

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



# AIMIL

PHARMACEUTICALS (INDIA) LTD.



**ANNUAL REPORT**

**2014 - 2015**



## 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 **31/03/2015**, 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 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 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 **31/03/2015**, and its for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

This report doesn't include a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2015, issued by the department of company affairs, in terms of sub section 11 of section 143 of the companies Act, 2013 since in Our opinion and according to the information and explanation given to us, the said order is not applicable to the company.

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 **31/03/2015** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2015** from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - 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.
  - 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

For Ambani & Associates LLP  
Chartered Accountant  
FRN-016923N



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

Place: Delhi  
Date: 31.07.2015



## Annexure to the Independent Auditors' Report

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

### 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, 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.



जसमाल की



# AIMIL PHARMACEUTICALS (INDIA) LIMITED

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

CIN - U24231DL1984PLC019461

BALANCE SHEET AS AT 31st MARCH, 2015

	PARTICULARS	SCH.	AS AT 31.03.2015	AS AT 31.03.2014
I	<b>EQUITY AND LIABILITIES</b>			
1	<b>SHAREHOLDER'S FUNDS</b>			
	Share Capital	3	131,756,000	131,756,000
	Reserves and Surplus	4	67,964,200	65,332,752
2	<b>NON CURRENT LIABILITIES</b>			
	(a) Long-Term Borrowings	5	186,675,100	200,239,796
	(b) Deferred Tax Liabilities (Net)	6	11,663,078	15,478,082
3	<b>CURRENT LIABILITIES</b>			
	(a) Short-Term Borrowings	7	136,645,555	107,368,101
	(b) Trade Payables	8	187,503,452	185,520,931
	(c) Other Current Liabilities	9	78,219,709	69,108,971
	(d) Short Term Provisions	10	9,038,900	8,588,000
	<b>TOTAL</b> Rs...		<b>809,465,994</b>	<b>783,392,633</b>
II	<b>ASSETS</b>			
1	<b>NON-CURRENT ASSETS</b>	11		
	Fixed Assets :			
	(a) Tangible Assets		271,420,092	296,790,234
2	<b>CURRENT ASSETS</b>			
	(a) Inventories	12	157,620,482	168,374,733
	(b) Trade Receivables	13	358,835,966	290,593,418
	(c) Cash and Cash Equivalents	14	4,544,840	8,997,134
	(d) Short-Term Loans and Advances	15	17,044,614	18,637,114
	<b>TOTAL</b> Rs...		<b>809,465,994</b>	<b>783,392,633</b>
	<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		
	<b>NOTES TO THE ACCOUNTS</b>	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: 31.07.2015

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

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, 2015

PARTICULARS	SCH.	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
<b>INCOME</b>			
Revenue from operations (gross)	16	1,556,879,072	1,362,458,594
Less : Excise duty		17,475,900	23,890,008
Revenue from operations (net)		1,539,403,172	1,338,568,586
Other income	17	1,448,155	1,400,938
Total Revenue		1,540,851,327	1,339,969,524
<b>EXPENDITURE</b>			
Cost of Materials Consumed	18	311,725,501	251,448,717
Purchases of Stock -in-Trade		54,594,248	78,277,923
Changes in Inventories of Finished Goods and Stock-in-Process	19	-14,448,184	1,518,395
Employee Benefits Expense	20	269,190,249	244,217,519
Other Expenses	21	835,864,835	683,260,514
Finance Costs	22	37,461,147	35,561,993
Depreciation		30,279,689	32,446,833
Total Expenses		1,524,667,485	1,326,731,892
Profit Before Extra-ordinary Items & Tax		16,183,842	13,237,632
Less : <u>Extra-Ordinary Items</u>			
Additional Depreciation due to change of useful life of assets		13,873,813	-
Profit Before Tax		2,310,029	13,237,632
<b>Tax Expenses</b>			
Current Tax		605,000	3,000,000
Deffered tax		-3,815,004	843,019
Total Tax Expenses		-3,210,004	3,843,019
Profit for the year		5,520,033	9,394,613

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: 31.07.2015

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

Pankaj Marwaha  
(Director - Marketing)  
DIN - 00526342



# AIMIL PHARMACEUTICALS (INDIA) LIMITED

		AS AT 31.03.2015	AS AT 31.03.2014
<b>SCHEDULE - 3 : SHARE CAPITAL</b>			
<b>AUTHORISED</b>			
9,50,000 (Previous Year 9,50,000) Equity Shares of Rs. 100/- each		95,000,000	95,000,000
5,00,000 (Previous Year 5,00,000) Preference Shares Rs. 100/- each		50,000,000	50,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>			
8,17,560 (Previous Year 8,17,560) Equity Shares of Rs 100/- each fully paid up		81,756,000	81,756,000
(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		50,000,000	50,000,000
		131,756,000	131,756,000
<b>SCHEDULE - 4 : RESERVES AND SURPLUS</b>			
General Reserve		516,745	516,745
Securities Premium Account		6,480,000	6,480,000
Surplus in Statement of Profit and Loss As per last Balance Sheet		58,336,007	51,749,275
Profit for the period		5,520,033	9,394,613
Less : Appropriations for Preference Dividend		2,400,000	2,400,000
Tax on Dividend		488,584	407,880
		60,967,456	58,336,008
		67,964,200	65,332,752
<b>SCHEDULE - 5 : LONG TERM BORROWINGS</b>			
a) Security Deposit		136,570,880	138,516,665
b) From HP Financial Corporation			
Secured against equitable mortgage of immovable properties/assets of Nalagarh Unit and personal guarantee of Directors		48,588,220	60,034,909
Add : Interest accrued and but not due		1,516,000	1,688,222
		186,675,100	200,239,796
<b>SCHEDULE - 6 : DEFERRED TAX LIABILITIES</b>			
Deferred Tax Liabilities		11,663,078	15,478,082
		11,663,078	15,478,082



*For & on behalf of*  
*Chartered Accountant*







# AIMIL PHARMACEUTICALS (INDIA) LIMITED

	AS AT 31.03.2015	AS AT 31.03.2014
<b>SCHEDULE - 3 : SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
9,50,000 (Previous Year 9,50,000) Equity Shares of Rs. 100/- each	95,000,000	95,000,000
5,00,000 (Previous Year 5,00,000) Preference Shares of Rs. 100/- each	50,000,000	50,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
8,17,560 (Previous Year 8,17,560) Equity Shares of Rs 100/- each fully paid up	81,756,000	81,756,000
(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	50,000,000	50,000,000
	<b>131,756,000</b>	<b>131,756,000</b>
<b>SCHEDULE - 4 : RESERVES AND SURPLUS</b>		
General Reserve	516,745	516,745
Securities Premium Account	6,480,000	6,480,000
Surplus in Statement of Profit and Loss As per last Balance Sheet	58,336,007	51,749,275
Profit for the period	5,520,033	9,394,613
Less : Appropriations for Preference Dividend	2,400,000	2,400,000
Tax on Dividend	488,584	407,880
	<b>60,967,456</b>	<b>58,336,008</b>
	<b>67,964,200</b>	<b>65,332,752</b>
<b>SCHEDULE - 5 : LONG TERM BORROWINGS</b>		
a) Security Deposit	136,570,880	138,516,665
b) From HP Financial Corporation		
Secured against equitable mortgage of immovable properties/assets of Nalagarh Unit and personal guarantee of Directors	48,588,220	60,034,909
Add : Interest accrued and but not due	1,516,000	1,688,222
	<b>186,675,100</b>	<b>200,239,796</b>
<b>SCHEDULE - 6 : DEFERRED TAX LIABILITIES</b>		
Deferred Tax Liabilities	11,663,078	15,478,082
	<b>11,663,078</b>	<b>15,478,082</b>



*for & signed*  
*Pravaha*





# AIMIL PHARMACEUTICALS (INDIA) LIMITED

		AS AT 31.03.2015	AS AT 31.03.2014
<b>SCHEDULE - 7 : SHORT - TERM BORROWINGS</b>			
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.		136,645,555	107,368,101
		136,645,555	107,368,101
<b>SCHEDULE - 8 : TRADE PAYABLES</b>			
Sundry Creditors			
- Due to small scale industries		9,158,464	8,287,657
- Others		178,344,988	177,233,274
		187,503,452	185,520,931
<b>SCHEDULE - 9 : OTHER CURRENT LIABILITIES</b>			
Other liabilities			
		78,219,709	69,108,971
		78,219,709	69,108,971
<b>SCHEDULE - 10 : SHORT - TERM PROVISIONS</b>			
Provision for Income Tax			
		9,038,900	8,588,000
		9,038,900	8,588,000
<b>SCHEDULE - 12 : INVENTORIES</b>			
(As verified and certified by the management )			
Raw Material		22,411,048	25,418,084
Work in Process		27,051,520	45,443,742
Packing Material		16,554,455	19,934,061
Finished Goods		64,554,596	73,916,504
Goods In Transit		26,013,777	2,203,685
Stock of Literature & other Items		1,035,086	1,458,657
		157,620,482	168,374,733
<b>SCHEDULE - 13 : TRADE RECEIVABLES</b>			
(Unsecured, Considered good)			
Outstanding for a period exceeding six months		21,400,805	13,245,789
Others		337,435,161	277,347,629
		358,835,966	290,593,418
<b>SCHEDULE - 14 : CASH AND CASH EQUIVALENTS</b>			
Cash in Hand		456,284	1,875,826
Bank Balances with Scheduled Banks			
--In Current accounts		1,287,080	3,573,131
--Cheques In Transit		-	747,249
--Fixed Deposits		2,801,475	2,800,928
		4,544,840	8,997,134



*For & the company*

*Deviakha*







# AIMIL PHARMACEUTICALS (INDIA) LIMITED

SCHEDULE 11 : SCHEDULE OF FIXED ASSETS AND DEPRECIATION THEREON FOR THE YEAR ENDED 31st March, 2015

	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As At 01.04.2014	Additions	Sale Adjustment	As At 31.03.2015	Upto 31.03.2014	For the Year		Upto 31.03.2015	As At 31.03.2015
						Additional	Current		
A. Land	8,407,000	-	-	8,407,000	-	-	-	-	8,407,000
B. Building	163,124,453	6,531,367	-	169,655,820	20,465,767	3,583,605	9,099,324	33,148,696	136,507,124
C. Plant & Machinery	192,555,620	682,390	-	193,238,010	59,422,732	7,178,377	16,050,218	82,651,328	110,586,682
D. Computers	4,227,253	399,437	-	4,626,690	3,058,735	168,919	742,784	3,970,438	656,252
E. Vehicles	31,669,510	6,865,250	-	38,534,760	24,014,386	1,273,550	3,241,164	28,529,100	10,005,661
F. Furniture & Fixtures	9,414,555	265,863	-	9,680,418	7,980,921	462,082	289,732	8,732,735	947,683
G. Office Equipment	4,134,564	4,048,495	18,500	8,164,559	2,532,135	1,089,142	479,261	4,091,477	4,073,082
H. Electric equipment	739,565	-	-	739,565	650,330	73,797	-	724,127	15,438
I. Cable Wires	3,653,555	-	-	3,653,555	3,010,838	44,341	377,206	3,432,385	221,170
<b>TOTAL (A)</b>	<b>417,926,075</b>	<b>18,792,802</b>	<b>18,500</b>	<b>436,700,377</b>	<b>121,135,844</b>	<b>13,873,813</b>	<b>30,279,689</b>	<b>165,280,285</b>	<b>271,420,092</b>
<b>Previous Year</b>	<b>415,438,336</b>	<b>5,062,086</b>	<b>2,574,345</b>	<b>417,926,077</b>	<b>89,819,371</b>	<b>-</b>	<b>32,446,833</b>	<b>121,135,845</b>	<b>296,790,232</b>
									<b>325,618,965</b>



*for the year*





# AIMIL PHARMACEUTICALS (INDIA) LIMITED

	AS AT 31.03.2015	AS AT 31.03.2014
<b>SCHEDULE - 15 : SHORT - TERM LOANS AND ADVANCES</b> (Unsecured considered good) Advances recoverable in cash or in kind or for value to be received Security Deposits Income Tax	321,155 6,019,718 10,703,741 17,044,614	1,405,418 6,608,718 10,622,978 18,637,114
<b>SCHEDULE - 16 : REVENUE FROM OPERATIONS</b> Domestic Sales Export sales	1,483,677,028 73,202,044 1,556,879,072	1,288,708,256 73,750,338 1,362,458,594
<b>SCHEDULE - 17 : OTHER INCOME</b> Interest Received Profit on Sale of Assets Miscellaneous Income	229,538 -2,939 1,221,556 1,448,155	417,577 109,500 873,861 1,400,938
<b>SCHEDULE - 18 : COST OF MATERIALS CONSUMED</b> <u>Raw Material Consumed</u> Opening Stock Add : Purchases during the year Less : Closing Stock Less : Expenses incurred on R & D Raw Material Consumed	70,861,826 179,437,064 49,462,568 6,025,090 194,811,232	58,990,675 171,590,387 70,861,826 4,791,577 154,927,659
<u>Packing Material Consumed</u> Opening Stock Add : Purchases during the year Less : Closing Stock Packing Material Consumed	19,934,061 113,534,663 16,554,455 116,914,268	11,261,082 105,194,037 19,934,061 96,521,058
Total Rs...	311,725,501	251,448,717
<b>SCHEDULE - 19 : Changes in Inventories of Finished Goods and WIP</b> <u>Opening Stock</u> Finished Stock Goods in Transit  <u>Closing Stock</u> Finished Stock Goods in Transit	73,916,504 2,203,685 76,120,189  64,554,596 26,013,777 90,568,373	68,651,684 8,986,900 77,638,584  73,916,505 2,203,685 76,120,189
Total Rs...	-14,448,184	1,518,395



*for share*

*Manaha*







# AIMIL PHARMACEUTICALS (INDIA) LIMITED

	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
<b>SCHEDULE - 20 : EMPLOYEE BENEFITS EXPENSE</b>		
Salary, Wages & Bonus	246,133,469	224,726,264
Directors' Remuneration	3,492,131	3,000,000
Contribution to Provident and other Funds	15,004,106	12,083,587
Gratuity	1,324,653	1,290,398
Staff Welfare and other Amenities	3,235,890	3,117,270
	<b>269,190,249</b>	<b>244,217,519</b>
<b>SCHEDULE - 21 : OTHER EXPENSES</b>		
Rent Paid	813,997	886,365
Postage, Telegram & Telephones	11,059,642	10,119,931
Printing & Stationery	4,574,548	3,893,801
Conference Expenses	5,637,546	6,657,742
Electricity & water Expenses	1,858,772	1,665,833
Conveyance	22,697,604	19,569,150
Charity & Donation	135,601	13,008
Insurance Charges	454,686	533,036
Fees & Subscription	222,499	333,029
Legal & Professional Expenses	2,560,029	1,871,342
General Expenses	3,481,845	2,173,201
Diwali Expenses	1,170,020	777,043
Office Repair & Maintenance	3,059,456	1,051,525
Vehicle Running & Maintenance	3,038,446	2,779,726
Payment to Auditors - Audit Fees	360,000	360,000
- Other Expenses	353,010	358,300
Security Service Charges	790,064	827,448
Travelling Expenses	6,836,113	6,960,535
Books & Periodicals	170,874	124,481
Additional Sales Tax Paid	1,837,406	1,839,084
Royalty	5,989,240	2,859,125
Director Meeting Fees	45,900	40,500
Advertisement & Publicity	34,846,989	7,006,816
Octroi, Freight & Cartage Outward	36,561,958	27,400,692
Expiry & Breakages	42,889,816	38,753,168
Sales Promotion & Selling Expenses	457,823,468	373,196,303
C & F Commission & Expenses	23,243,601	21,976,513
Sales Incentive	43,680,841	35,521,301
TA/ DA Expenses	83,507,603	73,299,504
Freight & Cartage	4,898,527	12,316,613
Power & Fuel	21,846,258	21,241,340
Repair & Maintenance - Machinery	754,409	848,609
- Buildings	1,739,235	600,294
- Others	154,732	152,854
Other Manufacturing Expenses	745,012	460,726
Expenses incurred on R & D	6,025,090	4,791,577
	<b>835,864,835</b>	<b>683,260,514</b>
<b>SCHEDULE - 22 : FINANCE COST</b>		
Interest to Banks	21,615,137	23,345,199
Interest to Others	14,479,824	11,003,207
Bank Charges	1,366,186	1,213,586
	<b>37,461,147</b>	<b>35,561,993</b>



*For & Signed*

*Manisha*





## Aimil Pharmaceuticals (I) Ltd.

### Schedule 1: Significant Accounting Policies

( Annexure to and forming part of the Balance Sheet as on 31.03.2015 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 28<sup>th</sup> February 2011 (as amended by notification no. F No. 2/6/2008-CL-V, dated 30<sup>th</sup> March 2011) which has become effective for accounting periods commencing on or after 1<sup>st</sup> 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.



*[Signature]*

*[Signature]*







## 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 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/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.



*[Signature]*

*[Signature]*







## 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.



*[Signature]*  
*[Signature]*







## 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 31.03.2015 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	26,30,13,092
W.D.V As Per Income Tax Act, 1961	22,52,68,504
Difference	3,77,44,588
Deferred Tax Liabilities as on 31.03.2015	1,16,63,078
Deferred Tax Liabilities as on 31.03.2014	1,54,78,082
Provision to be made for FY 2014-15	(-) 38,15,004



*[Signature]*

*[Signature]*





## Aimil Pharmaceuticals (I) Ltd.

### 2.3 Auditor's Remuneration consists of followings:

	<u>2014-15</u>	<u>2013-14</u>
Audit Fees	3,00,000	3,00,000
Tax Audit Fees	60,000	60,000
Other Matters	2,50,000	2,50,000
Other Expenses	<u>1,03,010</u>	<u>1,08,300</u>
<b>TOTAL</b>	<b><u>7,13,010</u></b>	<b><u>7,18,300</u></b>

### 2.4 Particulars of Remuneration Paid to Directors

	<u>2014-15</u>	<u>2013-14</u>
Managing Director	9,00,000	9,00,000
Other Directors	<u>26,57,381</u>	<u>21,00,000</u>
<b>TOTAL</b>	<b><u>35,57,381</u></b>	<b><u>30,00,000</u></b>

- 2.5 The Earning Per Share (EPS) comes to Rs. 6.75 per share (Previous year Rs 11.40 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

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

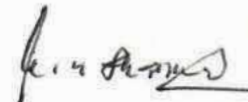


Ambani & Associates LLP  
Chartered Accountants  
FRN-016923N

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



For and behalf of the Board

  
**Kanwal Kumar Sharma**  
(Managing Director)



  
**Pankaj Marwaha**  
(Director - Marketing)

Place: New Delhi  
Date: 31.07.2015





# 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. Satya Prakash Shrivastava - Director f. 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 - Wife of Mr. Ikshit Sharma f. Mrs. Sugandha - Wife of Mr. Sanchit Sharma g. Mrs. Priya Marwaha - Wife Of Mr. Pankaj Marwaha h. Mrs. Nitika Kohli - Daughter of MD Sir i. Mrs. Kshмата Shrivastava - Daughter of Director j. Mrs. Rashmi Shrivastava - Wife of Director

(Figures are in '000)

Particulars	Key Management Personnel		Relatives of KMP	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
<b>Director's Remuneration</b>				
Mr. K. K. Sharma	900.00	900.00		
Mr. Pankaj Marwaha	900.00	900.00		
Mrs. Manjula Sharma	600.00	600.00		
Mrs. Subhash Sharma	600.00	600.00		
Mr. S. P. Shrivastava	357.00	0.00		

<b>Salary</b>				
Mr. Ikshit Sharma			600.00	600.00
Mr. Prince Joshi			684.60	866.32
Mr. Sanchit Sharma			472.80	352.80
Mrs. Pooja Sharma			472.80	352.80
Mrs. Sugandha			600.00	600.00
Mrs. Priya Marwaha			310.00	480.00
Mrs. Nitika Kohli			472.80	420.00
Mrs. Rashmi Shrivastava			786.60	0.00
Mrs. Kshмата Shrivastava			479.40	0.00



*[Signature]*

*[Signature]*





# AIMIL

**PHARMACEUTICALS (INDIA) LTD.**



#### REGD. OFFICE

2994/4, Street No. 17, Ranjeet Nagar, New Delhi - 110008

PH : 25701203, 25703041, FAX : 011-25703064, 25703635

Web : [www.aimilpharmaceuticals.com](http://www.aimilpharmaceuticals.com) Mail : [corporate@aimilpharmaceuticals.com](mailto:corporate@aimilpharmaceuticals.com)

#### MANUFACTURING UNIT-I :

A-13/2, Nariana Industrial Area, Phase-I, New Delhi-110 028, INDIA ,

Ph: +91-11-25790778, 25792172, 25790960, 25793226

#### MANUFACTURING UNIT-II :

Saini Majra, Ropar Nalagarh Road, Tehsil Nalagarh, Distt. Solan (HP), INDIA,

Ph : +91-1795-265438, 265966, 265967