Cash Credit	
9 Digit MICR Number (as appearing on the MICR cheque issued by the bank) Please enclose a photocopy of a cheque for verification										
11 Digit IFSC Code										

	Name	PAN	Signature (as per specimen registered with the Company/RTA)
First Holder :			
Joint Holder 1 :			
Joint Holder 2 :			



## **Khopoli - Formulation Plant**



## **Mahad - Active Ingredients Plant**



Courier

*If mail undelivered please return to:*



**KOPRAN LIMITED**

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