

**Independent Auditor's Report**

To the Members of  
**Kopran Research Laboratories Limited**

**Report on the Standalone Financial Statements**

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

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

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

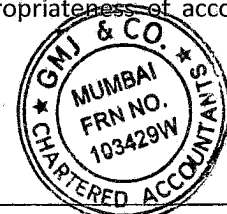
**Auditor's Responsibility**

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

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

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

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



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

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

### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements.

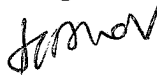
1. As required by the Companies ( Auditor's Report ) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the Directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and



- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
- i. The company has disclosed the impact of pending litigations on its financial position in its financial statements –Refer Note 29 to the 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 28 to the standalone financial statements
  - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The company has provided requisite disclosure in its financial statements as to holding as well as dealing in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. The disclosure made by the company is in accordance with the books of account maintained by the company

For **GMJ & Co.**,  
Chartered Accountants

Firm Registration Number: 103429W



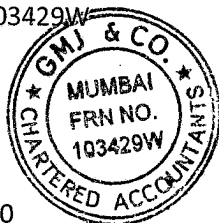
**Haridas Bhat**

Partner

Membership Number: 039070

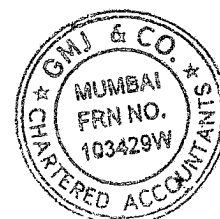
Mumbai

May 22, 2017



**Annexure A to the Independent Auditor's Report**  
**(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)**

- i.
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. According to the information and explanations given to us, the Fixed Assets have been physically verified by the management during the year, no material discrepancies were noticed on such verification with book records. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of leasehold land is held in the name Koproan Limited (holding company). Pursuant to Slump Sale, the Company has received the assignment of lease from holding company for which necessary lease assignment and registration process are yet to be completed.
- ii. The management has conducted physical verification of inventory at regular intervals during the year. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records were not material having regard to the size of the operations of the company.
- iii. The Company has granted loan to the company covered in the register maintained under section 189 of the Act.
  - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the company were not, prima facie, prejudicial to the interest of the company
  - (b) The company has been regular in the payment of principal and interest as stipulated
  - (c) There are no overdue amounts in respect of the loan granted to such company.
- iv. In our opinion and according to the information and explanations given to us and based on our examination of the records, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to guarantee given.
- v. The Company has not accepted any deposits from the public.
- vi. In our opinion and according to information and explanation given to us, the Central Government has prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013. According to the information and explanations and based on our examination of the records, such accounts and records have been so made and maintained.



- vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company is generally regular in depositing with appropriate authority the amounts deducted/ accrued in the books of accounting respect of undisputed statutory dues including Profession Tax, Provident Fund, Employees State Insurance, Income-tax, Service-tax, cess, custom duty, excise duty and other statutory dues, as applicable. There are no undisputed amounts payable in respect of duty of customs, value added tax, cess and other statutory dues were outstanding as at March 31, 2017, for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there are no statutory dues of profession tax, Provident fund, Employees State Insurance, Income-tax, cess, duty of customs or other statutory dues which have not been deposited with the appropriate authorities on account of any dispute. However, the following dues of excise duty and service tax have not been deposited by the company on account of disputes:

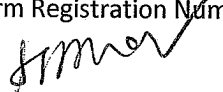
Name of the Statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Excise Duty	313,527	2012-13	Joint Secretary of Government of India Ministry of Finance
Central Excise Act	Excise Duty	1,502,439	2012-13	Commissioner of Central Excise
Finance Act, 1994	Service Tax	109,819	2011-12	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	109,672	2014-15	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	30,159	2014-15	Assistant Commissioner
Finance Act, 1994	Service tax	340,463	2015-16	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service tax	344,482	2015-16	Assistant Commissioner

- viii. According to the information and explanations given to us the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Therefore, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the company or on the Company by its officer or employees has been noticed or reported during the course of our audit



- xi. According to the information and explanation give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- xii. In our opinion and according to the information given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanation give to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 & 188 of the Act where applicable and details have been disclosed in the Financial statements as required by the applicable accounting standard.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, paragraph 3(xiv) of the Order is not applicable.
- xv. The company has not entered into any non-cash transactions with the directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **GMJ & Co.**,  
Chartered Accountants  
Firm Registration Number: 103429W

  
**Haridas Bhat**  
Partner  
Membership Number: 039070  
Mumbai  
May 22, 2017.



**Annexure – B to the Auditor’s Report**

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

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

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

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

**Auditors’ Responsibility**

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

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

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



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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (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, 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For GMJ & Co.,  
Chartered Accountants

Firm Registration Number: 103429W

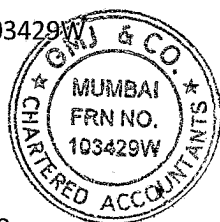
  
**Haridas Bhat**

Partner

Membership Number: 039070

Mumbai

May 22, 2017





**Kopran Research Laboratories Limited**  
Balance Sheet as at March 31, 2017

(In Rupees)

	Note	As at March 31, 2017	As at March 31, 2016
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	200,000,000	200,000,000
Reserves and Surplus	3	877,880,430	788,988,374
		<b>1,077,880,430</b>	<b>988,988,374</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	110,107,709	66,400,000
Deferred Tax Liabilities (Net)	5	-	-
Long-Term Provisions	6	20,110,125	17,571,874
		<b>130,217,834</b>	<b>83,971,874</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	7	279,468,332	311,056,897
Trade Payables	8	181,788,904	243,724,144
Other Current Liabilities	9	151,811,387	119,692,652
Short-Term Provisions	10	-	288,613
		<b>613,068,622</b>	<b>674,762,306</b>
<b>Total</b>		<b>1,821,166,886</b>	<b>1,747,722,554</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	944,156,673	975,546,705
Intangible Assets		6,927,209	9,236,278
Capital Work-in-Progress		18,480,344	29,416,519
		<b>969,564,226</b>	<b>1,014,199,502</b>
Long-Term Loans and Advances	12	7,669,010	8,691,374
		<b>977,233,236</b>	<b>1,022,890,876</b>
<b>Current Assets</b>			
Inventories	13	354,704,232	307,129,613
Trade Receivables	14	403,899,262	387,181,172
Cash and Bank Balances	15	50,071,634	1,203,929
Short-Term Loans and Advances	16	35,258,523	29,316,964
		<b>843,933,650</b>	<b>724,831,678</b>
<b>Total</b>		<b>1,821,166,886</b>	<b>1,747,722,554</b>

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

As per our report of even date.

For GMJ & Co.

Firm Registration Number: 103429W

Chartered Accountants

Haridas Bhat

Partner

Membership No: 039070



Mumbai

May 22, 2017

For and on behalf of the Board of Directors of  
Kopran Research Laboratories Limited

Chandra M Singhi

Director

DIN : 1793293

K B Shetty

Chief Financial Officer

Shiv Bhagwan Biyani

Director

DIN: 7267709

Hansa Gaggar

Company Secretary

**Kopran Research Laboratories Limited**  
Statement of Profit and Loss for the year ended March 31, 2017

(In Rupees)

	Note	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>Income :</b>			
Revenue from Operations	17	1,586,303,897	1,460,711,393
Less : Excise Duty		88,728,888	88,659,858
		1,497,575,009	1,372,051,535
Other Income	18	20,916,996	16,539,350
<b>Total Revenue (I)</b>		<b>1,518,492,005</b>	<b>1,388,590,886</b>
<b>Expenses :</b>			
Cost of Materials Consumed	19	935,556,016	951,591,665
Changes in Inventories of Finished Goods, Work-in-Progress	20	(1,455,002)	(4,208,408)
Employee Benefits Expense	21	122,563,803	119,724,224
Finance Costs	22	40,651,450	25,662,462
Depreciation and Amortisation Expense		79,981,985	79,672,950
Other Expenses	23	252,301,697	252,633,980
<b>Total Expenses (II)</b>		<b>1,429,599,949</b>	<b>1,425,076,873</b>
<b>Profit(Loss) Before Tax (I-II)</b>		<b>88,892,056</b>	<b>(36,485,987)</b>
<b>Tax Expense</b>			
Current tax		-	-
Deferred Tax		-	-
<b>Profit( Loss) for the Year</b>		<b>88,892,056</b>	<b>(36,485,987)</b>
Earnings Per Equity Share [ Face Value : Rs. 10 (Previous Year: Rs. 10)]			
Basic and Diluted	24	4.44	(2.20)

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

As per our report of even date.

For GMJ & Co.

Firm Registration Number: 103429W

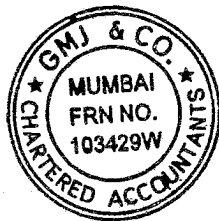
Chartered Accountants

*Haridas Bhat*

Haridas Bhat

Partner

Membership No. 039070



For and on behalf of the Board of Directors of  
Kopran Research Laboratories Limited

*Chandra M Singhi*

Chandra M Singhi

Director

DIN : 1793293

*Shiv Bhagwan Biyani*

Shiv Bhagwan Biyani

Director

DIN: 7267709

*K B Shetty*

K B Shetty

Chief Financial Officer

*Hansa Gagar*

Hansa Gagar

Company Secretary

Mumbai

May 22, 2017

**Kopran Research Laboratories Limited**  
Cash Flow Statement for the year ended March 31, 2017

(In Rupees )

A.	Cash flow from operating activities	Year ended March 31, 2017		Year ended March 31, 2016	
	Profit(Loss) Before Tax		88,892,056		(36,485,987)
	Adjustments for:				
	Depreciation	79,981,985		79,672,950	
	Interest income	(2,315,726)		(11,784)	
	Finance costs	40,651,450		25,662,462	
	Liabilities no Longer Required Written Back				
	Miscellaneous Income	(26,137)		(59,523)	
	Insurance claim received			(1,033,025)	
	Exceptional Items				
	<b>Operating profit before working capital changes</b>		<b>118,291,572</b>		<b>104,231,079.74</b>
	<b>Changes in working capital:</b>		<b>207,183,628</b>		<b>67,745,092</b>
	Increase / (Decrease) in Trade payables	(61,935,240)		(85,049,718)	
	Increase / (Decrease) in Short-term & Long term provisions	2,249,638		1,804,487	
	Increase / (Decrease) in Other current liabilities	32,118,734		(1,124,934,478)	
	(Increase) / Decrease in Trade receivables	(16,718,090)		118,772,829	
	(Increase) / Decrease in Inventories	(47,574,619)		5,334,878	
	(Increase) / Decrease in Short-term and long term loans and advances	(4,919,196)	(96,778,772)	7,740,559	(1,076,331,443)
	<b>Operating profit after working capital changes</b>		<b>110,404,856</b>		<b>(1,008,586,351)</b>
	Direct taxes paid (net of refund)				
	<b>Net cash from operating activities (A)</b>		<b>110,404,856</b>		<b>(1,008,586,351)</b>
B.	<b>Cash flow from investing activities</b>				
	Purchase of tangible/ intangible assets (including capital work-in-progress & Capital Advance)		(35,346,709)		(47,871,284)
	Interest received		2,315,726		11,784
	Miscellaneous Income		26,137		59,523
	Insurance claim received				1,033,025
	<b>Net cash used in investing activities (B)</b>		<b>(33,004,846)</b>		<b>(46,766,952)</b>
C.	<b>Cash flow from financing activities</b>				
	Share issued During the year				1,100,000,000
	Share Issue Expenses				(1,500,000)
	Interest and financial charges paid	(40,651,450)			(25,662,462)
	Proceeds / (Repayment) Long-term & Short Term borrowings (Net)	12,119,144			(16,356,805)
	<b>Net cash from financing activities (C)</b>		<b>(28,532,306)</b>		<b>1,056,480,733</b>
	<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>		<b>48,867,705</b>		<b>1,127,430</b>
	Cash and cash equivalents at the beginning of the year		1,203,929		76,499
	Cash and cash equivalents at the end of the year		50,071,634		1,203,929
	<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>48,867,705</b>		<b>1,127,430</b>
	<b>Cash and cash equivalents comprise of:</b>				
	Cash on Hand		629,739		214,747
	Bank Balances:				
	In Current Accounts		250,987		490,829
	In Fixed Deposits with original maturity less than 3 months		49,190,908		498,353
	<b>Cash and cash equivalents at the end of the year</b>		<b>50,071,634</b>		<b>1,203,929</b>

**Notes:**

- Figures in brackets indicate cash outgo.
- Previous year's figures have been regrouped/ rearranged wherever necessary.

As per our report of even date.

For GMJ & Co.

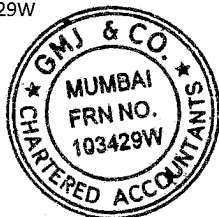
Firm Registration Number: 103429W

Chartered Accountants

Haridas Bhat

Partner

Membership No. 039070



Place: Mumbai

May 22, 2017

For and on behalf of the Board of Directors

Kopran Research Laboratories Limited

*Chandra M Singh*

Chandra M Singh

Director

DIN : 1793293

*K B Shetty*

K B Shetty

Chief Financial Officer

*Shiv Bhagwan Biyani*

Shiv Bhagwan Biyani

Director

DIN: 7267709

*Hansa Gaggar*

Hansa Gaggar

Company Secretary

**1 Summary of Corporate information & Significant Accounting Policies**

**1.1 Corporate information**

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

**1.2 Significant Accounting Policies**

**(a) Basis of Accounting and Preparation of Financial Statements**

The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 and other accounting pronouncements of the Institute of Chartered Accountants of India. The financial statements have been prepared under historical cost convention and on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**(b) Use of Estimates**

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

**(c) Fixed Assets, Depreciation and Amortisation**

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

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

(iii) Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

**(d) Intangible Assets**

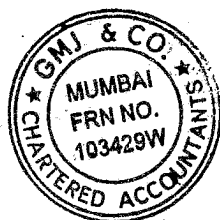
Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of such assets can be measured reliably. Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.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

**(e) Impairment of Assets**

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

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

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



**(f) Borrowing Cost**

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

**(g) Investments**

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

**(h) Inventories**

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

**(i) Research and Development**

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

**(j) Foreign Currency Transactions**

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

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

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

**(k) Employee Benefits**

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

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

**(l) Excise and Customs duty**

1. Excise and Customs duty payable in respect of Finished Goods lying at factory / bonded premises are provided for and included in the valuation of inventory.

2. CENVAT credit of Excise Duty availed during the year is accounted for by reducing purchase cost of the materials and is adjusted against excise duty payable on clearance of goods produced.

**(m) Revenue Recognition**

1. Sales of Products and Services

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

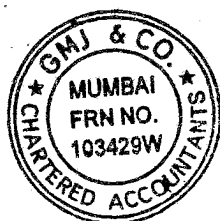
2. Dividend

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

3. Other Income

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

Interest income is accounted on a time proportion basis.



**(n) Prior Period Items**

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

**(o) Taxes on Income**

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

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

**(p) Earnings Per Share**

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

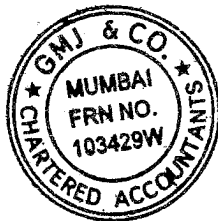
**(q) Provisions and Contingent Liabilities**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates. Provisions are recognised in the financial statements in respect of present probable obligations, for amounts which can be reliably estimated.

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

**(r) Cash and cash equivalents**

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



**Kopran Research Laboratories Limited**  
**Notes to Financial Statements for the year ended March 31, 2017**

(In Rupees)

	March 31, 2017		March 31, 2016	
	No. of Shares	In ₹ Rs.	No. of Shares	In ₹ Rs.
<b>2 Share Capital</b>				
<b>Authorised</b>				
2,00,00,000 (Previous Year: 2,00,00,000) Equity Shares of Rs. 10 each				
<b>Issued</b>				
2,00,00,000 (Previous Year: 2,00,00,000) Equity Shares of Rs. 10 each				
<b>Subscribed and Paid up</b>				
2,00,00,000 (Previous Year: 2,00,00,000) Equity Shares of Rs. 10 each fully paid-up				
	200,000,000	200,000,000	200,000,000	200,000,000
	<b>200,000,000</b>	<b>200,000,000</b>	<b>200,000,000</b>	<b>200,000,000</b>

**(a) Reconciliation of number of shares**

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	In ₹ Rs.	No. of Shares	In ₹ Rs.
<b>Equity Shares:</b>				
Balance as at the beginning of the year and at the end of the year	20,000,000	200,000,000	9,000,000	90,000,000
Add: Shares issued during the year	-	-	11,000,000	110,000,000
Balance as at the end of the year	<b>20,000,000</b>	<b>200,000,000</b>	<b>20,000,000</b>	<b>200,000,000</b>

**(b) Rights, preferences and restrictions attached to shares**

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

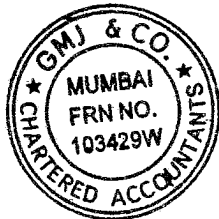
**(c) Share in the company held by holding company or their subsidiary:**

Shares of the Company are held by holding company and fellow subsidiary of the holding Company.

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

Equity Shares	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% holding	No. of Shares	% holding
Kopran Limited	19,900,000	99.50%	19,900,000	99.50%
Kopran Life science Ltd *	100,000	0.50%	100,000	0.50%
	<b>20,000,000</b>	<b>100.00%</b>	<b>20,000,000</b>	<b>100.00%</b>

\*Wholly owned subsidiary of Kopran Ltd.



**Kopran Research Laboratories Limited**  
**Notes to Financial Statements for the year ended March 31, 2017**

	(In Rupees)	
	March 31, 2017	March 31, 2016
<b>3 Reserves and Surplus</b>		
	In Rs.	In Rs.
<b>Securities Premium</b>		
Balance as at the beginning of the year	1,347,078,150	358,578,150
Add: Premium received during the year	-	990,000,000
Less:- Share Issue Expenses	-	(1,500,000)
Balance as at the end of the year	<u>1,347,078,150</u>	<u>1,347,078,150</u>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(558,089,776)	(521,603,789)
Add :- Profit for the year	88,892,056	(36,485,987)
Balance as at the end of the year	<u>(469,197,720)</u>	<u>(558,089,776)</u>
<b>Total</b>	<u><b>877,880,430</b></u>	<u><b>788,988,374</b></u>
<b>4 Long-Term Borrowings</b>		
	March 31, 2017	March 31, 2016
Secured		
Vehicles finance loans *	707,709	-
Unsecured		
<b>from Related Parties</b>		
(i) Intercompany Deposit **	43,000,000	-
ii) Directors ***	66,400,000	66,400,000
<b>Total</b>	<u><b>110,107,709</b></u>	<u><b>66,400,000</b></u>
* Vehicle Finance Loans carry interest @9.93% p.a. and is repayable in 36 equal monthly installments. The loans are secured by hypothecation of vehicles.		
** The above borrowing is repayable commencing from April 01, 2018.		
*** The above borrowing is repayable commencing from September 01, 2018.		
<b>5 Deferred Tax Liabilities</b>		
	March 31, 2017	March 31, 2016
Deferred Tax Liabilities:		
Depreciation	34,822,071	19,479,116
Deferred Tax Assets:		
Provision for Doubtful Debts	-	-
Unabsorbed Depreciation & Business Loss adjusted for timing difference	43,463,850	55,774,688
Disallowances u/s Income tax Act,1961	6,214,029	5,518,890
	<u>49,677,878</u>	<u>61,293,578</u>
Deferred tax assets recognised to extent of Deferred tax liabilities	34,822,071	19,479,116
<b>Deferred Tax Liabilities</b>	<u>-</u>	<u>-</u>
<b>6 Long-Term Provisions</b>		
	March 31, 2017	March 31, 2016
Provision for Employee Benefits:		
Provision for Gratuity	15,864,259	13,875,822
Provision for Compensated Absences	4,245,866	3,696,052
<b>Total</b>	<u><b>20,110,125</b></u>	<u><b>17,571,874</b></u>
<b>7 Short-Term Borrowings</b>		
	March 31, 2017	March 31, 2016
Secured		
Cash Credit / Packing Credit - Refer Note (a)	146,736,378	258,352,233
Buyers Credit - Refer Note (a)	132,731,954	52,704,664
<b>Total</b>	<u><b>279,468,332</b></u>	<u><b>311,056,897</b></u>

**(a) Cash Credit / Packing Credit & Buyers Credit**

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

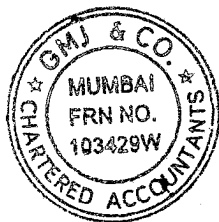




**Kopran Research Laboratories Limited**  
**Notes to Financial Statements for the year ended March 31, 2017**

(In Rupees )

	March 31, 2017	March 31, 2016
<b>8 Trade Payables</b>		
Sundry Creditors (Refer Note 34)	181,788,905	243,724,144
<b>Total</b>	<b>181,788,905</b>	<b>243,724,144</b>
<b>9 Other Current Liabilities</b>		
Current maturities of long-term borrowings	319,390	
Advances from Customers	53,767	1,753,765
Security Deposits	2,750,000	2,750,000
Statutory Dues (including Provident Fund and Tax Deducted at Source)	4,687,792	5,875,315
Interest Accrued but not Due	189,274	170,461
<b>Others</b>		
Payable to Related Party		
Creditors for Capital goods	31,626,780	-
Employees Related	6,123,495	14,094,088
Others	15,389,188	21,135,062
	90,671,701	73,913,961
<b>Total</b>	<b>151,811,387</b>	<b>119,692,652</b>
<b>10 Short-Term Provisions</b>		
<b>Provision for employee benefits:</b>		
Provision for Gratuity (Ref. Note No. 26)	-	224,689
Provision for Compensated Absences (Ref. Note No. 26)	-	63,924
<b>Total</b>	<b>-</b>	<b>288,613</b>
<b>12 Long-Term Loans and Advances</b>		
[Unsecured, Considered Good (unless otherwise stated)]		
Capital Advances		
Security Deposits	1,704,169	2,093,513
Balances with Government Authorities	5,149,408	4,742,508
	299,453	250,916
<b>Others Loans and Advances :</b>		
Loans to employees	463,000	1,412,834
Prepaid expenses	52,980	191,603
<b>Total</b>	<b>7,669,010</b>	<b>8,691,374</b>
<b>13 Inventories</b>		
Raw Materials ( Includes Stocks In Transit )	176,493,743	132,471,180
Work-in-Process	143,156,439	131,679,452
Finished Goods	14,702,925	24,724,910
Stores & Spares	12,823,034	14,305,742
Packing Materials	7,528,091	3,948,329
<b>Total</b>	<b>354,704,232</b>	<b>307,129,613</b>



**KOPRAN RESEARCH LABORATORIES LIMITED**

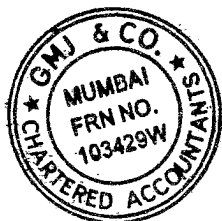
**Note No. 11 Fixed Assets**

	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01-Apr-16	Additions during the Period	Deletion During the Period	As at 31-Mar-17	Up to 01-Apr-16	For the Period	For deletion During the Quarter	As at 31-Mar-17	As at 31-Mar-16	As at 31-Mar-17	As at 31-Mar-16
<b>Tangible</b>											
Land Leasehold	65,589,300	-	-	65,589,300	879,376	884,418	-	1,763,794	63,825,506	64,709,924	
Building	124,628,573	3,939,776	-	128,568,349	3,844,301	3,981,607	-	7,825,908	120,742,441	120,784,272	
Plant & Machinery	857,565,990	40,380,541	-	897,946,531	71,051,389	72,102,047	-	143,153,436	754,793,095	786,514,601	
R & D Equipment	81,133,334	208,120	-	81,341,454	80,932,671	64,547	-	80,997,218	344,236	200,663	
Furniture & Fixture	4,382,278	387,472	-	4,769,750	1,349,079	497,899	-	1,846,978	2,922,772	3,033,199	
Office Equipment	475,020	150,019	-	625,039	444,426	18,373	-	462,799	162,240	30,594	
Computers	936,698	179,852	-	1,116,550	681,038	118,626	-	799,664	316,886	255,660	
Vehicles	954,893	1,037,104	-	1,991,997	937,101	5,399	-	942,500	1,049,497	17,792	
<b>Total</b>	<b>1,135,666,086</b>	<b>46,282,884</b>	-	<b>1,181,948,970</b>	<b>160,119,380</b>	<b>77,672,916</b>	-	<b>237,792,296</b>	<b>944,156,673</b>	<b>975,546,706</b>	
<b>Intangible</b>											
Goodwill	11,545,347	-	-	11,545,347	2,309,069	2,309,069	-	4,618,138	6,927,209	9,236,278	
Intellectual Property	142,800,000	-	-	142,800,000	142,800,000	-	-	142,800,000	-	-	
<b>Total</b>	<b>154,345,347</b>	-	-	<b>154,345,347</b>	<b>145,109,069</b>	<b>2,309,069</b>	-	<b>147,418,138</b>	<b>6,927,209</b>	<b>9,236,278</b>	
<b>Grand Total</b>	<b>1,290,011,433</b>	<b>46,282,884</b>	-	<b>1,336,294,317</b>	<b>305,228,450</b>	<b>79,981,985</b>	-	<b>385,210,435</b>	<b>951,083,881</b>	<b>984,782,983</b>	
<b>Previous Year</b>	1,261,124,659	28,886,774	-	1,290,011,433	225,555,500	79,672,950	-	305,228,450	984,782,983		

**Kopran Research Laboratories Limited**  
**Notes to Financial Statements for the year ended March 31, 2017**

(In Rupees)

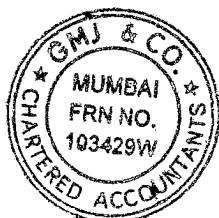
		March 31, 2017	March 31, 2016
<b>14</b>	<b>Trade Receivables</b>		
	Debits outstanding for a period exceeding six months from the date they are due for payment		
	considered good	3,627,417	-
	considered Doubtful	6,951,060	8,091,542
	Less :- Provision for Doubtful debts	10,578,477	8,091,542
		(6,951,060)	(8,091,542)
	Other debts	3,627,417	-
	others	400,271,845	387,181,172
	<b>Total</b>	<b>403,899,262</b>	<b>387,181,172</b>
<b>15</b>	<b>Cash and Bank Balances</b>		
	<b>Cash and Cash Equivalents</b>		
	Cash on Hand	629,739	214,747
	<b>Bank Balances in :</b>		
	Current Accounts	250,987	490,829
	<b>Other Bank Balances</b>		
	Margin Money Deposits (with Original Maturity up to 12 Months)	49,190,908	498,353
	<b>Total</b>	<b>50,071,634</b>	<b>1,203,929</b>
<b>16</b>	<b>Short-Term Loans and Advances</b>		
	[Unsecured, Considered Good]		
	Balance with statutory/ government authorities	29,188,224	15,460,322
	<b>Other Loans and Advances:</b>		
	Loan to Employees	987,495	312,200
	Prepaid Expenses	2,521,335	2,827,254
	Others	2,561,470	10,717,188
	<b>Total</b>	<b>35,258,523</b>	<b>29,316,964</b>



**Kopran Research Laboratories Limited**  
**Notes to Financial Statements for the year ended March 31, 2017**

(In Rupees )

	March 31, 2017	March 31, 2016
<b>17 Revenue from Operations</b>		
Sale of products *		
<b>Other operating income</b>	1,562,762,094	1,443,261,488
Scrap sales		
Other	1,004,433	1,045,768
<b>Revenue from operations</b>	22,537,370	16,404,137
* <b>Sale of products</b>	<b>1,586,303,897</b>	<b>1,460,711,393</b>
Bulk Drugs	1,562,762,094	1,443,261,488
<b>Total</b>	<b>1,562,762,094</b>	<b>1,460,711,393</b>
<b>18 Other Income</b>		
<b>Interest Income</b>		
On Fixed Deposit	1,632,237	6,908
Others	683,489	4,876
Provision for doubtful debts written back	-	12,300,000
Liabilities written back	-	-
Foreign exchange gain (net)	180,996	36,983
Insurance Claim	17,280,583	3,098,035
Miscellaneous Income	-	1,033,025
Excise Duty on closing stk	26,137	59,523
<b>Total</b>	<b>1,113,554</b>	<b>-</b>
	<b>20,916,996</b>	<b>16,539,350</b>
<b>19 Cost of Materials Consumed</b>		
<b>Raw Material Consumption:</b>		
Opening Stock	132,471,180	142,997,042
Add: Purchases / Stock Transfer	957,569,667	920,406,363
Less : Closing Stock	1,090,040,847	1,063,403,405
	176,493,743	132,471,180
	913,547,104	930,932,225
<b>Packing Materials Consumption:</b>		
Opening Stock	3,948,329	4,218,604
Add: Purchases / Stock Transfer	25,588,674	20,389,165
Less : Closing Stock	29,537,003	24,607,769
	7,528,091	3,948,329
	22,008,912	20,659,440
<b>Total</b>	<b>935,556,016</b>	<b>951,591,665</b>
<b>Raw Material Consumption:</b>		
1) 7 A.C.A.	95,274,608	162,376,983
2) CEFEPIME	63,018,960	51,756,500
3) P.H.A.P	131,294,936	103,832,403
4) Azithromycin Amine	70,268,427	70,264,030
5) S - 6 (MAEM)	61,941,467	68,862,807
6) Meropenem	96,208,180	54,928,502
7) Others	395,540,526	418,911,001
	<b>913,547,104</b>	<b>930,932,226</b>
<b>20 Changes in inventories of finished goods and work in progress</b>		
Stock at the end of the year:		
Finished Goods	14,702,925	24,724,910
Work-in-progress	143,156,439	131,679,452
	<b>157,859,364</b>	<b>156,404,362</b>
Stock at the beginning of the year:		
Finished Goods	24,724,910	5,932,454
Work-in-progress	131,679,452	146,263,500
	<b>156,404,362</b>	<b>152,195,954</b>
<b>(Increase)/ Decrease in Stocks</b>	<b>(1,455,002)</b>	<b>(4,208,408)</b>
<b>Details of Inventory</b>		
<b>Finished goods</b>		
Bulk Drugs	14,702,925	24,724,910
	<b>14,702,925</b>	<b>24,724,910</b>
<b>Work in progress</b>		
Bulk Drugs	143,156,439	131,679,452
	143,156,439	131,679,452



**Kopran Research Laboratories Limited**  
Notes to Financial Statements for the year ended March 31, 2017

(In Rupees)

**21 Employee Benefits Expense**

Salaries, Wages and Bonus  
Contribution to Provident and Other Funds  
Staff Welfare Expenses  
Total

March 31, 2017	March 31, 2016
108,518,327	106,411,561
5,721,147	5,513,512
8,324,329	7,799,151
<b>122,563,803</b>	<b>119,724,224</b>

**22 Finance Costs**

Interest expense  
Other borrowing cost  
Total

March 31, 2017	March 31, 2016
30,775,493	19,876,797
9,875,958	5,785,665
<b>40,651,450</b>	<b>25,662,462</b>

**23 Other Expenses**

Stores and Spares consumed  
Power and Fuel  
Repairs and Maintenance :  
    Building  
    Machinery  
    Others  
Insurance  
Job Work charges  
Commission on Sales  
Selling and Distribution Expenses  
Packing, Freight and Forwarding  
Payment to Auditors :  
    Statutory Audit fees  
    Tax Audit fees  
Printing and Stationery  
Postage, Telegram and Telephone  
Travelling and Conveyance  
Legal and Professional Fees  
Rates and taxes  
Labour Charges  
Directors' sitting fees  
Sundry Balances written off  
Excise Duty on closing stk  
Miscellaneous Expenses  
Total

March 31, 2017	March 31, 2016
30,333,918	37,584,626
92,356,130	96,659,295
3,775,238	7,611,116
11,712,002	13,078,597
1,703,775	1,731,255
5,042,447	3,738,133
12,666,260	12,900,840
27,783,064	15,951,025
2,800,301	5,791,986
21,243,993	17,530,681
300,000	300,000
100,000	100,000
1,807,399	2,021,336
979,732	794,458
7,614,726	7,066,833
4,323,405	4,414,034
5,983,483	1,523,795
6,841,565	6,810,999
34,500	-
28,123	3,193
-	2,088,050
14,871,636	14,933,728
<b>252,301,697</b>	<b>252,633,980</b>



**Kopran Research Laboratories Limited**

Notes to Financial Statements for the year ended March 31, 2017

(In Rupees)

**24 Computation of Earnings per Share (Basic and Diluted):**

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

Particulars	March 31, 2017	March 31, 2016
I. Profit Computation for both Basic and Diluted Earnings Per Share of ₹ 10 each: Net Profit as per the Statement of Profit and Loss available for Equity Shareholder:	88,892,056	(36,485,987)
II. Weighted average number of Equity Shares for Earnings Per Share computation Number of shares for Basic and Diluted Earnings Per Share	20,000,000	16,594,521
III. Earnings Per Share:		
Basic (in ₹)	4.44	(2.20)
Diluted (in ₹)	4.44	(2.20)

**25 Value of imported and indigenous materials consumed**

	March 31, 2017		March 31, 2016	
	₹	%	₹	%
<b>a Raw Materials</b>				
Imported	682,439,071	75.47%	689,655,945	74.08%
Local	221,835,090	24.53%	241,276,280	25.92%
<b>Total</b>	<b>904,274,161</b>	<b>100.00%</b>	<b>930,932,225</b>	<b>100.00%</b>
<b>Stores and Spares</b>				
	30,333,918	100.00%	37,584,626	100.00%
	<b>30,333,918</b>	<b>100.00%</b>	<b>37,584,626</b>	<b>100.00%</b>

**b CIF Value of Imports**

	March 31, 2017	March 31, 2016
Raw Materials	716,111,522	630,034,360
Capital Goods (including Capital Work-in-Progress)	234,372	2,169,454
<b>Total</b>	<b>716,345,894</b>	<b>632,203,814</b>

**c Expenditure in Foreign Currency**

	March 31, 2017	March 31, 2016
Commission	12,692,417	9,546,866
Legal & Professional Charges	-	133,974
Bank Interest on Buyers Credit	759,708	651,580
Export Promotion Expenses	949,257	1,885,860
Travelling Expenses	3,544,042	2,687,377
Plant Inspection Charges	1,159,691	1,159,691
Others	1,981,591	226,812
<b>Total</b>	<b>21,086,706</b>	<b>16,292,159</b>

**d Earnings in Foreign Currency**

	March 31, 2017	March 31, 2016
FOB Value of Exports	704,377,034	533,679,901
<b>Total</b>	<b>704,377,034</b>	<b>533,679,901.00</b>



## 26 Disclosure as per Accounting Standard 15 (Revised) – Employee Benefits:

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

A) Defined Contribution Plan

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

- Employer's contribution to Provident Fund

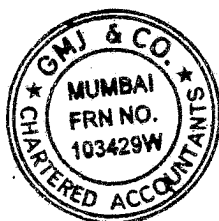
March 31, 2017	March 31, 2016
5,480,007	5,501,992
<b>5,480,007</b>	<b>5,501,992</b>

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.

## Part A : Gratuity Benefits

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity benefit Unfunded	
	As on 31st March, 2017 ₹	As on 31st March, 2016 ₹
Obligation at the beginning of the year	14,100,511	12,858,000
Interest Cost	1,122,401	1,028,640
Service Cost	1,375,806	1,355,305
Actuarial (gain)/ loss	(16,573)	(822,584)
Benefits paid	(717,886)	(318,850)
<b>Obligation at the year end</b>	<b>15,864,259</b>	<b>14,100,511</b>
<b>Change in plan Assets</b>		
Fair value of Plan Assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution	-	-
Actuarial (gain)/ loss	-	-
Benefits paid	-	-
<b>Fair value of Plan Assets at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Unfunded Status</b>	<b>(15,864,259)</b>	<b>(14,100,511)</b>
Limits of Corridor not considered since total actuarial gain/loss is being recognised as on 31-03-2017		
Actuarial (loss) for the year- obligation	(16,573)	(822,584)
Actuarial gain/(loss) for the year- Plan Assets	-	-
Sub- Total	(16,573)	(822,584)
<b>Actuarial loss recognised</b>	<b>(16,573)</b>	<b>(1,061,038)</b>
<b>Unrecognised actuarial gains (losses) at the end of the year</b>		
<b>Reconciliation of present value of the obligation and the fair value of plan assets</b>		
present value of the defined benefit obligations at the end of the year	15,864,259	14,100,511
Fair value of Plan Assets at the end of the year	-	-
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>15,864,259</b>	<b>14,100,511</b>
<b>Cost for the year</b>		
Service cost	1,375,806	1,355,305
Interest cost	1,122,401	1,028,640
Expected return on Plan Assets	-	-
Actuarial (gain)/loss	(16,573)	(822,584)
<b>Net cost recognised in the Profit &amp; Loss Account</b>	<b>2,481,634</b>	<b>1,561,361</b>

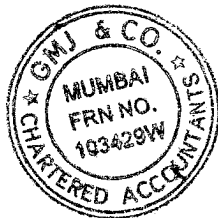


**Kopran Research Laboratories Limited**

Notes to Financial Statements for the year ended March 31, 2017

(In Rupees)

Movement in the liability recognised in the Balance Sheet		
Opening Net Liability	14,100,511	12,858,000
Expenses as above	2,481,634	1,561,361
Contribution paid	(717,886)	(318,850)
<b>Closing Net Liability</b>	<b>15,864,259</b>	<b>14,100,511</b>
<b>Assumptions used to determine the benefit obligations:</b>		
Discount Rate	7.57%	7.96%
Rate of increase in Compensation levels	6.00%	6.00%
<b>Part B : Leave Encashment</b>		
	<b>Leave Encashment benefit Unfunded</b>	
	<b>As on 31st March, 2017</b>	<b>As on 31st March, 2016</b>
<b>Reconciliation of opening and closing balances of the present value of the defined benefit obligation</b>	<b>₹</b>	<b>₹</b>
Obligation at the beginning of the year	3,759,976	3,198,000
Interest Cost	299,294	255,840
Service Cost	443,841	500,175
Actuarial (gain)/ loss	404,726	263,287
Benefits paid	(661,971)	(457,326)
<b>Obligation at the year end</b>	<b>4,245,866</b>	<b>3,759,976</b>
<b>Change in plan Assets</b>		
Fair value of Plan Assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution	-	-
Actuarial (gain)/ loss	-	-
Benefits paid	-	-
<b>Fair value of Plan Assets at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Unfunded Status</b>	<b>(4,245,866)</b>	<b>(3,759,976)</b>
<b>Limits of Corridor not considered since total actuarial</b>		
Actuarial (loss) for the year- obligation	404,726	263,287
Actuarial gain/(loss) for the year- Plan Assets	-	-
Sub- Total	404,726	263,287
<b>Actuarial loss recognised</b>	<b>404,726</b>	<b>263,287</b>
<b>Unrecognised actuarial gains (losses) at the end of the year</b>		
<b>Reconciliation of present value of the obligation and the fair value of plan assets</b>		
present value of the defined benefit obligations at the end of the year	(4,245,866)	(3,759,976)
Fair value of Plan Assets at the end of the year	-	-
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>(4,245,866)</b>	<b>(3,759,976)</b>
<b>Cost for the year</b>		
Service cost	443,841	500,175
Interest cost	299,294	255,840
Expected return on Plan Assets	-	-
Actuarial (gain)/loss	404,726	263,287
<b>Net cost recognised in the Profit &amp; Loss Account</b>	<b>1,147,861</b>	<b>1,019,302</b>
<b>Movement in the liability recognised in the Balance Sheet</b>		
Opening Net Liability	3,759,976	3,198,000
Expenses as above	1,147,861	1,019,302
Contribution paid	(661,971)	(457,326)
<b>Closing Net Liability</b>	<b>4,245,866</b>	<b>3,759,976</b>
<b>Assumptions used to determine the benefit obligations:</b>		
Discount Rate	7.57%	7.96%
Rate of increase in Compensation levels	6.00%	6.00%

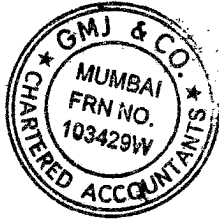




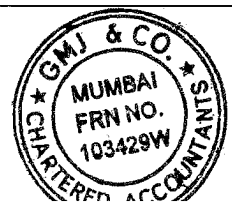
27 Related Party Disclosures

Names of related parties where control exists irrespective of whether transactions have occurred or not:	
Holding Company	Kopran Limited
Fellow subsidiaries	Kopran Life science Ltd
Key Management Personnel	Vandana Somani (Director) Chandra M Singhi (Director) Shiv Bhagwan Biyani Hansa Gaggar K B Shetty (CFO)
Other Significantly influenced Related Parties with whom transactions have taken place during the year	Oricon Enterprises Ltd Oricon Properties Pvt Ltd Oricon Containers Ltd Kopran Laboratories Ltd

Names of other related parties with whom transactions have taken place during the year:	
(i) Holding Company	Kopran Limited
(ii) Key Management Personnel	Chandra M Singhi (Director) Shiv Bhagwan Biyani Hansa Gaggar K B Shetty (CFO)
(iii) Other Significantly influenced Related Parties with whom transactions have taken place during the year	Oricon Enterprises Ltd Oricon Properties Pvt Ltd Oricon Containers Ltd Kopran Laboratories Ltd



Nature of Transaction	Parties referred to in (i) above						Parties referred to in (ii) above			Parties referred to in (iii) above			Total
	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	
<b>Loan Received</b>													
Kopran Limited	815,215,553	-	-	-	-	-	-	-	-	-	815,215,553	-	-
Mrs Vandana Somani	-	2,300,000	-	-	-	-	-	-	-	-	-	2,300,000	-
Oricon Enterprises Limited	-	-	-	-	-	-	-	-	-	-	-	-	-
Oricon Properties Private Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-
Oriental containers limited	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>815,215,553</b>	<b>2,300,000</b>									<b>815,215,553</b>	<b>2,300,000</b>	
<b>Loan Given</b>													
Kopran Laboratories Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>											<b>34,000,000</b>	<b>34,000,000</b>	
<b>Purchases</b>													
Kopran Limited	189,090,523	215,870,837	-	-	-	-	-	-	-	-	189,090,523	215,870,837	-
Oricon Enterprises Limited	-	-	-	-	-	-	-	-	-	-	-	-	-
Kopran Laboratories Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>189,090,523</b>	<b>215,870,837</b>									<b>189,090,523</b>	<b>215,870,837</b>	
<b>Purchase of Fixed Assets</b>													
Kopran Limited	-	4,772,473	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>4,772,473</b>										<b>4,772,473</b>	
<b>Sales</b>													
Kopran Limited	43,079,574	67,626,219	-	-	-	-	-	-	-	-	43,079,574	67,626,219	-
<b>Total</b>	<b>43,079,574</b>	<b>67,626,219</b>									<b>43,079,574</b>	<b>67,626,219</b>	
<b>Interest Expense</b>													
Oriental containers limited	-	-	-	-	-	-	-	-	-	-	-	-	-
Kopran Limited	1,519,268	-	-	-	-	-	-	-	-	-	1,519,268	-	-
<b>Total</b>	<b>1,519,268</b>										<b>1,519,268</b>		
<b>Interest Received</b>													
Kopran Laboratories Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>											<b>662,136</b>	<b>662,136</b>	
<b>Interest Payable</b>													
Kopran Limited	1,367,341	-	-	-	-	-	-	-	-	-	1,367,341	-	-
<b>Total</b>	<b>1,367,341</b>										<b>1,367,341</b>		
<b>Repayment of Loan taken</b>													
Kopran Limited	784,956,114	8,131,805	-	-	-	-	-	-	-	-	784,956,114	8,131,805	-
Oricon Properties Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-
Oriental containers limited	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>784,956,114</b>	<b>8,131,805</b>									<b>784,956,114</b>	<b>8,131,805</b>	
<b>Repayment of Loan Given</b>													
Kopran Laboratories Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>											<b>34,000,000</b>	<b>34,000,000</b>	
<b>Miscellaneous Expenses</b>													
Oricon Enterprises Limited	-	-	-	-	-	-	-	-	-	-	-	-	-
Kopran Laboratories Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>											<b>959,882</b>	<b>133,838</b>	
<b>Slum Sale - Mahad Unit</b>													
Kopran Limited	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>											<b>1,493,506</b>	<b>133,838</b>	





## 28 Disclosure of Derivatives:

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

Purpose		Particulars of Derivative	
		2016-17	2015-2016
Forward exchange contracts (for export debtors)	USD	465,750	
Forward contract value	RS.	30,199,230	

(i) The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at March 31, 2017 are as follows:

Particulars	Foreign Currency Denomination	Foreign Currency Amount March 31, 2017	Amount March 31, 2017	Foreign Currency Amount March 31, 2016	Amount March 31, 2016
Payables	USD	3,874,613	251,229,921	157,371	104,383,611
	EURO	-	-	-	-
	GBP	-	-	-	-
Receivables	USD	2,311,260	149,862,098	1,873,180	124,248,017
	EURO	-	-	5,400	405,486
	GBP	-	-	-	-

The foreign currency outstanding has been translated at the rates of exchange prevailing on the Balance Sheet date in accordance with Accounting Standard 11.

## 29 Capital Commitments &amp; Contingent liabilities not provided for :

## (a) Capital Commitments:

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

	March 31, 2017	March 31, 2016
Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for	6,388,267	13,172,666

## (b) Contingent liabilities not provided for :

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

36,000,000 1,490,000,000

ii Bills discounted with banks

23,396,459

iii Disputed tax Matters :

Excise duty demand disputed in appeal

2,928,042 2,296,160

Service tax demand disputed in appeal

454,301 454,301

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



**Kopran Research Laboratories Limited**

**Notes to Financial Statements for the year ended March 31, 2017**

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

**(a) Geographical Segment:**

Particulars	31st March, 2017	31st March, 2016
<b>Revenue from Operation:</b>		
In India	728,530,397	776,388,215
Outside India	769,044,612	595,663,320
<b>Total</b>	<b>1,497,575,009</b>	<b>1,372,051,535</b>

Fixed Assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities are made.

31 The Company has carried forward losses under Income tax laws. Hence deferred tax assets have not been recognised as there is no virtual certainty supported by convincing evidence that there will be sufficient future taxable income against which such deferred tax assets can be realised.

32 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.

**33 Dues to Micro, Small and Medium Enterprises (MSME)**

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

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

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

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

35 Details of Specified Bank Notes (SBN) held and transacted by the Company during the period from 8 November, 2016 to 30 December, 2016 is as follows:

Particulars	Specified Bank Notes	Other denominati on notes	In Rupees
			Total
Closing cash in hand as on 08.11.2016	105,000.00	84,534.00	189,534.00
(+) Permitted receipts		909,000.00	909,000.00
(-) Permitted payments		401,420.00	401,420.00
(-) Amount deposited in Banks	105,000.00		105,000.00
Closing cash in hand as on 30.12.2016	-	592,114.00	592,114.00

Signatures to Notes "1" to "35" forming part of these Financial Statements.

As per our report of even date.

For GMJ & Co.

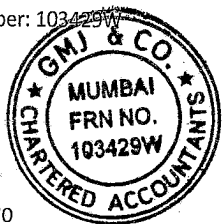
Firm Registration Number: 103429W

Chartered Accountants

Haridas Bhat

Partner

Membership No. 039070



For and on behalf of the Board of Directors of

Kopran Research Laboratories Limited

*Chandra M Singh*  
Chandra M Singh  
Director  
DIN : 1793293

*K B Shetty*  
K B Shetty  
Chief Financial Officer

*Shiv Bhagwan Biyani*  
Shiv Bhagwan Biyani  
Director  
DIN: 7267709

*Hansa Gagar*  
Hansa Gagar  
Company Secretary

Place: Mumbai

May 22, 2017