

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



AIMIL

PHARMACEUTICALS (INDIA) LTD.



ANNUAL REPORT

2013 - 2014



AUDITORS REPORT

To,

The Members of
Aimil Pharmaceuticals (India) Limited,

1. We have audited the attached Balance Sheet of **Aimil Pharmaceuticals (India) Limited** as at 31st March, 2014 and also the statement of Profit & Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India, in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of audit;
 - b) In our opinion, proper books of accounts, as required by law have been kept by the company so far as appears from our examination of the books ;
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts;
 - d) The Profit & Loss Account and Balance Sheet dealt with by this report comply with the Accounting standard referred to in Section 211(3C) of the Companies Act, 1956;
 - e) On the basis of written representation received from the Directors as on March 31,2014 and taken on the record of Board of Directors, we report that none of the directors are disqualified as at March 31,2014 from being appointed as a director in terms of clause(g) of sub-section (1) of section 274 of the Companies Act, 1956;



- f) In our opinion and according to the information and explanations given to us, the said accounts give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair review in conformity with the accounting principles generally accepted in India:
- a) In the case of Balance Sheet, of the state of affairs of the Company, as at 31st March, 2014;
- b) In the case of Profit & Loss Account, of the Profit of the Company for the year ended on 31st March 2014.

For

M. G. S. Rawal & Co.,
Chartered Accountants

(S. K. Rawal), M.N.-014340
Firm Reg No.- 001796N
Proprietor

Place: Delhi
Date: 18.08.2014

Amish Ambani & Co.
Chartered Accountants

(Hitesh Ambani), M No- 506267
Firm Reg No.- 016923N
Partner



ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 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) 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.
- c) There was no substantial disposal of fixed assets during the year.
- (ii) a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of clauses 4(iii) (a) to (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- b) According to the information and explanations given to us, the unsecured loans taken from directors covered in the register maintained under section 301 of the Companies Act, 1956 as interest free, the terms and conditions of the same are not prima facie prejudicial to the interest of the company. Accordingly, provisions of clauses 4(iii) (e) to (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an 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. The Company's activity does not involve any sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.



- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, related to the manufacture of Medicines and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) 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, except ESI amounting Rs. 26.83 Lacs not deposited.
- 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 VAT/Sales tax amounting to Rs. 34.63 Lacs.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company has no outstanding dues to financial institutions or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given guarantee for loans taken by its subsidiaries from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.



- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised money by way of public issue of shares/ debentures in the current year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For

M. G. S. Rawal & Co.,
Chartered Accountants

(S. K. Rawal), M.N.-014340
Firm Reg No.- 001796N
Proprietor

Place: Delhi
Date: 18.08.2014

Amish Ambani & Co.,
Chartered Accountants

(Hitesh Ambani), M No-506267
Firm Reg No.- 016923N
Partner



"नमो भगवते वासुदेवाय"



AIMIL PHARMACEUTICALS (INDIA) LIMITED

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

CIN - U24231DL1984PLC019461

BALANCE SHEET AS AT 31st MARCH, 2014

	PARTICULARS	SCH.	AS AT 31.03.2014	AS AT 31.03.2013
I	EQUITY AND LIABILITIES			
1	SHAREHOLDER'S FUNDS			
	Share Capital	3	13,17,56,000	13,17,56,000
	Reserves and Surplus	4	6,53,32,752	5,87,46,020
2	NON CURRENT LIABILITIES			
	(a) Long-Term Borrowings	5	20,02,39,796	19,44,40,316
	(b) Deferred Tax Liabilities (Net)	6	1,54,78,082	1,46,35,066
3	CURRENT LIABILITIES			
	(a) Short-Term Borrowings	7	10,73,68,101	10,34,88,997
	(b) Trade Payables	8	18,55,20,931	17,49,40,074
	(c) Other Current Liabilities	9	6,91,08,971	5,50,46,875
	(d) Short Term Provisions	10	85,88,000	57,80,000
	TOTAL Rs...		78,33,92,632	73,88,33,348
II	ASSETS			
1	NON-CURRENT ASSETS	11		
	Fixed Assets :			
	(a) Tangible Assets		29,67,90,233	32,56,18,966
2	CURRENT ASSETS			
	(a) Inventories	12	16,83,74,733	14,99,36,093
	(b) Trade Receivables	13	29,05,93,419	24,28,99,150
	(c) Cash and Cash Equivalents	14	89,97,134	42,32,008
	(d) Short-Term Loans and Advances	15	1,86,37,114	1,61,47,131
	TOTAL Rs...		78,33,92,632	73,88,33,348
	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

For Amish Ambani & Co.
Chartered Accountants

For and on behalf of the Board

S.K.Rawal
Proprietor
(MN-014340)
Place: New Delhi
Date: 18.08.2014

Hitesh Ambani
Partner
(MN-506267)



Kanwal Kumar Sharma
(Managing Director)
DIN - 00526387

Pankaj Marwaha
(Director - Marketing)
DIN - 00526342



**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, 2014**

PARTICULARS	SCH.	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
INCOME			
Revenue from operations (gross)	16	1,36,24,58,593	1,03,40,16,378
Less : Excise duty		2,38,90,008	2,98,25,702
Revenue from operations (net)		1,33,85,68,585	1,00,41,90,676
Other income	17	14,00,938	4,34,081
Total Revenue		1,33,99,69,523	1,00,46,24,757
EXPENDITURE			
Cost of Materials Consumed	18	25,14,48,717	18,93,81,603
Purchases of Stock -in-Trade		7,82,77,923	7,03,75,734
Changes in Inventories of Finished Goods and Stock-in-Process	19	15,18,395	-1,03,72,723
Employee Benefits Expense	20	24,42,17,519	19,48,94,121
Other Expenses	21	68,32,60,514	48,71,13,768
Finance Costs	22	3,55,61,992	3,80,25,650
Depreciation		3,24,46,833	2,48,25,589
Total Expenses		1,32,67,31,892	99,42,43,743
Profit Before Tax		1,32,37,631	1,03,81,014
Tax Expenses			
Current Tax		30,00,000	25,00,000
Deffered tax		8,43,019	8,20,148
Total Tax Expenses		38,43,019	33,20,148
Profit for the year		93,94,612	70,60,866

As Per Our Report of Even Date Attached**For M.G.S. Rawal & Co.****Chartered Accountants****For Amish Ambani & Co.****Chartered Accountants****For and on behalf of the Board**

S.K.Rawal
Proprietor
(MN-014340)

Place: New Delhi
Date: 18.08.2014

Hitesh Ambani
Partner
(MN-506267)

Kanwal Kumar Sharma
(Managing Director)
DIN - 00526387

Pankaj Marwaha
(Director - Marketing)
DIN - 00526342





AIMIL PHARMACEUTICALS (INDIA) LIMITED

	AS AT 31.03.2014	AS AT 31.03.2013
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 3,00,000) Preference Shares of Rs. 100/- each	5,00,00,000	3,00,00,000
ISSUED, SUBSCRIBED & PAID UP		
8,17,560 (Previous Year 6,26,660) Equity Shares of Rs 100/- each fully paid up (out of these 3,300 (Prev Year 3,300) equity shares were issued for consideration other than cash)	8,17,56,000	6,26,66,000
5,00,000, 8% Redeemable Preference Shares (Previous Year 3,00,000) of Rs. 100/- each fully paid up	5,00,00,000	3,00,00,000
Share Application Money	0	3,90,90,000
	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	5,17,49,275	4,74,96,288
Profit for the period	93,94,613	70,60,867
Less : Appropriations for Preference Dividend	24,00,000	24,00,000
Tax on Dividend	4,07,880	4,07,880
	5,83,36,008	5,17,49,275
	6,53,32,752	5,87,46,020
SCHEDULE - 5 : LONG TERM BORROWINGS		
a) Security Deposit	13,85,16,665	12,59,05,390
b) From HP Financial Corporation		
Secured against equitable mortgage of immovable properties/assets of Nalagarh Unit and personal guarantee of Directors	6,00,34,909	6,65,10,543
Add : Interest accrued and but not due	16,88,222	20,24,383
	20,02,39,796	19,44,40,316
SCHEDULE - 6 : DEFERRED TAX LIABILITIES		
Deferred Tax Liabilities	1,54,78,082	1,46,35,066
	1,54,78,082	1,46,35,066



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AIMIL PHARMACEUTICALS (INDIA) LIMITED

	AS AT 31.03.2014	AS AT 31.03.2013
SCHEDULE - 7 : SHORT - TERM BORROWINGS		
a) 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.	10,73,68,101	10,24,39,535
b) From Banks - Unsecured	0	10,49,462
	10,73,68,101	10,34,88,997
SCHEDULE - 8 : TRADE PAYABLES		
Sundry Creditors		
- Due to small scale industries	82,87,657	70,24,514
- Others	17,72,33,274	16,79,15,560
	18,55,20,931	17,49,40,074
SCHEDULE - 9 : OTHER CURRENT LIABILITIES		
Other liabilities	6,91,08,971	5,50,46,875
	6,91,08,971	5,50,46,875
SCHEDULE - 10 : SHORT - TERM PROVISIONS		
Provision for Income Tax	85,88,000	57,80,000
	85,88,000	57,80,000
SCHEDULE - 12 : INVENTORIES (As verified and certified by the management)		
Raw Material	2,54,18,084	1,99,63,860
Work in Process	4,54,43,742	3,90,26,815
Packing Material	1,99,34,061	1,12,61,082
Finished Goods	7,39,16,505	6,86,51,684
Goods In Transit	22,03,685	89,86,900
Stock of Literature & other Items	14,58,657	20,45,752
	16,83,74,733	14,99,36,093
SCHEDULE - 13 : TRADE RECEIVABLES (Unsecured, Considered good)		
Outstanding for a period exceeding six months	1,32,45,789	1,46,98,577
Others	27,73,47,630	22,82,00,573
	29,05,93,419	24,28,99,150
SCHEDULE - 14 : CASH AND CASH EQUIVALENTS		
Cash in Hand	18,75,826	28,20,666
Bank Balances with Scheduled Banks		
--In Current accounts	35,73,131	14,05,760
--Cheques In Transit	7,47,249	-
--Fixed Deposits	28,00,928	5,582
	89,97,134	42,32,008



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AIMIL PHARMACEUTICALS (INDIA) LIMITED

	AS AT 31.03.2014	AS AT 31.03.2013
SCHEDULE - 15 : SHORT - TERM LOANS AND ADVANCES (Unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received	14,05,418	6,77,833
Security Deposits	66,08,718	65,93,720
Income Tax	1,06,22,978	88,75,578
	1,86,37,114	1,61,47,131
SCHEDULE - 16 : REVENUE FROM OPERATIONS		
Domestic Sales	1,28,87,08,256	99,27,66,204
Export sales	7,37,50,338	4,12,50,174
	1,36,24,58,593	1,03,40,16,378
SCHEDULE - 17 : OTHER INCOME		
Interest Received	4,17,577	79,892
Profit on Sale of Assets	1,09,500	0
Miscellaneous Income	8,73,861	3,54,189
	14,00,938	4,34,081
SCHEDULE - 18 : COST OF MATERIALS CONSUMED		
<u>Raw Material Consumed</u>		
Opening Stock	5,89,90,675	3,32,10,040
Add : Purchases during the year	17,15,90,387	14,94,11,789
Less : Closing Stock	7,08,61,826	5,89,90,675
Less : Expenses incurred on R & D	47,91,577	37,08,935
Raw Material Consumed	15,49,27,659	11,99,22,219
<u>Packing Material Consumed</u>		
Opening Stock	1,12,61,082	28,40,573
Add : Purchases during the year	10,51,94,036	7,78,79,893
Less : Closing Stock	1,99,34,061	1,12,61,082
Packing Material Consumed	9,65,21,058	6,94,59,384
Total Rs...	25,14,48,717	18,93,81,603
SCHEDULE - 19 : Changes in Inventories of Finished Goods and WIP		
<u>Opening Stock</u>		
Finished Stock	6,86,51,684	5,45,59,091
Goods in Transit	89,86,900	1,27,06,770
	7,76,38,584	6,72,65,861
<u>Closing Stock</u>		
Finished Stock	7,39,16,505	6,86,51,684
Goods in Transit	22,03,685	89,86,900
	7,61,20,189	7,76,38,584
Total Rs...	15,18,395	-1,03,72,723



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AIMIL PHARMACEUTICALS (INDIA) LIMITED

		YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
SCHEDULE - 20 : EMPLOYEE BENEFITS EXPENSE			
Salary , Wages & Bonus		22,47,26,264	17,79,47,308
Directors' Remuneration		30,00,000	17,40,000
Contribution to Provident and other Funds		1,20,83,587	1,06,12,004
Gratuity		12,90,398	21,81,367
Staff Welfare and other Amenities		31,17,270	24,13,442
		24,42,17,519	19,48,94,121
SCHEDULE - 21 : OTHER EXPENSES			
Rent Paid		8,86,365	9,87,000
Postage, Telegram & Telephones		1,01,19,931	73,31,401
Printing & Stationery		38,93,801	21,60,816
Conference Expenses		66,57,742	37,13,908
Electricity & water Expenses		16,65,833	14,47,822
Conveyance		1,95,69,150	1,75,53,923
Charity & Donation		13,008	62,804
Insurance Charges		5,33,036	6,61,019
Fees & Subscription		3,33,029	3,39,186
Legal & Professional Expenses		18,71,342	10,41,240
General Expenses		21,73,200	22,41,071
Diwali Expenses		7,77,043	5,88,519
Office Repair & Maintenance		10,51,525	18,98,733
Vehicle Running & Maintenance		27,79,726	25,91,139
Payment to Auditors - Audit Fees		3,60,000	2,60,000
- Other Expenses		3,58,300	2,38,130
Security Service Charges		8,27,448	4,94,302
Travelling Expenses		69,60,535	48,99,485
Books & Periodicals		1,24,481	3,00,073
Royalty		28,59,125	5,70,141
Additional Sales Tax Paid		18,39,084	1,35,920
Director Meeting Fees		40,500	24,000
Advertisement & Publicity		70,06,816	2,19,54,298
Octroi , Freight & Cartage Outward		2,74,00,691	2,01,29,653
Expiry & Breakages		3,87,53,168	2,72,55,879
Sales Promotion & Selling Expenses		37,31,96,303	22,66,15,550
C & F Commission & Expenses		2,19,76,514	2,16,23,510
Sales Incentive		3,55,21,301	2,32,14,902
TA/ DA Expenses		7,32,99,504	5,79,47,000
Freight & Cartage		1,23,16,613	1,35,04,145
Power & Fuel		2,12,41,340	1,98,51,552
Repair & Maintenance - Machinery		8,48,609	8,78,291
- Buildings		6,00,294	2,79,037
- Others		1,52,854	17,840
Other Manufacturing Expenses		4,60,726	5,92,544
Expenses incurred on R & D		47,91,577	37,08,935
		68,32,60,514	48,71,13,768
SCHEDULE - 22 : FINANCE COST			
Interest to Banks		2,33,45,199	2,64,45,495
Interest to Others		1,10,03,207	1,06,95,134
Bank Charges		12,13,586	8,85,022
		3,55,61,992	3,80,25,650



Amish Ambani

Arvaha



Aimil Pharmaceuticals (I) Ltd.

Schedule 1: Significant Accounting Policies

(Annexure to and forming part of the Balance Sheet as on 31.03.2014 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

- a) 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.
- b) 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.



Barun Kumar





Aimil Pharmaceuticals (I) Ltd.

- c) 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.
- d) 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 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/disposed 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.





Aimil Pharmaceuticals (I) Ltd.

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.



J. S. Sharma

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Aimil Pharmaceuticals (I) Ltd.

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.

Schedule 2: Notes to Accounts

(Annexure to and forming part of the balance sheet as on 31.03.2014 and Profit & Loss Account for the year ended on that date)

1.14 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.

1.15 Deferred Tax Liability

	Amount Rs.
W.D.V As per Companies Act, 1956	23,82,92,344
W.D.V As Per Income Tax Act, 1961	28,83,77,180
Difference	5,00,84,837
Deferred Tax Liabilities as on 31.03.2014	1,54,76,215
Deferred Tax Liabilities as on 31.03.2013	1,46,35,066
Provision to be made for FY 2013-14	8,41,149



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Aimil Pharmaceuticals (I) Ltd.

1.16 Share application money of Rs. 390.90 Lacs has been allotted in previous year 2013-14.

1.17 Auditor's Remuneration consists of followings:

	<u>2013-14</u>	<u>2012-13</u>
Audit Fees	3,00,000	2,00,000
Tax Audit Fees	60,000	60,000
Other Matters	2,50,000	1,30,000
Other Expenses	<u>1,08,300</u>	<u>1,08,130</u>
TOTAL	<u>7,18,300</u>	<u>4,98,130</u>

1.18 Particulars of Remuneration Paid to Directors

	<u>2013-14</u>	<u>2012-13</u>
Managing Director	9,00,000	6,00,000
Other Directors	<u>21,00,000</u>	<u>11,40,000</u>
TOTAL	<u>30,00,000</u>	<u>17,40,000</u>

1.19 The Earning Per Share (EPS) comes to Rs. 11.40 per share (Previous year Rs 11.26 per share on 6,26,660 Equity Shares) on 8,17,560 Equity Shares on annual basis.

For M.G.S. Rawal & Co.
Chartered Accountants

S. K. Rawal
(Proprietor)
MN-014340

For Amish Ambani & Co.
Chartered Accountants

Hitesh Ambani
(Partner)
MN-506267

For and behalf of the Board

Kanwal Kumar Sharma
(Managing Director)
DIN - 00526387

Pankaj Marwaha
(Director - Marketing)
DIN - 00526342

Place: New Delhi
Date: 18.08.2014





Aimil Pharmaceuticals (I) Ltd.

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. Subash Sharma - Director e. Mr. Veerender Pal Singh - Nominee Director, HPFC
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 - Daughter in Law of MD f. Mrs. Sugandha Sharma - Daughter in Law of MD g. Mrs. Priya Marwaha - Wife Of Mr. Pankaj Marwaha h. Mrs. Nitika Kohli - Daughter of Managing Director
4	Enterprises under significant influence of key management personnel or their relatives	a. M/s Sharma Brothers b. M/s Sharda Enterprises

Accounting Standard (AS-18) – “Related Party Disclosure”							(in ‘000)
Particulars	Key Management Personnel		Relatives of KMP		Enterprises under significant influence of key management personnel or their relatives		
	31/03/14	31/03/13	31/03/14	31/03/13	31/03/14	31/03/13	
Sale of Goods							
M/s Sharma Brothers					0	22,944	
M/s Sharda Enterprises					0	5,590	
Director’s Remuneration							
Mr. K. K. Sharma	900	600					
Mr. Pankaj Marwaha	900	600					
Mrs. Manjula Sharma	600	300					
Mrs. Subhash Sharma	600	240					



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Aimil Pharmaceuticals (I) Ltd.

Salary						
Mr. Ikshit Sharma			600	600		
Ms. Mehak Marwaha			0	200		
Mr. Prince Joshi			866	384		
Mr. Sanchit Sharma			352	353		
Mrs. Pooja Sharma			353	353		
Mrs. Sugandha			600	0		
Mrs. Priya Marwaha			480	0		
Mrs. Nitika Kohli			420	0		



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AIMIL
PHARMACEUTICALS (INDIA) LTD.

Caring for All...



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