

“ Taking the Legacy of
Ayurveda ahead,
Scientifically... ”



AIMIL

PHARMACEUTICALS (INDIA) LTD.



ANNUAL REPORT

2016 - 2017



INDEPENDENT AUDITOR'S REPORT

TO,

THE MEMBERS OF AIMIL PHARMACEUTICALS (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **AIMIL PHARMACEUTICALS (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31/03/2017, the Statement of Profit and Loss, for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Auditor's Responsibility

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

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

We 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 the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's 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 the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31/03/2017, and its Profit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:



- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31/03/2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31/03/2017 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 controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (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 explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its 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.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M. G. S. Rawal & Co.,
Chartered Accountants
FRN-001796N

(S. K. Rawal), M.N.-014340
Proprietor
Place: Delhi
Date: 29.08.2017



For Ambani & Associates LLP
Chartered Accountant
FRN-016923N

(Hitesh Ambani), M.N.-506267
Designated Partner



"Annexure A" to the Independent Auditors' Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date to the financial statements of the Company for the year ended March 31, 2017)

1. In Respect of Fixed Assets

(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in the current year in accordance with a planned program of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

2. In Respect of Inventory

(a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) Procedures for physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business. There are no inadequacies in such procedures that should be reported.

(c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.

3. Loans and advances to parties covered under section 189

As informed, the company has not granted any loans secured or unsecured to companies, Limited Liability Partnership, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

4. Internal Control in reference to Purchase of Inventory and Fixed Assets and whether there is continue failure of internal control

In our opinion and according to the information and explanations given to us there is adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of audit We have not observed continuing failure to correct major weaknesses in internal control system.

5. Rules followed while accepting Deposits

No deposits within the meaning of Sections 73 to 76 or any other relevant provision of the Act and rules framed there under have been accepted by the Company.



6. Maintenance of cost records

We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (I) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

7. According to the information and explanations given to us in respect of statutory dues

- (a) As per the records of the company, the company has regularly deposited provident fund dues and the Employees State Insurance dues with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Provident fund, Sales tax, Custom duty and Excise duty were outstanding, at the year end, for a period of more than six months from the date they became payable except for sales tax amounting to Rs. 231.96 Lac.

8. Company which has been registered for a period less than five years and accumulated losses are more than 50% of Net worth, Reporting of cash Losses

The company has no accumulated losses at March 31st, 2017 and has not incurred cash losses in the current and immediately preceding financial year.

9. Default in Repayment of Loans taken from Bank or Financial Institutions

The company has not defaulted in repayment of dues to financial institution or bank.

10. Terms for Loans and Advances from Banks or Financial Institutions prejudicial to the interest of the company

On the basis of records examined by us and information provided by the management, we are of the opinion that the company has not given guarantees for loans taken by other from banks or financial institutions.

11. Application versus purpose for which Loan Granted

Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

12. Reporting of Fraud During the Year Nature and Amount

Based upon the audit procedures performed for the purpose of recording the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the company has been noticed or reported during the course of our audit.



"Annexure B" to the Independent Auditor's Report of even date

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

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2017 in conjunction with our audit of the 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". 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 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 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 M. G. S. Rawal & Co.,
Chartered Accountants
FRN-001796N

(S. K. Rawal), M.N.-014340
Proprietor



For Ambani & Associates LLP
Chartered Accountant
FRN-016923N

(Hitesh Ambani), M.N.-506267
Designated Partner



Place: Delhi
Date: 29.08.2017

"लक्ष्मी माता दी"



AIMIL PHARMACEUTICALS (INDIA) LIMITED

2994/4, STREET NO-17, RANJEET NAGAR, NEW DELHI - 110008

CIN - U24231DL1984PLC019461

BALANCE SHEET AS AT 31st MARCH, 2017

| | PARTICULARS | SCH. | AS AT 31.03.2017 | AS AT 31.03.2016 |
|----|--|------|-----------------------|---------------------|
| I | EQUITY AND LIABILITIES | | | |
| 1 | SHAREHOLDER'S FUNDS | | | |
| | Share Capital | 3 | 13,17,56,000 | 13,17,56,000 |
| | Reserves and Surplus | 4 | 10,44,77,857 | 7,72,89,902 |
| 2 | NON CURRENT LIABILITIES | | | |
| | (a) Long-Term Borrowings | 5 | 25,73,67,258 | 21,96,27,154 |
| | (b) Deferred Tax Liabilities (Net) | 6 | 57,60,710 | 77,29,816 |
| 3 | CURRENT LIABILITIES | | | |
| | (a) Short-Term Borrowings | 7 | 20,81,26,257 | 15,08,24,507 |
| | (b) Trade Payables | 8 | 24,22,97,849 | 20,92,40,546 |
| | (c) Other Current Liabilities | 9 | 10,47,93,124 | 9,83,77,721 |
| | (d) Short Term Provisions | 10 | 1,49,08,900 | 1,05,58,900 |
| | TOTAL Rs... | | 1,06,94,87,955 | 90,54,04,546 |
| II | ASSETS | | | |
| 1 | NON-CURRENT ASSETS | 11 | | |
| | Fixed Assets : | | | |
| | (a) Tangible Assets | | 25,98,10,995 | 25,15,12,748 |
| 2 | CURRENT ASSETS | | | |
| | (a) Inventories | 12 | 35,77,47,230 | 25,34,30,648 |
| | (b) Trade Receivables | 13 | 41,90,45,863 | 37,48,52,872 |
| | (c) Cash and Cash Equivalents | 14 | 80,41,945 | 74,86,773 |
| | (d) Short-Term Loans and Advances | 15 | 2,48,41,922 | 1,81,21,505 |
| | TOTAL Rs... | | 1,06,94,87,955 | 90,54,04,546 |
| | SIGNIFICANT ACCOUNTING POLICIES | 1 | | |
| | NOTES TO THE ACCOUNTS | 2 | | |

As Per Our Report of Even Date Attached

For M.G.S. Rawal & Co.
Chartered Accountants
FRN - 001796N

S.K. Rawal
Proprietor
(MN-014340)

Place: New Delhi
Date: 22.08.2017

Ambani & Associates LLP
Chartered Accountants
FRN - 016923N

Hitesh Ambani
Designated Partner
(MN-506267)

For and on behalf of the Board

Kanwal Kumar Sharma
(Managing Director)
DIN - 00526387

Ram Sawroop Sharma
(Chief Financial Officer)

Pankaj Marwaha
(Director - Marketing)
DIN - 00526342

Gaurav Agarwal
(Company Secretary)



**AIMIL PHARMACEUTICALS (INDIA) LIMITED**

2994/4, STREET NO-17, RANJEET NAGAR, NEW DELHI - 110008

CIN - U24231DL1984PLC019461

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2017

| PARTICULARS | SCH. | YEAR ENDED 31.03.2017 | YEAR ENDED 31.03.2016 |
|--|------|--------------------------|--------------------------|
| INCOME | | | |
| Revenue from operations (gross) | 16 | 2,90,30,15,537 | 2,02,13,89,782 |
| Less : Excise duty | | 7,06,99,669 | 4,66,07,209 |
| Revenue from operations (net) | | 2,83,23,15,867 | 1,97,47,82,573 |
| Other income | 17 | 64,06,197 | 10,82,091 |
| Total Revenue | | 2,83,87,22,064 | 1,97,58,64,664 |
| EXPENDITURE | | | |
| Cost of Materials Consumed | 18 | 56,24,42,654 | 37,33,20,406 |
| Purchases of Stock -in-Trade | | 16,08,94,603 | 15,20,76,246 |
| Changes in Inventories of Finished Goods and Stock-in-Process | 19 | -8,23,10,096 | -7,67,02,579 |
| Employee Benefits Expense | 20 | 41,86,55,899 | 31,98,20,686 |
| Other Expenses | 21 | 1,66,09,40,909 | 1,11,11,14,407 |
| Finance Costs | 22 | 4,34,54,225 | 4,24,35,953 |
| Depreciation | | 3,90,36,437 | 4,31,54,601 |
| Total Expenses | | 2,80,31,14,631 | 1,96,52,19,719 |
| Profit Before Extra-ordinary Items & Tax | | 3,56,07,434 | 1,06,44,945 |
| Less : <u>Extra-Ordinary Items</u> | | 0 | 113920 |
| Additional Depreciation due to change of useful life of assets | | | |
| Profit Before Tax | | 3,56,07,434 | 1,05,31,025 |
| Tax Expenses | | | |
| Current Tax | | 75,00,000 | 22,50,000 |
| Deferred tax | | -19,69,106 | -39,33,262 |
| Total Tax Expenses | | 55,30,894 | -16,83,262 |
| Profit for the year | | 3,00,76,540 | 1,22,14,287 |

As Per Our Report of Even Date Attached

For M.G.S. Rawal & Co.
Chartered Accountants
FRN - 001796NS.K. Rawal
Proprietor
(MN-014340)Place: New Delhi
Date: 29.08.2017Ambani & Associates LLP
Chartered Accountants
FRN - 016923NHitesh Ambani
Designated Partner
(MN-506267)

For and on behalf of the Board

Kanwal Kumar Sharma
(Managing Director)
DIN - 00526387Ram Sawroop Sharma
(Chief Financial Officer)Pankaj Marwaha
(Director - Marketing)
DIN - 00526342Gaurav Agarwal
(COMPANY SECRETARY)



AIMIL PHARMACEUTICALS (INDIA) LIMITED

| | AS AT 31.03.2017 | AS AT 31.03.2016 |
|---|---------------------|---------------------|
| SCHEDULE - 3 : SHARE CAPITAL | | |
| AUTHORISED | | |
| 9,50,000 (Previous Year 9,50,000) Equity Shares of Rs. 100/- each | 9,50,00,000 | 9,50,00,000 |
| 5,00,000 (Previous Year 5,00,000) Preference Shares Rs. 100/- each | 5,00,00,000 | 5,00,00,000 |
| ISSUED, SUBSCRIBED & PAID UP | | |
| 8,17,560 (Previous Year 8,17,560) Equity Shares of Rs 100/- each fully paid up | 8,17,56,000 | 8,17,56,000 |
| (out of these 3,300 (Prev. Year 3,300) Equity shares were issued for consideration other than cash) | | |
| 5,00,000, 8% Redeemable Preference Shares (Previous Year 5,00,000) of Rs. 100/- each fully paid up | 5,00,00,000 | 5,00,00,000 |
| | 13,17,56,000 | 13,17,56,000 |
| SCHEDULE - 4 : RESERVES AND SURPLUS | | |
| General Reserve | 5,16,745 | 5,16,745 |
| Securities Premium Account | 64,80,000 | 64,80,000 |
| Surplus in Statement of Profit and Loss | | |
| As per last Balance Sheet | 7,02,93,157 | 6,09,67,455 |
| Profit for the period | 3,00,76,540 | 1,22,14,286 |
| Less : Appropriations for Preference Dividend | 24,00,000 | 24,00,000 |
| Tax on Dividend | 4,88,584 | 4,88,584 |
| | 9,74,81,113 | 7,02,93,157 |
| | 10,44,77,857 | 7,72,89,902 |
| SCHEDULE - 5 : LONG TERM BORROWINGS | | |
| a) Security Deposit | 18,68,89,622 | 15,90,75,840 |
| b) From Punjab National Bank | 5,63,27,873 | 4,91,82,029 |
| Secured against equitable mortgage of immovable properties of Nalagarh Unit and personal guarantee of Directors | | |
| Add : Interest accrued and but not due | | |
| c) From Punjab National Bank | 1,41,49,763 | 1,13,69,285 |
| Secured against hypothecation of Vehicles | | |
| | 25,73,67,258 | 21,96,27,154 |
| SCHEDULE - 6 : DEFERRED TAX LIABILITIES | | |
| Deferred Tax Liabilities | 57,60,710 | 77,29,816 |
| | 57,60,710 | 77,29,816 |



f. u. Sharma

[Signature]



[Signature]



AIMIL PHARMACEUTICALS (INDIA) LIMITED

| | AS AT 31.03.2017 | AS AT 31.03.2016 |
|---|---------------------|---------------------|
| SCHEDULE - 7 : SHORT - TERM BORROWINGS | | |
| From Bank | | |
| Secured against Hypothecation of stocks, Debtors including Govt. Bills, equitable mortgage on immovable properties, plant & machinery of existing unit and personal guarantee of Directors. | 20,81,26,257 | 15,08,24,507 |
| | 20,81,26,257 | 15,08,24,507 |
| SCHEDULE - 8 : TRADE PAYABLES | | |
| Sundry Creditors | | |
| - Due to small scale industries | 1,30,62,992 | 1,06,58,964 |
| - Others | 22,92,34,857 | 19,85,81,582 |
| | 24,22,97,849 | 20,92,40,546 |
| SCHEDULE - 9 : OTHER CURRENT LIABILITIES | | |
| Other liabilities | 10,47,93,124 | 9,83,77,721 |
| | 10,47,93,124 | 9,83,77,721 |
| SCHEDULE - 10 : SHORT - TERM PROVISIONS | | |
| Provision for Income Tax | 1,49,08,900 | 1,05,58,900 |
| | 1,49,08,900 | 1,05,58,900 |
| SCHEDULE - 12 : INVENTORIES (As verified and certified by the management) | | |
| Raw Material | 4,05,59,007 | 3,47,40,895 |
| Work in Process | 3,58,56,849 | 3,19,46,547 |
| Packing Material | 3,06,23,462 | 1,91,90,673 |
| Finished Goods | 20,04,08,192 | 14,21,74,275 |
| Goods In Transit | 4,91,72,856 | 2,50,96,677 |
| Stock of Literature & other items | 11,26,864 | 2,81,581 |
| | 35,77,47,230 | 25,34,30,648 |
| SCHEDULE - 13 : TRADE RECEIVABLES (Unsecured, Considered good) | | |
| Outstanding for a period exceeding six months | 2,64,87,451 | 2,36,45,043 |
| Others | 39,25,58,412 | 35,12,07,829 |
| | 41,90,45,863 | 37,48,52,872 |
| SCHEDULE - 14 : CASH AND CASH EQUIVALENTS | | |
| Cash in Hand | 10,46,672 | 5,32,032 |
| Bank Balances with Scheduled Banks | | |
| --In Current accounts | 41,99,875 | 41,59,344 |
| --Cheques In Transit | - | 0 |
| --Fixed Deposits | 27,95,397 | 27,95,397 |
| | 80,41,945 | 74,86,773 |

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AIMIL PHARMACEUTICALS (INDIA) LIMITED

SCHEDULE 11 : SCHEDULE OF FIXED ASSETS AND DEPRECIATION THEREON FOR THE YEAR ENDED 31st March, 2017

| | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | | |
|--------------------------|---------------------|-------------|--------------------|---------------------|---------------------|--------------|-------------|--------------------|---------------------|---------------------|---------------------|
| | As At 01.04.2016 | Additions | Sale Adjustment | As At 31.03.2017 | Up to 31.03.2016 | For the Year | | Sale Adjustment | Up to 31.03.2017 | As At 31.03.2017 | As At 31.03.2016 |
| | | | | | | Additional | Current | | | | |
| A. Land | 84,07,000 | - | - | 84,07,000 | - | - | - | - | - | 84,07,000 | 84,07,000 |
| B. Building | 16,99,45,415 | 2,40,92,281 | - | 19,40,37,696 | 4,77,50,149 | 0 | 1,19,33,612 | - | 5,96,83,761 | 13,43,53,935 | 12,21,99,266 |
| C. Plant & Machinery | 20,03,89,964 | 1,11,06,711 | - | 21,16,96,675 | 10,48,23,201 | 0 | 1,79,77,391 | - | 12,27,20,592 | 8,89,66,083 | 9,55,66,763 |
| D. Computers | 60,54,817 | 40,86,284 | - | 1,01,41,101 | 46,55,725 | 0 | 15,39,692 | - | 62,35,417 | 39,05,684 | 13,59,092 |
| E. Vehicles | 4,65,02,217 | 59,78,820 | 70,132.00 | 5,24,10,505 | 3,18,42,144 | 0 | 50,04,292 | - | 3,68,46,436 | 1,55,64,469 | 1,46,60,071 |
| F. Furniture & Fixtures | 1,00,35,657 | 42,37,645 | - | 1,42,73,302 | 90,62,111 | 0 | 8,16,180 | - | 99,08,291 | 43,65,011 | 9,73,546 |
| G. Office Equipment | 95,36,493 | 24,99,946 | 0 | 1,20,36,439 | 61,35,898 | 0 | 18,40,109 | 0 | 79,36,097 | 41,00,342 | 34,00,395 |
| H. Electric equipment | 7,39,565 | - | - | 7,39,565 | 7,13,648 | 0 | - | - | 7,23,648 | 25,917 | 25,917 |
| I. Cable Wires | 35,53,555 | - | - | 35,53,555 | 35,25,930 | 0 | 5,071 | - | 35,31,001 | 1,22,554 | 1,27,625 |
| TOTAL (A) | 85,52,04,681 | 5,22,05,687 | 70,132 | 50,73,96,238 | 20,85,40,806 | 0 | 3,90,16,437 | 0 | 24,75,85,243 | 25,98,10,995 | 24,67,13,877 |
| Capital Work in Progress | 47,96,871 | 1,68,83,854 | 2,16,80,725 | 0 | 0 | 0 | 0 | - | 0 | 0 | 47,96,871 |
| TOTAL (B) | 47,96,871 | 1,68,83,854 | 2,16,80,725 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 47,96,871 |
| TOTAL (A+B) | 40,00,61,554 | 6,90,85,541 | 2,17,50,857 | 50,73,96,238 | 20,85,40,806 | 0 | 3,90,16,437 | 0 | 24,75,85,243 | 25,98,10,995 | 25,15,12,748 |
| Previous Year | 43,67,00,377 | 2,33,61,177 | 0 | 46,00,61,554 | 16,52,80,285 | 11,95,00,00 | 4,31,14,601 | 0 | 20,85,40,806 | 25,15,12,748 | 27,14,20,092 |



For the year ended 31.03.2017

Dr. Vaidya



AIMIL PHARMACEUTICALS (INDIA) LIMITED

| | AS AT 31.03.2017 | AS AT 31.03.2016 |
|---|---------------------|---------------------|
| SCHEDULE - 15 : SHORT - TERM LOANS AND ADVANCES (Unsecured considered good) | | |
| Advances recoverable in cash or in kind or for value to be received | 75,10,227 | 11,34,319 |
| Security Deposits | 66,58,717 | 62,73,718 |
| Income Tax | 1,06,72,978 | 1,07,13,468 |
| | 2,48,41,922 | 1,81,21,505 |
| SCHEDULE - 16 : REVENUE FROM OPERATIONS | | |
| Domestic Sales | 2,80,22,80,851 | 1,89,29,26,658 |
| Export sales | 10,07,34,686 | 12,84,63,124 |
| | 2,90,30,15,537 | 2,02,13,89,782 |
| SCHEDULE - 17 : OTHER INCOME | | |
| Interest Received | 4,50,930 | 4,10,494 |
| Miscellaneous Income | 59,55,267 | 6,71,597 |
| | 64,06,197 | 10,82,091 |
| SCHEDULE - 18 : COST OF MATERIALS CONSUMED | | |
| <u>Raw Material Consumed</u> | | |
| Opening Stock | 6,66,87,442 | 4,94,62,568 |
| Add : Purchases during the year | 35,82,62,729 | 24,67,01,821 |
| Less : Closing Stock | 7,64,15,856 | 6,66,87,442 |
| Less : Expenses incurred on R & D | 1,04,56,029 | 68,84,308 |
| Raw Material Consumed | 33,80,78,286 | 22,25,92,639 |
| <u>Packing Material Consumed</u> | | |
| Opening Stock | 1,91,90,673 | 1,65,54,455 |
| Add : Purchases during the year | 23,57,97,157 | 15,33,63,985 |
| Less : Closing Stock | 3,06,23,462 | 1,91,90,673 |
| Packing Material Consumed | 22,43,64,368 | 15,07,27,767 |
| | | |
| Total Rs.. | 56,24,42,654 | 37,33,20,406 |
| SCHEDULE - 19 : Changes in Inventories of Finished Goods and WIP | | |
| <u>Opening Stock</u> | | |
| Finished Stock | 14,21,74,275 | 6,45,54,596 |
| Goods in Transit | 2,50,96,677 | 2,60,13,777 |
| | 16,72,70,952 | 9,05,68,373 |
| <u>Closing Stock</u> | | |
| Finished Stock | 20,04,08,192 | 14,21,74,275 |
| Goods in Transit | 4,91,72,856 | 2,50,96,677 |
| | 24,95,81,048 | 16,72,70,952 |
| | | |
| Total Rs.. | -8,23,10,096 | -7,67,02,579 |

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AIMIL PHARMACEUTICALS (INDIA) LIMITED

| | YEAR ENDED 31.03.2017 | YEAR ENDED 31.03.2016 |
|--|--------------------------|--------------------------|
| SCHEDULE - 20 : EMPLOYEE BENEFITS EXPENSE | | |
| Salary , Wages & Bonus | 37,63,66,022 | 28,91,94,693 |
| Directors' Remuneration | 76,77,600 | 44,47,600 |
| Contribution to Provident and other Funds | 2,45,47,671 | 1,89,65,334 |
| Gratuity | 23,95,718 | 12,70,663 |
| Staff Welfare and other Amenities | 76,68,888 | 59,42,396 |
| | 41,86,55,899 | 31,98,20,686 |
| SCHEDULE - 21 : OTHER EXPENSES | | |
| Rent, Rates & Taxes | 1,08,53,474 | 76,93,749 |
| Postage, Telegram & Telephones | 91,27,755 | 1,22,41,274 |
| Printing & Stationery | 1,15,98,194 | 1,03,97,879 |
| Conference Expenses | 1,41,68,756 | 78,43,807 |
| Electricity & water Expenses | 61,92,908 | 20,46,114 |
| Conveyance | 4,54,14,640 | 3,33,56,253 |
| Charity & Donation | 10,100 | 66,200 |
| Insurance Charges | 7,91,978 | 5,71,589 |
| Fees & Subscription | 2,80,320 | 7,15,581 |
| Legal & Professional Expenses | 56,17,827 | 26,58,628 |
| General Expenses | 72,11,515 | 50,15,413 |
| Diwali Expenses | 19,76,890 | 45,04,424 |
| Office Repair & Maintenance | 74,65,992 | 28,43,155 |
| Vehicle Running & Maintenance | 41,12,662 | 34,84,177 |
| Payment to Auditors - Audit Fees | 16,00,000 | 16,00,000 |
| - Other Expenses | 4,64,500 | 4,64,500 |
| Security Service Charges | 9,30,032 | 6,42,918 |
| Travelling Expenses | 1,07,64,321 | 93,64,232 |
| Books & Periodicals | 96,004 | 29,765 |
| Additional Sales Tax Paid | 10,96,211 | 14,91,373 |
| Royalty | 2,73,47,762 | 1,24,06,605 |
| Advertisement & Publicity | 2,49,61,868 | 1,43,97,484 |
| Octroi , Freight & Cartage Outward | 6,58,02,460 | 4,59,67,903 |
| Expiry & Breakages | 7,34,82,248 | 5,15,69,048 |
| Sales Promotion & Selling Expenses | 1,01,51,51,021 | 64,79,64,293 |
| C & F Commission & Expenses | 5,84,56,204 | 3,47,58,506 |
| Sales Incentive | 6,93,30,783 | 5,77,07,846 |
| TA/ DA Expenses | 12,41,80,422 | 9,92,13,031 |
| Freight & Cartage | 11,02,046 | 9,94,199 |
| Power & Fuel | 3,95,54,348 | 2,78,50,352 |
| Repair & Maintenance - Machinery | 54,13,650 | 14,31,763 |
| - Buildings | 16,44,491 | 7,33,196 |
| - Others | 4,89,791 | 13,26,765 |
| Other Manufacturing Expenses | 37,93,708 | 8,78,076 |
| Expenses incurred on R & D | 1,04,56,029 | 68,84,309 |
| | 1,66,09,40,909 | 1,11,11,14,407 |
| SCHEDULE - 22 : FINANCE COST | | |
| Interest to Banks | 2,70,11,549 | 2,37,61,073 |
| Interest to Others | 1,40,21,824 | 1,71,01,003 |
| Bank Charges | 24,20,852 | 15,73,877 |
| | 4,34,54,225 | 4,24,35,953 |

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Schedule 1: Significant Accounting Policies

(Annexure to and forming part of the Balance Sheet as on 31.03.2017 and Profit & Loss Account for the year ended on that date)

1.01 Basis of preparation

The accounts have been prepared on historical cost convention as a going concern on accrual basis, in accordance with the requirements of the Companies Act, 1956 and in accordance with the accounting principles generally accepted in India, and comply with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), to the extent applicable. Accounting policies have been consistently applied and where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use, such changes are suitably incorporated. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

1.02 Presentation and disclosure of financial statements

The presentation and disclosure of the financial statements have been made in accordance with the revised Schedule VI notified by the Central Government vide notification no. S.O 447(E), dated 28th February 2011 (as amended by notification no. F No. 2/6/2008-CL-V, dated 30th March 2011) which has become effective for accounting periods commencing on or after 1st April 2011. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

1.03 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

1.04 Fixed Assets

- Tangible assets are stated at their original cost of acquisition including taxes, duties, freight, and other incidental expenses related to acquisition and installation of the concerned assets less accumulated depreciation and impairment losses, if any. Interest and other borrowing costs during construction period to finance qualifying fixed assets are capitalized.
- Subsequent expenditure related to an item of tangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing tangible assets, including day to day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.
- Preoperative expenditure and trial run expenditure accumulated as capital work in progress is allocated on the basis of prime cost of fixed assets in the year of commencement of commercial production.
- Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the assets can be measured reliably.



1.05 Depreciation

- a) Depreciation has been provided on Written down value method at the rates and in the manner as prescribed in Schedule XIV of the Companies Act, 1956 which approximate the useful life of the assets estimated by the management. The residual values and useful life of assets are reviewed and adjusted, if appropriate, at each balance sheet date.
Depreciation on fixed assets added/dropped off during the year is provided on pro-rata basis. Depreciation on assets for a value not exceeding Rs.5000 acquired during the year is provided at the rate of 100%.
- b) The cost and the accumulated depreciation on fixed assets sold or otherwise disposed off are removed from the stated values and resulting gain and losses are recognized in profit and loss account.

1.06 Inventories

- a) Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a moving weighted average basis.
- b) Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty and is determined on a weighted average basis.
- c) The stocks of scrap materials have been taken at net realisable value.

1.07 Retirement Benefits

Contributions to defined contribution scheme such as provident fund etc. are charged to profit & loss account as incurred. The company also provides for retirement /Post Retirement benefits in form of gratuity, pensions and medical. Such benefits are recognized as an expense as and when incurred.

1.08 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue from sales are recognized when significant risks and rewards of ownership of the goods have passed to the buyer which coincides with delivery and are recorded net of returns and trade discount. Excise duty is deducted from revenue (gross) to arrive at revenue from operation (net). Sales are exclusive of sales tax and value added tax. Sales do not include inter-divisional transfers.

1.09 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The number of shares and dilutive shares are adjusted by issue of bonus shares, if any.



1.10 Taxes on Income

Tax expense for the year comprises of current tax and deferred tax.

- a) Current tax is determined on the amount of tax payable in respect of taxable income for the period, using the applicable tax rates and tax laws in accordance with the provisions of Income Tax Act 1961.
- b) Deferred tax is recognized, subject to consideration of prudence, on timing differences, being difference between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. At each reporting date, the group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.11 Impairment of 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 company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The 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. Where the carrying amount of an asset or CGU 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 net selling price, recent market transactions are taken into account, if available. 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.

1.12 Borrowing costs

Borrowing cost includes interest and other costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

1.13 Provisions and Contingent Liabilities

Provisions

A provision is recognized when the group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.



Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability.




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Schedule 2: Notes to Accounts

(Annexure to and forming part of the balance sheet as on 31.03.2017 and Profit & Loss Account for the year ended on that date)

2.1 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.2 Deferred Tax Liability

| | Amount Rs. |
|---|---------------|
| W.D.V As per Companies Act, 1956 | 25,14,03,995 |
| W.D.V As Per Income Tax Act, 1961 | 23,27,60,930 |
| Difference | 1,86,43,075 |
| Deferred Tax Liabilities as on 31.03.2017 | 57,60,710 |
| Deferred Tax Liabilities as on 31.03.2016 | 77,29,816 |
| Provision to be made for FY 2016-17 | (-) 19,69,106 |

2.3 Auditor's Remuneration consists of followings:

| | <u>2016-17</u> | <u>2015-16</u> |
|----------------|------------------|------------------|
| Audit Fees | 15,00,000 | 15,00,000 |
| Tax Audit Fees | 1,00,000 | 1,00,000 |
| Other Matters | 3,50,000 | 3,50,000 |
| Other Expenses | <u>1,14,500</u> | <u>1,14,500</u> |
| TOTAL | <u>20,64,500</u> | <u>20,64,500</u> |

2.4 Particulars of Remuneration Paid to Directors

| | <u>2016-17</u> | <u>2015-16</u> |
|-------------------|------------------|------------------|
| Managing Director | 24,00,000 | 11,50,000 |
| Other Directors | <u>52,77,600</u> | <u>32,97,600</u> |
| TOTAL | <u>76,77,600</u> | <u>44,47,600</u> |

2.5 The Earning Per Share (EPS) comes to Rs. 36.79 per share (Previous year Rs 14.94 per share on 8,17,560 Equity Shares) on 8,17,560 Equity Shares on annual basis.

M.G.S. Rawal & Co.
Chartered Accountants
FRN-001796N

Ambani & Associates LLP
Chartered Accountants
FRN-016923N

For and behalf of the Board

(S. K. Rawal)
M.N.-014340
Proprietor

(Hitesh Ambani)
M.No.- 506267
Designated Partner

Kanwal Kumar Sharma
(Managing Director)

Pankaj Marwaha
(Director - Marketing)

Place: New Delhi
Date: 29.08.2017



Annexure 'A' to Notes to Accounts

Accounting Standard (AS-18) – "Related Party Disclosure"

| S.No | Description Of Related Party | Name of Related Party |
|------|---------------------------------------|---|
| 1 | Name of Associate Company | Aimil Marketing Services Pvt. Ltd. |
| 2 | Key Management Personnel | a. Mr. K. K.Sharma - Managing Director b. Mr Pankaj Marwaha - Director Marketing c. Mrs Manjula Sharma - Director d. Mrs. Subhash Sharma - Director e. Mr. Satya Prakash Srivastava - Director f. Mr. Veerender Pal Singh - Nominee Director, HPFC – Resigned on 19/04/2016 |
| 3 | Relatives of Key Management Personnel | a. Mr. Ikshit Sharma - Son of Managing Director b. Ms. Mehak Marwaha - Daughter of Director c. Mr. Prince Joshi - Son of Director d. Mr. Sanchit Sharma - Son of Managing Director e. Mrs. Pooja Sharma - Wife of Mr. Ikshit Sharma f. Mrs. Sugandha Marwaha - Wife of Mr. Sanchit Sharma g. Mrs. Priya Marwaha - Wife Of Mr. Pankaj Marwaha h. Mrs. Nitika Kohli - Daughter of MD Sir i. Mrs. Kshmta Srivastava - Daughter of Director j. Mrs. Rashmi Srivastava - Wife of Director |

(Figures are in '000)

| Particulars | Key Management Personnel | | Relatives of KMP | |
|--------------------------------|--------------------------|------------|------------------|------------|
| | 31/03/2017 | 31/03/2016 | 31/03/2017 | 31/03/2016 |
| Director's Remuneration | | | | |
| Mr. K. K. Sharma | 2400.00 | 1150.00 | | |
| Mr. Pankaj Marwaha | 1380.00 | 900.00 | | |
| Mrs. Manjula Sharma | 2400.00 | 900.00 | | |
| Mrs. Subhash Sharma | 600.00 | 600.00 | | |
| Mr. S. P. Srivastava | 897.60 | 897.60 | | |

| | | | | |
|------------------------|--|--|---------|--------|
| Salary | | | | |
| Mr. Ikshit Sharma | | | 2400.00 | 600.00 |
| Mr. Prince Joshi | | | 714.60 | 684.60 |
| Mr. Sanchit Sharma | | | 2400.00 | 472.80 |
| Mrs. Pooja Sharma | | | 2400.00 | 472.80 |
| Mrs. Sugandha | | | 2400.00 | 600.00 |
| Mrs. Priya Marwaha | | | 480.00 | 310.00 |
| Mrs. Nitika Kohli | | | 600.00 | 472.80 |
| Mrs. Rashmi Srivastava | | | 786.60 | 786.60 |
| Mrs. Kshmta Srivastava | | | 479.40 | 479.40 |





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