



Zeal & Innovation in Medicine

Zim Laboratories Limited

**31st Annual Report
2014-2015**

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Registered Office

Sadoday Gyan (Ground Floor), Opp. NADT, Nelson Square, Nagpur – 440 013
Phone : 0091 – 712 2588070 • e-mail : corporate@zimlab.in

Mr. Zakir S. Vali, Chairman Emeritus

// Board of Directors //

- 1) Mr. Anwar S. Daud, Chairman-Cum-Managing Director
- 2) Mr. Riazahmed K. Kamal, Director (Administration)
- 3) Mr. Zulfiqar M. Kamal, Director (Finance)
- 4) Mr. Prakash Sapkal, Director (Operations)
- 5) Mr. Niraj Dhadiwal, Director (Business Development)
- 6) Dr. V.V. Parashar, Independent Director
- 7) Mr. Naresh Gaikwad, Independent Director
- 8) Mr. Suprakash Chakravarty, Independent Director
- 9) Mr. Raghav Kapoor, Nominee Director

// Company Secretary //

Mr. R.A. Parasuraman

// Bankers //

- 1) Bank of India
- 2) Shamrao Vithal Co-operative Bank Limited
- 3) ICICI Bank Limited.

// Auditors //

M/s SBRC & Co. LLP.
Chartered Accountants

// Legal Advisor//

Ad. Noorul Hasan Shams

ZIM LABORATORIES LIMITED

Sadoday Gyan (Ground Floor), Opp. NADT, Nelson Square, Nagpur – 440 013

To

All the Members, Directors, Auditors
and Secretarial Auditor
of Zim Laboratories Ltd.

**NOTICE OF THE ADJOURNED MEETING OF THIRTY FIRST ANNUAL
GENERAL MEETING TO BE HELD ON 18.05.2016**

NOTICE is hereby given that the adjourned meeting of the Thirty First Annual General Meeting of Zim Laboratories Limited will be held on Wednesday, the 18th May, 2016 at 2.00 p.m. in the Conference Hall of Company's Registered Office at Sadoday Gyan (Ground Floor), Opp. NADT, Nelson Square, Nagpur – 440 013 to transact the following business :-

ORDINARY BUSINESS :

To pass, if thought fit, the following Resolutions, with or without amendment.

- (i) **Adoption of Audited Financial Statements :**
"RESOLVED that the audited financial statements for the year ended 31.03.2015 along with the schedules forming part thereof, the Auditor's Report and the Board Report be and are hereby adopted."
- (ii) **Appointment of Auditors :**
"RESOLVED that M/s Walker Chandiok & Co. LLP (ICAI Firm Registration No. 001076N/N500013) 16th Floor, Tower II, Indiabulls Finance Centre, S B Marg, Elphinstone (W), Mumbai – 400 013 who are eligible and who have given the required consent and the certificate that if appointed, the appointment will be within the limits prescribed under the Companies Act, 2013 be and are hereby appointed as the Auditors of the Company for a term of five years commencing with the financial year 2015-16 at a remuneration as may be determined by the Board of Directors in consultation with them".

SPECIAL BUSINESS :

To pass, if thought fit, the following Resolution as an Ordinary Resolution, with or without amendment.

Ratification of remuneration of Cost Auditor for the year 2015-16 :-

WHEREAS pursuant to section 148(2) read with rule 14 of the Companies (Audit & Auditors) Rules, 2014, the Board has appointed M/s Dhananjay V. Joshi & Associates, "CMA Pride", Ground Floor, Plot No. 6, S. No. 16/6, Erandawana Hsg. Soc., Erandawana, Pune 411 004, as the Cost Auditors for the year 2015-16 at a remuneration of Rs. 2.50 lacs plus out of pocket expense at actuals, the remuneration being subject to ratification by the members,

NOW, THEREFORE, RESOLVED that the remuneration of Rs. 2.50 lacs plus out of pocket expense at actuals for the Cost Auditor appointed by the Board of Directors be and is hereby ratified".

By Order of the Board
ZIM LABORATORIES LIMITED

Place : NAGPUR
Date : 20th April, 2016

(Anwar S. Daud)
Managing Director

Note :

- 1) Copy of the audited accounts along with reports of Auditors and the Board Report is attached.
- 2) Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business proposed, is attached.
- 3) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. INSTRUMENT OF PROXY IF ANY, SHOULD REACH THE REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR MEETING. BLANK PROXY FORM IS ATTACHED.
- 4) Corporate members intending to send their representative to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising the representative to attend and vote on their behalf at the Meeting.
- 5) Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
- 6) Members/Proxy holders are requested to bring their copies of the Annual Report with them to the Adjourn Annual General Meeting.
- 7) (a) The Company is providing facility for voting by electronic means and the business may be transacted through such voting.
 (b) The facility for voting through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
 (c) The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- 8) **Voting through electronic mode**
 - (a) Members whose email addresses are registered with their Depository Participants (in case of shares held in demat form) or with the Company's Registrar and Share Transfer Agent (in case of shares held in physical form) will receive an email from NSDL informing them of their User-ID and Password. Once the Member receives the email, he or she will need to go through the following steps to complete the e-voting process.
 - (b) Open the email and open the PDF file titled 'Zim e-voting.pdf', using your Client ID or Folio No. as Password. The said PDF file contains your user ID and password for e-voting. Please note that this password is an initial password.
 - (c) Launch your internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - (d) Click on Shareholder – Login.
 - (e) Enter the user ID and Password (the initial password noted in step (a) above). Click on Login.
 - (f) The Password change menu will appear. Change the Password to a Password of your choice. The new Password should have a minimum of 8 (eight) digits / characters or combination thereof. It is strongly recommended that you do not share your Password with any other person and take utmost care to keep your Password confidential.
 - (g) The homepage of e-voting will open. Click on 'e-voting: Active Voting Cycles'.
 - (h) Select 'EVEN' (E Voting Event Number) of Zim Laboratories Limited. For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the Resolution during the voting period.
 - (i) Now you are ready for e-voting as the 'Cast Vote' page opens.
 - (j) Cast your vote by selecting the option of your choice and clicking on 'Submit', and also remember to 'Confirm' when prompted.
 - (k) Upon confirmation, the message 'Vote cast successfully' will be displayed.
 - (l) Once you have voted on the Resolution, you will not be allowed to modify your vote.
 - (m) Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authorization Letter etc., together with attested

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specimen signature of the authorized signatory / signatories who are authorized to vote, to the Scrutinizer via e-mail to csjain.ankita@gmail.com with a copy marked to cs@zimlab.in and evoting@nsdl.co.in

- 9) For Members whose email IDs are not registered with the Company / Depository Participant(s) and who receive the physical Postal Ballot Forms, the following instructions may be noted:
 - a) The initial password is provided at the bottom of the Postal Ballot Form.
 - b) Please follow all the steps from a. to j. mentioned above, to cast your vote successfully.
- 10) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) and e-voting user manual for Members available in the 'Downloads' section of www.evoting.nsdl.com or contact NSDL by email at evoting@nsdl.co.in.
- 11) Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot Password' option available on the site to reset the Password.
- 12) If you are already registered with NSDL for e-voting, then you can use your existing user ID and Password for casting your vote.
- 13) The e-voting period commences on Sunday the 15th May, 2016 from 9.00 a.m. and ends on Tuesday, the 17th May, 2016 at 5.00 p.m. During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the relevant date, i.e. the 11th May, 2016 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a Resolution is cast by a Member, he or she will not be allowed to change it subsequently.

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Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business for the adjourned meeting of Annual General Meeting on 18th May, 2016.

Information pursuant to Section 102(1)(a), the nature of concern or interest if any, in respect of the resolutions put up under Special Business :-

As per the notification issued by the Government of India, maintenance of Cost Accounts and audit of the Cost Accounts by a practicing Cost Auditor is compulsory for the Company. Accordingly the Cost Auditor for conducting the Cost Audit is to be appointed by the Board of Directors on the recommendation of the Audit Committee at a remuneration which is required to be ratified by the members. Accordingly, the Board of Directors has appointed M/s Dhananjay V. Joshi & Associates (Firm Registration No. 000030), "CMA Pride", Ground Floor, Plot No. 6, S. No. 16/6, Erandawana Hsg. Soc., Erandawana, Pune 411 004, as the Cost Auditor for the year 2015-16 at a remuneration of Rs. 2.50 lacs plus out of pocket expenses at actuals as recommended by the Audit Committee. The resolution under the Special Business is proposed for ratification of the remuneration fixed by the Board of Directors, as required under Rule 14 of Companies (Audit & Auditors) Rules, 2014.

No Director of the Company is interested in the resolution otherwise than as a Director.

BOARD REPORT

The Board of Directors of your Company has pleasure in presenting the Board Report pursuant to Section 134(3) of the Companies Act, 2013 comprising the prescribed particulars and information as per the Companies Management Rules, 2014 and Companies Accounts Rules, 2014 in respect of year ended 31.03.2015 as follows :-

a) Number of Meetings to the Board : 05

b) Directors' Responsibility Statement :-

Pursuant to Section 134(5) of the Companies Act, 2013 your Directors hereby state that:-

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) the directors had prepared the annual accounts on a going concern basis and
- v) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

c) Declaration by Independent Directors under Sub Section 6 of Section 149 :-

The three Independent Directors namely – Mr. Naresh Gaikwad, Dr. V.V. Parashar and Mr. Suprakash Chakravarty have given the required declaration under Sub Section 6 of Section 149 on 15.06.2015.

d) Nomination and Recruitment Policy :-

The Company has constituted a Nomination And Remuneration Committee on 12.01.2015 consisting of the following members :-

- (i) Mr. Naresh Gaikwad, Independent Director, Chairman
- (ii) Mr. Raghav Kapoor, Independent Director, Member
- (iii) Dr. V.V. Parashar, Independent Director, Member
- (iv) Mr. Anwar Siraj Daud, Chairman of the Board, Member

The criteria laid down in the Companies Act, 2013 and Rules framed thereunder are complied with while appointing the Directors particularly Independent Directors. Since the Nomination And Remuneration Committee could be constituted only on 12.01.2015, the Nomination And Remuneration Policy is yet to be formulated and this matter is in process.

e) Explanations or comments on qualification/reservation/adverse remark/ disclaimer made by :-

(I) Auditor

Qualification	Information and explanation
<p>(a) During the course of our audit, we identified certain sales transactions totalling Rs 27.11 Crores during the year with customers whose closing receivable balances at March 31, 2015 totals Rs.27.11 Crores which are fully provided for being doubtful of its recovery as explained in note 25a to the financial statement and certain purchase transactions aggregating to Rs. 22.59 Crores from vendors to whom payment (including advances) of Rs. 24.22 Crores has been made. The Company has not been able to provide us with sufficient appropriate audit evidence to substantiate the occurrence of these transactions and the recoverability of the underlying receivable balances respectively. Accordingly, we are unable to comment on the impact, if any, of the aforesaid transactions on the financial statements of the Company including any implications, if any, under Companies Act, 2013.</p>	<p>The Company's domestic business comprises mainly supply to Government through direct tender and institutional business (both corporations and Government) routed through agents by local tender. For the institutional business, agents and distributors procured orders for the company's products through tenders and source the supply from Company. During the year 2014-15 some of the traders and distributors who procured business for the Company discontinued their business. Therefore, the Company was constrained to close this segment of business being not viable because of long period involved for realization of the dues from the intermediaries, as per the decision of the Board at its meeting on 18.11.2014. As regards the dues receivable from these traders and distributors, the Company has initiated legal action. While action for realization of the balance amount is in progress, the Company, as a prudent accounting practice, provided for the full amount of outstanding balances from these parties as on 31.03.2015.</p> <p>During the audit, the Auditors had sent requests for balance confirmation to the traders and distributors. Since few traders have discontinued their operation from earlier addresses, the confirmation of balance was received from their new addresses. The Board strongly feels that these balances are all recoverable and the Company will be able to realise the amount from the parties.</p>
<p>(b) Outstanding receivable balance of Rs.9.32 Crores and advance of Rs. 9.16 Crores at March 31, 2015 to two parties which are doubtful of recovery have not been provided for. Had the Company provided for these receivables and advances, net profit and net-worth would have been lower by Rs.18.48 Crores and accounts receivable and loans and advances would have been lower by Rs.9.32 Crores and Rs. 9.16 Crores, respectively.</p>	<p>As regards outstanding dues of Rs. 18.52 Crores, this is due from H. Jules & Co. Ltd. (Rs. 11.33 Crores) and Saif Health Remedies Private Limited (Rs.7.19 Crores). Against this, payment of Rs.70.00 lacs has been received from Saif Health Remedies Private Limited and further payment of Rs. 2.50 Crores is expected till March, 2016. Regarding dues from H. Jules & Co. Limited, they have agreed to sell their Plot No. D-48/1 in MIDC Hingna, Nagpur admeasuring 1789 Sq. Mtrs. to the Company for a consideration of Rs. 3.50 Crores. Further, they have also paid a sum of Rs. 1.50 Crores. The balance amount will be set off against dues accruing to them on account of commission and supply of materials to the Company.</p>

(ii) Secretarial Auditor :

Qualification	Information and explanation
(1) The Company has not filed FCGPR for investment by Dr. Abdelmounaim Iguer, a foreign national of Algeria.	Dr. Iguer Abdelmounaim had not submitted KYC required by Reserve Bank of India in the prescribed format but, had given a certificate containing the information. Reserve Bank of India refused to accept this KYC but, Dr. Iguer took the stand that his banker was not prepared to give the KYC in the R.B.I. format. Ultimately, after impressing on Dr. Iguer the need to comply with the law in India he furnished the KYC in the prescribed format only on 28.04.2015. After submitting the KYC, Unique Identifications Number could be obtained from RBI only on 23.09.2015. However, now action is being taken to file FCGPR in consultation with the consultant on FEMA because it involves compliance with the law within the prescribed period.
(2) The Company has an overseas Direct Investment in its Wholly-owned Subsidiary incorporated in Sharjah, and following non-compliances are observed: <ul style="list-style-type: none"> The investment in the Subsidiary Company is not routed through authorised Banking Channel. Unique Identification Number for such transaction is not available. Form ODI has not been filed. The Investment is made directly by Mr. Anwar Siraj Daud, Managing Director out of tour advance obtained by the Directors. 	It is a fact that the investment in the Subsidiary ZIM Laboratories FZE, Sharjah was not done through authorised banking channel but was paid by Mr. Anwar Siraj Daud, Managing Director out of balance of tour advances granted to Directors. Action has been taken for regularizing the transaction; if necessary, by compounding the offence after taking professional advice.

f) Particulars of loans, guarantees or investments under Section 186 :-

- a) Loan : NIL
b) Guarantee : NIL
c) Investments : The Company has incorporated fully owned subsidiary in the name of ZIM Laboratories FZE in Hamriyah Free Zone, Sharjah on 09.06.2014 and has invested 25,000 AED (Rupees 4,03,000.00). (Rs. 16.12 = one AED)

g) Particulars of contracts or arrangements with Related parties pursuant to Section 188 (1) : NIL

h) The state of company's affairs :-

The company continues to progress in the direction of its own strategy to emerge as a Differentiated Products and Innovation based pharmaceutical technology player. Its export business especially with respect to its New Drug Delivery Systems and its Differentiated Product's portfolio have shown a quantum leap in the region of 30% plus growth. Several of company's unique products have recently been registered with FDA and contracts for supply to new geographies such as Russia and Europe have been signed. Further, the company continued to file patents and develop Oral Thin Films and Taste Masked products and build a sound Intellectual Property portfolio.

- l) The amount proposed to be carried out to reserve : NIL
- j) The amount of dividend payment recommended : NIL
- k) Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year and the date of the report. : NIL

l) Conservation of energy, technology absorption, foreign exchange earnings and outgo :-

A. Conservation of energy :

- (i) The steps taken or impact on conservation of energy;
Your company is striving continuously to conserve every form of energy by adopting innovative measures to reduce wastage and optimize consumption. Notable measures for energy conservation were as follows:
- Unwanted lighting kept off
 - Optimized the efficiency of HVAC by PM
 - Replaced high voltage motors with low voltage motors
 - Power consumption by using TEMP. Controller
- (ii) The steps taken by the Company for utilizing alternate sources of energy; NIL
- (iii) The capital investment on energy conservation equipments; NIL

B. Technology absorption :

- (i) the efforts made towards technology absorption : 75 new products were added to the pipeline of solid oral dosage forms of various molecules. 65 projects had focus for export and 10 projects had focus for domestic markets. Research is underway for development, evaluation and standardization of solid oral dosage forms such as pellets, DC granules, taste masked granules and orally disintegrating strips belonging to anti-bacterial, anti-diabetic, anti-hypertensive, anti-depressant and anti-migraine categories. Analytical methods were developed and validated for establishing the stability of these products over its shelf life.
- 12 products were successfully transferred from R&D to commercial production. Initiatives on new vendor development for raw materials were also undertaken during the year
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution. : The above efforts helped Zim to maintain relevance with its existing clients and offering them value added products. Value was created by offering analytical data package, stability data package and clinical data package.
- New products helped Zim in geographic expansion into at least 7 new markets. New products were offered to clients using indigenously developed technology.
- Green process initiatives were undertaken for coating process by reducing the use of non-aqueous solvents.
- New vendor development was initiated for API and excipients.

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(iii) In case of imported technology (imported : NIL
during the last three years reckoned from the
beginning of the financial year)-

(a) the details of technology imported : NIL

(b) the year of import : NIL

(b) whether the technology been fully : NIL
absorbed

(d) if not fully absorbed, areas where : NIL
absorption has not taken place, and
the reasons thereof and

(iv) The expenditure incurred on Research and : Rs. 727.58 lacs
Development

C. Foreign Exchange earnings and outgo :

i) Foreign exchange earned during the year : Rs. 7959.77

ii) Expenditure in foreign exchange : Rs. 3259.00

m) Risk Management Policy :

The company being engaged in manufacturing and selling comprising both exports and domestic sale of pharmaceutical products judge from the present scenario there does not appear any risk materially affecting the company's policy of projected performance.

n) Corporate Social Responsibility initiatives :-

The Company has constituted a Corporate Social Responsibility on 11.03.2014 comprising the following as the members :-

- i) Mr. Anwar Siraj Daud, Chairman
- ii) Mr. Zulfiquar M. Kamal, Member
- iii) Mr. Raghav Kapoor, Member
- iv) Mr. Suprakash Chakravarty, Member

As per the recommendations of the CSR Committee constituted by the Board, the Board of Directors approved the projects to be undertaken under CSR on 19.03.2015. The policy approved by the Board is as follows :-

(Rs. in Lacs)

For the year 2014-15			For implementation in future		
1	Major project to be taken up in phases	Rs. 15.00	1	Major project to be implemented in phases, in a period of 5 to 10 years	60% to 70%
2	Sanitation and water supply	Rs. 10.00	2	Sanitation and water supply	5% to 10%
3	Educational and vocational skill development activities	Rs. 5.00	3	Educational and vocational skill development activities	5% to 10%
4	Contribution to other organisations engaged in activities covered under notified CSR projects	Rs. 5.00	4	Contribution to other organisations engaged in activities covered under notified CSR projects	5% to 10%
Total		Rs.35.00			100%

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- o) In case of a listed company and every other: : The Independent Directors in their separate meeting evaluate the performance of all the Non-Independent Directors evaluating with reference to subjects coming before the Board by discussion at the meeting and the performance of Independent Directors is reviewed by the Board of Directors where the Independent Director whose performance is reviewed is not present.. The Minutes of the Committee Meetings are placed before the Board Meeting and the Board reviews the performance of the Committees with reference to the Minutes.

p) Financial highlights :

(Rs. in Lacs)

Particulars	2015	2014
Sales (Net)	26633.03	22709.63
Other Income	248.25	388.09
Gross Income before Interest and Depreciation	(911.08)	2518.01
Les : Interest 1032.55		
Depreciation 712.90	1745.45	1229.73
Profit Before Tax	(2656.53)	1288.28
Profit After Tax	(2156.82)	1014.07
Balance in Profit & Loss Account brought forward	5895.42	4999.67
Profit available for appropriation	3738.60	6013.74
<u>Appropriation :</u>		
Proposed Dividend	0.00	79.99
Corporate Dividend Tax	3.40	12.98
Transferred to General Reserve	0.00	25.35
Net Surplus in P & L A/c	3717.78	5895.42
Other adjustments	17.42	0.00
Total Reserves & Surplus	8625.14	10802.78

- q) Change in nature of business if any : NIL
- r) The details of Directors or Key Managerial Personnel who were : NIL
appointed or have resigned during the year.
- s) Names of Companies which have become or ceased to be its : ZIM Laboratories FZE
subsidiaries, joint ventures or associate companies during the : Sharjah
year.
- t) Details relating to deposits covered under Chapter V of the Act : NIL
- u) The details of deposits which are not in compliance with the : NIL
requirements of Chapter V of the Act.

- v) The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future : NIL
- w) The details in respect of adequacy of internal financial controls with reference to the financial statements : The Auditors have pointed out some areas which need improvement. This is being taken care of. The Company has engaged a professional firm to prepare operational manuals and devise a suitable control system to make the internal control more effective.

Report on performance and financial position of wholly-owned subsidiary viz; ZIM Laboratories FZE, Sharjah.

The Paid-up share capital has been fully used for expenses on Registration, rent etc. thus incurring a loss of Rs. 3,94,823/- for the year. The advance received from potential purchasers amounting to Rs. 15,81,012/- is the Bank Balance and forms the assets with equivalent liability.

ACKNOWLEDGEMENTS

We take this opportunity to thank the employees for their dedicated service and contribution to the Company.

We also thank our banks, business associates and other stakeholders for their continued support to the Company

For and on behalf of the Board of Directors

**(Anwar Siraj Daud)
Chairman**

Nagpur
Dated : 10th March, 2016

Annexure – I
Extract of the Annual Return as provided under Sub Section 3 of Section 92.

Form MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U99999MH1984PLC032172
- ii) Registration Date : 14.02.1984
- iii) Name of the Company : ZIM Laboratories Limited
- iv) Category / Sub-Category of the Company : Public Limited Company
- v) Address of the Registered Office and contact details : Sadoday Gyan (Ground Floor)
Opp. NADT, Nelson Square,
NAGPUR – 440 013
- vi) Whether listed company Yes / No : No
- vii) Name, Address and Contact details of if Registrar and Transfer Agent, if any. : Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound, LBS Marg,
Bhandup (W), Mumbai – 400 078
Ph. 022 - 25963838

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Pharmaceuticals	C 21 21002	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :-

S. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	ZIM Laboratories FZE	--	Subsidiary	100%	186

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2118640	1562970	3681610	46.0286	4726940	38670	4765610	59.5811	29.444
b) Central Govt.									
c) State Govt.(s)									
d) Bodies Corp.	0	200	200	0.0025	00	00	00	0.0000	100.000
e) Banks / FI									
f) Any Other....									
Sub-total (A) (1):-	2118640	1563170	3681810	46.0311	4726940	38670	4765610	59.5811	29.437
(2) Foreign									
a) NRIs – Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI)									
e) Any Other....									
Sub-total (A) (2):-	00	00	00	0.0000	00	00	00	0.0000	0.000
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2118640	1563170	3681810	46.0311	4726940	38670	4765610	59.5811	29.437

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B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance									
g) Companies									
h) FIs									
h) Foreign Venture capital fund									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2300	1314160	1316460	16.4587	3200	63900	67100	0.8389	94.903
ii) Overseas	0	1782652	1782652	22.2872	0	1782652	1782652	22.2872	0.000
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	89640	675390	765030	9.5645	86000	751980	837980	10.4767	9.536
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	8700	81700	90400	1.1302	145400	71000	216400	2.7055	139.381
c) Others (specify)									
(i) NRI	4400	141900	146300	1.8290	11510	101400	112910	1.4116	22.823
(ii) Foreign National	0	215868	215868	2.6988	0	215868	215868	2.6988	0.000
Sub-total (B)(2):-	105040	4211670	4316710	53.9688	246110	2986800	3232910	40.4188	25.107
Total Public Shareholding (B)=(B)(1)+(B)(2)	2223680	5774840	7998520	100.0000	4973050	3025470	7998520	100.0000	0.000

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C. Shares held by Custodian for GDRs & ADRs	00	00	00	00	00	00	00	00	0.000
Grand Total (A+B+C)	2223680	5774840	7998520	100.0000	4973050	3025470	7998520	100.0000	0.000

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Unijules Life Sciences Ltd.	200	0.0025	00	0	0	00	0.0025
2	Mr. Anwar Siraj Daud	1853000	23.1668	00	2313720	28.9269	00	5.76
3	Mr. Zakir S. Vali	1449650	18.1240	00	1910570	23.8865	00	5.76
4	Mr. Mohammed S. Vali	8010	0.1001	00	8510	0.1064	00	0.0063
5	Mr. Moiz Salebhai Vali	5000	0.0625	00	0	0.0000	00	0.0625
6	Mrs. Maryam Sabir Vali	14500	0.1813	00	14500	0.1813	00	00
7	Ms. Shehnaz Moiz Vali	100	0.0013	00	0	0.0000	00	0.0013
8	Mr. Murtuza Moiz Vali	100	0.0013	00	0	0.0000	00	0.0013
9	Ms. Yasmeen Moiz Vali	100	0.0013	00	0	0.0000	00	0.0013
10	Mr. Lameez Moiz Vali	6500	0.0813	00	6500	0.0813	00	00
11	Mrs. Tasneem Daud	5000	0.0625	00	5000	0.0625	00	00
12	Mr. Zulfiquar M. Kamal	266650	3.3337	00	497010	6.2138	00	2.88
13	Mr. Hasan Z. Kamal	75000	0.9377	00	6600	0.0825	00	0.855
14	Mr. Riaz Kamal	1700	0.0213	00	1700	0.0213	00	00
15	Mr. Niraj Dhariwal	200	0.0025	00	200	0.0025	00	00
16	Monika Dhariwal	200	0.0025	00	200	0.0025	00	00
17	Mrs. Pramila Dhariwal	200	0.0025	00	200	0.0025	00	00
18	Mr. Prakash Sapkal	300	0.0038	00	300	0.0038	00	00
19	Mr. Naresh Gaikwad	200	0.0025	00	200	0.0025	00	00
20	Dr. V.V. Parashar	400	0.0050	00	400	0.0050	00	00
	Total	3687010	46.0962	00	4765610	59.5811	00	00

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(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		No. of shares		% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year			3687010	46.0962	4765610
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/bonus/sweat equity etc):	06.08.2014 (Transfer)	(+) 6,01,800	4288810		
		18.08.2014 (Transfer)	(-) 75,000	4213810		
		19.08.2014	(+) 5,50,000	4763810		
		19.08.2014 (Transfer)	(+) 1,400	4765210		
		28.01.2015 (Transfer)	(+) 200	4765410		
		11.03.2015 (Transfer)	(+) 200	4765610		
	At the End of the year	4765610				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	AA Development Capital India Fund 1, LLC				
	At the beginning of the year	1782652	22.29	1782652	22.29
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL		1782652	22.29
	At the End of the year (or on the date of separation, if separated during the year)	1782652	22.29	1782652	22.29

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Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	Aanjaneya Remedies Pvt. Ltd.				
	At the beginning of the year	601800	7.52	601800	7.52
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus/sweat equity etc):	06.08.2014 (Transfer)	(-) 601800	7.52	0
	At the End of the year (or on the date of separation, if separated during the year)	0		0	0

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	AMR Investments Pvt. Ltd.				
	At the beginning of the year	583949	7.3	583949	7.3
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	20.06.2014 (Transfer)	(-) 33949	0.42	550000
		19.08.2014 (Transfer)	(-) 550000	6.88	0
	At the End of the year (or on the date of separation, if separated during the year)	0		0	0

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Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
4	Dr. Iguer Abdelmounaim					
	At the beginning of the year	215868		2.70	215868	2.70
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	19.08.2014 (Transfer)	21588	0.27	194280	2.43
	At the End of the year (or on the date of separation, if separated during the year)	194280		2.43	194280	2.43

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
5	Saif Health Remedies (P) Ltd.					
	At the beginning of the year	64611	0.81			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	19.08.2014 (Transfer)	64000	0.80	611	0.007
	At the End of the year (or on the date of separation, if separated during the year)	611	0.007	611	0.007	

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
6	Shakir Salehbhai Vali					
	At the beginning of the year	55200	0.69			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	19.08.2014 (Transfer)	(-) 200	0.003	55000	0.690
		19.08.2014 (Transfer)	(-) 2000	0.025	53000	0.662
		17.11.2014 (Transfer)	(-) 53000	0.662	0	0
	At the End of the year (or on the date of separation, if separated during the year)	0	0	0	0	

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Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Worldlink Finance Ltd.				
	At the beginning of the year	30900	0.386		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL	NIL	30900	0.386
	At the End of the year (or on the date of separation, if separated during the year)	30900	0.386	30900	0.386

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
8	Ajit Ambani				
	At the beginning of the year	15400	0.192		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL	NIL	15400	0.192
	At the End of the year (or on the date of separation, if separated during the year)	15400	0.192	15400	0.192

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
9	Sharedeal Financial Consultants Pvt. Ltd.				
	At the beginning of the year	9900	0.123		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL	NIL	9900	0.123
	At the End of the year (or on the date of separation, if separated during the year)	9900	0.123	9900	0.123

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Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
10	Vinod Modi				
	At the beginning of the year	8700	0.108		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL	NIL	8700	0.108
	At the End of the year (or on the date of separation, if separated during the year)	8700	0.108	8700	0.108

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
1	Mr. Anwar Siraj Daud				
	At the beginning of the year	1853000	23.166		
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer / bonus/ sweat equity etc):	15.11.2014 (Transfer)	(+) 460720 5.76	2313720	28.926
	At the End of the year	2313720	28.926		

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	Mr. Zulfiquar M. Kamal				
	At the beginning of the year	266650	3.333		
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)	15.11.2014 (Transfer)	(+) 230360 2.880	497010	6.213
		(Transfer)	(-) 1000 0.012	496010	6.201
	At the End of the year	496010	6.201		

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Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	Mr. Riazahmed K. Kamal				
	At the beginning of the year	1700	0.212		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer / bonus/ sweat equity etc)	NIL	NIL	1700	0.212
	At the End of the year	1700	0.212		

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Mr. Niraj Dhadiwal				
	At the beginning of the year	200	0.002		
	Date-wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer /bonus/ sweat equity etc):	NIL	NIL		
	At the End of the year	200	0.002	200	0.002

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Mr. Prakash Sapkal				
	At the beginning of the year	300	0.003		
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	NIL	NIL		
	At the End of the year	300	0.003		

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Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	Mr. Naresh Gaikwad				
	At the beginning of the year	200	0.002		
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	NIL	NIL		
	At the End of the year	200	0.002		

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Dr. V.V. Parashar				
	At the beginning of the year	400	0.005		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL		
	At the End of the year	400	0.005		

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	Mr. Suprakash Chakravarty				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	Mr. Raghav Kapoor				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 2014-15				
i) Principal Amount	8258.04	106.37	-	8364.41
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	70.14	-	-	70.14
Total (i+ii+iii)	8328.18	106.37	-	8434.55
Change in Indebtedness during the financial year				
· Addition	919.08	9.22	-	928.30
· Reduction	-	-	-	-
Net Change	919.08	9.22	-	928.30
Indebtedness at the end of the financial year				
i) Principal Amount	9184.50	115.59	-	9300.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	62.76	-	-	62.76
Total (i+ii+iii)	9247.26	115.59	-	9362.85

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager					Total Amount
		Mr. Anwar S. Daud	Mr. Riazahmed K. Kamal	Mr. Zulfiquar Kamal	Mr. Prakash Sapkal	Mr. Niraj Dhadiwal	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60.00 lacs	17.50 lacs	36.00 lacs	22.85 lacs	23.00 lacs	159.3 lacs
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961						
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	11.50 lacs					11.50 lacs
	Stock Option	--	--	--	--	--	--
3.	Sweat Equity	--	--	--	--	--	--
4.	Commission - as % of profit - others, specify...	--	--	--	--	--	--
5.	Others, please specify	--	--	--	--	--	--
	Total (A)	71.50 lacs	17.50 lacs	36.00 lacs	22.85 lacs	23.00 lacs	170.8 lacs
	Ceiling as per the Act	84.00 lacs	84.00 lacs	84.00 lacs	84.00 lacs	84.00 lacs	84.00 lacs

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Naresh Gaikwad	Dr. V.V. Parashar	Mr. Suprakash Chakravarty	
1.	Independent Directors · Fee for attending board committee meetings · Commission · Others, please specify Remuneration	NIL	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL	NIL
2.	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL
	Total (B) = (1+2)	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	172.65			
	Overall Ceiling as per the Act	Rs. 420.00 lacs			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD : Section 203 not Applicable to the Company.

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income tax				
	(c) Act, 1961				
	(d) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission				
	- as % of profit				
	- others, specify...				
5.	Others, please specify				
	Total				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act,	Brief Description	Details of penalty/ Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any, (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE - II

**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES
TO BE INCLUDED IN THE BOARD'S REPORT**

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The composition of the CSR Committee :
 - i) Mr. Anwar Siraj Daud, Chairman
 - ii) Mr. Zulfiquar M. Kamal, Member
 - iii) Mr. Raghav Kapoor, Member
 - iv) Suprakash Chakravarty, Member
3. Average net profit of the company for last Three financial years – : Rs. 17.62 Crores.
4. Prescribed CSR Expenditure (two per cent of the amount as item 3 above) : Rs. 35.24 Lacs
5. Details of CSR spent during the financial year :
 - (a) Total amount to be spent for the financial year. : Rs. 35.24 Lacs
 - (b) Amount unspent, if any. : Rs. 35.24 Lacs
 - (c) Manner in which the amount spent during the financial year is detailed below :

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs-wise	Amount spent on the projects or programs sub-heads. (1) Direct expenditure on projects or programs (2) Over-heads:	Cumulative expenditure upto the reporting period.	Amount spent : Direct or through implementing agency*
1.		NOT APPLICABLE					
2.							
3.							
	TOTAL						

*Give details of implementing agency :

- 6 In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report : Since the policy could be laid down only on 19.03.2015, there was little time for identifying and taking up the projects as per the policy.
7. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

(Zulfiquar M. Kamal)
Director (Finance)

(Anwar Siraj Daud)
Chairman (CSR Committee)

Form No. MR-3

SECRETARIAL AUDIT REPORT

FORTHE FINANCIAL YEAR ENDED MARCH 31, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ZIM Laboratories Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ZIM Laboratories Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **Not applicable as the Company has become unlisted from 30.05.2014.**
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not Applicable)
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
 - (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998.
- (vi) The Acts which are specifically applicable to the Company as follows :-
 - (a) The Drugs and Cosmetics Act, 1940.
 - (b) Food Safety and Standards Act, 2006.
 - (c) Poisons Act, 1919.
 - (d) The Patents Act, 1970.
 - (e) The Trade marks Act, 1999.

Labour Laws :-

- (a) Factories Act, 1948.
- (b) The Payment of wages act, 1936
- (c) The Minimum Wages Act, 1948
- (d) Employees' state insurance act, 1948
- (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- (f) The Payment of Bonus Act, 1965
- (g) The Payment of Gratuity Act, 1972
- (h) The Contract Labour (Regulation & Abolition) Act, 1970
- (i) The Factories Act, 1948
- (j) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959

Environmental Laws :-

- (a) The water prevention and control of pollution act, 1974
- (b) The Air (Prevention & Control of Pollution) Act, 1981
- (c) The Hazardous Wastes (Management, Handling And Transboundary Movement) Rules, 2008
- (d) The Environment (Protection) Act, 1986

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not applicable as not notified for the Period under Review).
- (ii) The Listing Agreements entered into by the Company – The Company has become unlisted from 30.05.2014.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The Company has not filed Form FC-GPR for investment by Dr. Abdelmounaim Iguer, a foreign national of Algeria
2. The Company has an Overseas Direct Investment in its Wholly-owned Subsidiary incorporated in Sharjah, and following non-compliances are observed:
 - The investment in the Subsidiary Company is not routed through authorized Banking Channel.
 - Unique Identification Number for such transaction is not available.
 - Form ODI has not been filed.
 - The Investment is made directly by Mr. Anwar Siraj Daud, Managing Director out of tour advance obtained by the Directors.

I further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that the Company is in the process of adopting adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Nagpur

Date : 16th February, 2016

Signature:

(Ankita P. Jain)
ACS No.: 32982
PCS No.: 12098

INDEPENDENT AUDITOR'S REPORT

To the Members of Zim Laboratories Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Zim Laboratories Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors 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, financial performance and cash flows of the Company in accordance with 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of 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.

Basis for Qualified Opinion

- (a) During the course of our audit, we identified certain sales transactions totalling Rs 27.11 Crores during the year with customers whose closing receivable balances at March 31, 2015 totals Rs. 27.11 Crores which are fully provided for being doubtful of its recovery as explained in note 15a to the financial statement and certain purchase transactions aggregating to Rs. 22.59 Crores from vendors to whom payment (including advances) of Rs. 24.22 Crores has been made. The Company has not been able to provide us with sufficient appropriate audit evidence to substantiate the occurrence of these transactions and the recoverability of the underlying receivable balances respectively. Accordingly, we are unable to comment on the impact, if any, of the aforesaid transactions on the financial statements of the Company including any implications, if any, under Companies Act, 2013.

- (b) Outstanding receivable balance of Rs. 9.32 Crores and advance of Rs. 9.16 Crores at March 31, 2015 to two parties which are doubtful of recovery have not been provided for. Had the Company provided for these receivables and advances, net profit and net worth would have been lower by Rs. 18.48 Crores and accounts receivable and loans and advances would have been lower by Rs. 9.32 Crores and Rs. 9.16 Crores, respectively.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph (a) above and except for the effects of paragraph (b) in the Basis for Qualified Opinion above, the aforesaid financial statement 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 March 31, 2015, its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanation except for the matters described in the Basis for Qualified Opinion paragraph (a) above which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account except for the matters described in the Basis for Qualified Opinion paragraph (a) above, 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) Except for the matters described in the Basis for Qualified Opinion paragraph, 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) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - (f) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
 - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - (h) 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 – Refer Note 31B to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E

per Ravi Bansal
Partner
Membership Number: 49365

Place: Mumbai
Date: December 17, 2015

Annexure to 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) Some fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying them once in three 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.
- (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) 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 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order 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, in respect of purchase of inventory, the internal control system is inadequate in respect of approval of purchase orders, basis of approval of quotations and seeking of regular confirmation of balances from vendors and their reconciliation. In respect of purchase of fixed assets, the internal control system is inadequate in respect of comparative quotation analysis and basis of approval of quotations. In respect of sale of goods, the internal control system is inadequate in respect of approval of sales price, acknowledgement of sales invoices by customers, seeking of regular confirmations of balances from customers and their reconciliation which needs to be strengthened to make it adequate and commensurate with the size of the Company and the nature of its business. In our opinion this is a continuing failure to correct major weaknesses in the internal control system.
- (v) The Company has not accepted any deposits from the public.
- (vi) 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 148(1) of the Companies Act, 2013, related to the manufacture of formulations and bulk drugs, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of Service tax and tax deducted at source.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the Statute (Nature of Dues)	Amount (Rs. Lakhs)	Period to which amount relates	Forum where dispute is pending
Income tax Act, 1961 (Tax & Interest)	222.52	FY 2006-2007 to 2011-2012	Asst. Commissioner of Income tax, Mumbai
Sales Tax (Tax & Interest)	34.70	FY 2004-05	Joint Commissioner of Sales tax Appeal, Nagpur
Service Tax (Tax & Interest)	63.57	FY 2012-13 and 2013-14	Commissioner of Central Excise and Customs, Nagpur
Gram Panchayat Tax (Local body tax)	4.41	FY 2008-2009 to 2012-2013	High Court of Mumbai

- d. According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time
- (viii) 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.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, there are no dues to banks, financial institutions or debentureholders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Except for the matters described in the Basis of Qualified Opinion paragraph (a) in our main report, for which we are unable to comment on whether there has been any fraud on the Company, 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 by the Company and no material fraud on the Company has been noticed or reported during the year.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E

per Ravi Bansal

Partner

Membership Number: 49365

Place: Mumbai

Date: December 17, 2015

31st Annual Report 2014-2015

Zim Laboratories Limited Balance sheet as at 31 March 2015

	Notes	31-Mar-15	31-Mar-14
		Rs. lacs	Rs. lacs
Equity and Liabilities			
Shareholder's funds			
Share capital	3	799.85	799.85
Reserves and surplus	4	8,625.14	10,802.78
		9,424.99	11,602.63
Non-current liabilities			
Long-term borrowings	5	3,758.78	3,967.64
Deferred tax liabilities (net)	6	-	498.93
		3,758.78	4,466.57
Current liabilities			
Short-term borrowings	8	5,141.59	4,016.74
Trade payables	9	6,411.53	4,664.24
Other current liabilities	10	1,708.15	1,371.03
Short-term provisions	7	55.86	237.46
		13,317.13	10,289.47
Total		26,500.90	26,358.67
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	8,511.88	7,243.52
Intangible assets	11	198.97	39.11
Capital work-in-progress		562.42	1,057.11
Intangible assets under development		-	108.50
Non-current investments	12	9.13	5.10
Loans and advances	13	488.01	346.80
Other non current assets	17	21.74	168.16
		9,792.15	8,968.30
Current assets			
Inventories	14	4,609.90	3,113.91
Trade receivables	15	8,012.50	9,785.09
Cash and bank balances	16	754.35	1,839.23
Loans and advances	13	3,326.17	2,640.77
Other current assets	17	5.83	11.37
		16,708.75	17,390.37
Total		26,500.90	26,358.67

The accompanying notes are an integral part of financial statements.

As per our report of even date

For S R B C & CO LLP
ICAI Firm registration number: 324982E
Chartered Accountants

per Ravi Bansal
Partner
Membership no.: 49365

Place: Mumbai
Date: 17th December, 2015

For and on behalf of the board of directors of
Zim Laboratories Limited

Anwar S. Daud
Managing Director

Place: Nagpur
Date: 17th December, 2015

Zulfiqar M. Kamal
Director & CFO

R.A. Parasuraman
Company Secretary

31st Annual Report 2014-2015

Zim Laboratories Limited Statement of Profit and loss for the year ended 31 March 2015

	Notes	31-Mar-15 Rs. lacs	31-Mar-14 Rs. lacs
Income			
Revenue from operations (gross)	18	27,509.42	23,348.17
Less: excise duty		876.39	638.54
Revenue from operations (net)		26,633.03	22,709.63
Other income	19	248.25	388.09
Total revenue		26,881.28	23,097.72
Expenses			
Cost of raw material and components consumed	20	15,626.75	14,334.63
Purchase of traded goods	21	2,409.16	924.77
(Increase)/ decrease in inventories of finished goods and work-in-progress	22	134.35	(574.21)
Employee benefits expense	23	2,324.41	1,811.41
Depreciation and amortization expense	11	712.90	416.30
Finance costs	24	1,032.55	813.43
Other expenses	25	7,297.69	4,083.11
Profit before tax		(2,656.53)	1,288.28
Tax expenses			
Current Tax - Minimum Alternate Tax payable (net of an adjustment of Rs.9.38 lacs pertaining to Previous year (31 March 2014 : Rs. 6.74 lacs))		121.22	264.15
Less: Minimum alternative tax credit entitlement		(130.60)	(132.02)
Net Current Tax Expense		(9.38)	132.13
Deferred Tax Expense/(Income)		(490.33)	142.08
Total tax expense		(499.71)	274.21
Profit/(Loss) for the year		(2,156.82)	1,014.07
Earning per share (nominal value of share Rs. 10 (31 March 2014: Rs. 10)	27		
Basic & Diluted		(26.97)	12.68

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of financial statements.

As per our report of even date

For S R B C & CO LLP
ICAI Firm registration number: 324982E
Chartered Accountants

per Ravi Bansal
Partner
Membership no.: 49365

Place: Mumbai
Date: 17th December, 2015

For and on behalf of the board of directors of
Zim Laboratories Limited

Anwar S. Daud
Managing Director

Place: Nagpur
Date: 17th December, 2015

Zulfiqar M. Kamal
Director & CFO

R.A. Parasuraman
Company Secretary

31st Annual Report 2014-2015

Zim Laboratories Limited
Cash flow statement for the year ended 31 March 2015

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Cash flow from operating activities		
Profit/ (Loss) before tax	(2,656.53)	1,288.28
Non cash adjustments		
Depreciation/amortisation	712.90	416.30
Loss/ (Profit) on sale of fixed assets	(0.10)	1.96
Fixed Assets written off	23.09	178.12
Unrealized Foreign Exchange Loss	105.19	75.95
Premium on forward exchange contract amortized	1.07	-
Provision for doubtful debts	3,301.88	112.15
Provision for employee benefits	(13.40)	8.02
Dividend income	(0.60)	(0.60)
Interest income	(50.50)	(148.85)
Interest Expenses	1,032.55	813.43
Operating Profit Before Working Capital Changes	2,455.55	2,744.76
Movement in working capital :		
(Increase)/decrease in trade receivables	(1,247.58)	(2,129.58)
(Increase)/decrease in inventories	(1,495.99)	(751.81)
Increase/(decrease) in trade payables	1,749.10	1,402.95
Increase/(decrease) in provisions	(16.34)	-
(Increase)/decrease in long term loan & advances	(105.84)	(38.12)
(Increase)/decrease in short term loan & advances	(960.98)	(411.48)
(Increase)/decrease in other non current assets	146.42	(136.53)
(Increase)/decrease in other current assets	4.47	14.17
Increase/(decrease) in other current liabilities	370.52	335.37
Net Cash generated from operations	899.33	1,029.73
Direct taxes paid (net of refunds)	(196.65)	(694.90)
Net cash flow from operating activities (A)	702.68	334.83
Cash flows from investing activities		
Purchases of fixed assets, including CWIP & capital advances	(1,492.70)	(2,459.84)
Proceeds from Sale of fixed assets	0.89	21.08
Purchase of non-current investment	(4.03)	-
Investments in bank deposits (having original maturity of more than three months)	(320.53)	(1,048.59)
Maturity of bank deposits (having original maturity of more than three months)	746.89	2,214.90
Interest received	50.50	148.85
Dividend received	0.60	0.60
Net cash (used in) investing activities (B)	(1,018.38)	(1,123.00)
Cash flows from financing activities		
Proceeds from long term borrowings	17.31	2,279.36
Repayment of long term borrowings	(358.20)	(268.94)
Proceeds from short term borrowings	1,367.68	330.31
Repayment of short term borrowings	(242.83)	(118.51)
Interest Paid	(1,037.01)	(751.68)
Dividend paid on equity shares	(73.40)	(56.94)
Tax on equity dividend paid	(16.38)	(12.98)
Net cash from / (used) financing activities (C)	(342.83)	1,400.62
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	(658.53)	612.45
Opening cash and cash equivalents	753.77	141.32
Cash and Cash equivalents as at the end	95.24	753.77
Components of cash and cash equivalents	31-Mar-15	31-Mar-14
Cash on hand	1.67	2.00
Balances with banks in:		
- Current accounts	72.35	737.14
- Dividend accounts*	21.22	14.63
Total Cash and cash equivalents (Note 16)	95.24	753.77

Summary of significant accounting policies

2.1

* The company can utilize these balances only toward settlement of the respective unpaid dividend, which are not available for use by the company.

The accompanying notes are an integral part of financial statements.

As per our report of even date

For S R B C & CO LLP
ICAI Firm registration number: 324982E
Chartered Accountants

per Ravi Bansal
Partner
Membership no.: 49365

Place: Mumbai
Date: 17th December, 2015

For and on behalf of the board of directors of
Zim Laboratories Limited

Anwar S. Daud
Managing Director

Place: Nagpur
Date: 17th December, 2015

Zulfiqar M. Kamal
Director & CFO

R.A. Parasuraman
Company Secretary

Zim Laboratories Limited
Notes to financial statements for the year ended 31 March 2015

1. Corporate information

Zim Laboratories Limited ('the Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the manufacturing, marketing and selling of formulation drugs, pre formulation ingredients in India and outside India.

2. Basis of Preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of Companies Act, 2013.

Based on the nature of business and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

2.1 Summary of significant accounting policies**a. Use of estimates :**

The preparation of financial statements in conformity with Indian GAAP 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.

b. Tangible fixed assets and Capital CWIP

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for their intended use are also included in the cost of the assets to the extent these relate to the period up to the date such assets are ready to be put to use.

Expenditure (including interest) incurred during the construction period is included in Capital work-in-progress and the same is allocated to respective fixed assets on completion of the construction.

Subsequent expenditure related to an item of fixed 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 fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

c. Depreciation on tangible fixed assets

Till the year ended 31 March 2014, depreciation rates prescribed under schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribed useful lives for fixed assets, 'which, in many cases are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/lower useful lives and

residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

Considering the applicability of Schedule II, the management has re-estimated useful lives & residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

Had the same accounting treatment followed for depreciation as considered till March 2014, been followed by Company in current year, profits for the current year would have been higher by Rs. 111 lacs (net of tax impact of Rs. 53 lacs), retained earnings would have been higher by Rs. 128 lacs (net of tax impact of Rs. 9 lacs) and the fixed assets would correspondingly have been higher by Rs. 190 lacs.

Cost of Leasehold land is amortized on a straight line basis over the period of lease.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets.

Useful lives estimated by the management (years)

Factory buildings	30
Plant and Machinery-Lab Equipments	10
Plant and Machinery	15
Furniture and fixtures	10
Office equipment	5
Vehicles	8 to 10
Leasehold improvements	Based on primary lease period

d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

e. Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the Asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

During the period of development, the asset is tested for impairment annually. Amortization of the asset when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project. Amortization is recognized in the statement of profit and loss.

f. Leases

Where the company is lessee Leases, where the lesser effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

g. Borrowing costs

Borrowing cost includes interest and amortization of ancillary 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.

h. Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication of impairment exists, 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.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated.

i. Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

j. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k. Inventories

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 weighted average basis.

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. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

i. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Income from services

Income from service rendered is recognized based on the terms of the agreements and when services are rendered. Service income is net of service tax.

Dividend

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

m. Foreign currency translation

Foreign currency transactions and balances

(i) Initial recognition

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

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary **items**, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange differences

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

- Exchange differences arising on settlement/ restatement of monetary items are recognized as income or as expenses in the year in which they arise. Premium or discount on forward contracts is amortized over the life of such contracts and is recognized as income or expenses.
 - Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset **are** capitalized and depreciated over the remaining useful life of the asset. The company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.
- (iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability. The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

The company has only one defined benefit plan for its employees, viz., gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gain and loss for defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

o. Taxation

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences 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. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the *Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961*, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

p. Segment reporting

Identification of segments

The company is operating only one business segment "pharmaceutical" as its primary segment. The analysis of geographical segments is based on the revenue generating locations. The geographical segment information of the company is categorized under domestic sales and export sales.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

q. 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. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

r. Provisions

A provision is recognized when the company 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.

s. 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 company 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 but discloses its existence in the financial statements.

t. Cash and cash equivalents

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

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Zim Laboratories Limited Notes to financial statements for the year ended 31 March 2015

3. Share capital

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Authorised share Capital		
1,10,00,000 (31 March 2014: 1,10,00,000) equity shares of Rs. 10 each	1,100.00	1,100.00
Issued, subscribed and fully paid-up shares		
79,98,520 (31 March 2014: 79,98,520) equity shares of Rs. 10 each fully paid up	799.85	799.85
Total issued, subscribed and fully paid-up share capital	799.85	799.85

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31-Mar-15		31-Mar-14	
Equity Shares	No. lacs	Rs. lacs	No. lacs	Rs. lacs
At the beginning of the period	79.99	799.85	79.99	799.85
Issued during the period	-	-	-	-
Outstanding at the end of the period	79.99	799.85	79.99	799.85

(b) Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 each. Each share holder of equity share is entitled to one vote per share.

During the year ended 31 March 2015, the amount of dividend per share is Rs. Nil (31 March 2014-Rs. 1)

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

(c) Details of shareholders holding more than 5% of shareholding in company

	31-Mar-15		31-Mar-14	
Name of Shareholder	No.	% holding in the class	No.	% holding in the class
AA Development Capital India Fund 1, LLC	1,782,652	22.29%	1,782,652	22.29%
Anwar Daud*	2,313,720	28.93%	1,853,000	23.17%
Aanjaneya Remedies Private Limited	-	-	601,800	7.52%
AMR Investments Private Limited	-	-	583,949	7.30%
Zakir Valli	1,910,570	23.89%	1,449,600	18.12%
Zulfiquar M.Kamal	497,010	6.21%	-	-

* 2,50,000 share are jointly held with Tasneem Daud (wife of Mr. Anwar Daud).

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

4. Reserves and surplus

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Capital reserve		
	40.00	40.00
Securities premium	4,761.16	4,761.16
General reserve		
Balance as per last financial statements	106.20	80.85
Add: amount transferred from the statement of profit and loss	-	25.35
	106.20	106.20

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Surplus in the statement of profit and loss

Balance as per last financial statements	5,895.42	4,999.67
Profit / (Loss) for the year	(2,156.82)	1,014.07
Less: <u>Appropriations</u>		
Proposed final equity dividend (31 March 2014: Rs. 1 per share)	-	79.99
Tax on proposed equity dividend (includes adjustment of earlier years of Rs.3.40 lacs (31 March 2014: Rs.Nil)	3.40	12.98
Transfer to general reserve	-	25.35
Adjustment relating to Fixed Assets (Refer Note 11)	17.42	-
Total appropriations	20.82	118.32
Net surplus in the statement of profit and loss	3,717.78	5,895.42
Total reserves and surplus	8,625.14	10,802.78

5. Long-term borrowings

	Non-current		Current	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
Secured				
Term Loans				
Indian rupee loan from banks	566.40	649.56	121.77	214.60
Foreign currency loan from banks	3,110.21	3,222.71	244.53	154.43
Unsecured				
Loan from Department of Scientific and Industrial Research (DSIR), Government of India	39.60	44.00	32.71	11.00
Deferred sales tax loan	42.57	51.37	0.71	-
Amount disclosed under the head "Other current liabilities" (Note 10)	-	-	(399.72)	(380.03)
	3,758.78	3,967.64	-	-

- (a) Indian rupee loan is from consortium members, the loan is secured by way of first charge on all fixed assets including Land & Building, Plant & Machinery and second charge on all current assets on pari passu basis with lead banker & other members under consortium arrangement. The loans are also secured by personal guarantee of managing director. The interest rates are Base rate plus 4.15% p.a, loan taken from the lead banker is repayable from March 2013 to September 2015 and in respect of loan taken from a member bank, interest rate is PLR less 3%, repayable in 84 EMI's starting from April 2014.
- (b) Foreign currency loan (ECB-I) from bank carries interest rate of 3 Month LIBOR plus 5% p.a. (earlier fixed @ 6.49% up to 19th May 2014) which is repayable from May 2013 to May 2019 on half yearly basis and the loan availed in the previous year (ECB-II) of Rs. 1700 Lakhs having interest rate of 7.80% is repayable from November 2014 to November 2020. The loan is secured by the first charge on entire fixed assets of the company both present & future & second charge on entire current assets of the company on pari-passu basis with other consortium members. Loans are also secured by personal guarantee of managing director.
- (c) Deferred sales tax loan pertains to interest free tax liability under the packing incentive scheme for the year 2004-05, 2005-06 and 2006-07 and is payable in 5 yearly installments starting from the financial year 2015-16, 2016-17 and 2017-18 respectively.
- (d) Loan from DSIR is repayable after 36 months from the date of first sanction i.e. 18th October 2011, in five yearly equal instalments. The Company shall pay annual royalty of 26% of the amount disbursed i.e. repayment shall be 1.30 times of the amount actually disbursed by DSIR.

6. Deferred tax liabilities (Net)

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	61.47	62.90
Provision for employee benefits	7.90	17.40
Provision for doubtful debts & advances	723.02	86.65
Gross deferred tax assets#	792.39	166.95

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Deferred tax liabilities

Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting

Others

Gross deferred tax liabilities

773.17	645.99
19.22	19.89
792.39	665.88
-	498.93

The Company has carried forward losses as at March 31, 2015 and hence deferred tax asset has been recognized only to the extent of deferred tax liability.

7. Short-Term Provisions

Provision for employee benefits

Provision for gratuity (Refer Note 28)

Provision for leave benefits

Other Provisions

Provision for income tax (net of advance tax)

Proposed equity dividend

Provision for tax on proposed equity dividend

31-Mar-15	31-Mar-14
Rs. lacs	Rs. lacs
27.96	37.29
-	16.34
27.90	90.86
-	79.99
-	12.98
55.86	237.46

8. Short term borrowings

Secured

Cash credit from banks

Buyer's Credit

Short term loan from financial institution

31-Mar-15	31-Mar-14
Rs. lacs	Rs. lacs
4,993.14	3,934.62
106.91	67.27
41.54	14.85
5,141.59	4,016.74

- (a) Cash credit from banks are secured by the first charge on all current assets and second charge on all the fixed assets of the Company on pari pasu basis with other consortium members. Cash credit is repayable on demand and interest rate on cash credit facility from lead banker & other banks is Base Rate plus 3.65% p.a. & 3.50% p.a. & PLR minus 3% p.a. respectively.
- (b) During the year, the Company has availed of import financing facility under the buyer's credit scheme. The maximum repayment period is one year from the date of drawdown. Buyer's credit facility is towards import of fixed assets. Interest is charged @ LIBOR plus mark-up payable at maturity. The facility is fully secured by cash equivalents.
- © Short term loan from financial institution is secured by bank guarantee having initial repayment period of 90 Days against each purchase at rate of interest of 12.95% p.a.

9. Trade payables

For goods (Refer note 25a)

For expenses

(Refer note no. 35 for micro & small enterprises)

31-Mar-15	31-Mar-14
Rs. lacs	Rs. lacs
5,098.26	3,497.01
1,313.27	1,167.23
6,411.53	4,664.24

10. Other current liabilities

Current maturities of long term borrowings (Note 5)

Interest accrued but not due on borrowings

Liability for capital expenditure

Advance received from customers

Statutory dues

Unpaid dividends

Others (includes payable to employees)

31-Mar-15	31-Mar-14
Rs. lacs	Rs. lacs
399.72	380.03
62.76	70.14
216.21	248.82
675.81	393.54
114.79	128.40
21.22	14.63
217.64	135.47
1,708.15	1,371.03

Tangible and intangible assets

Tangible and intangible assets	Freehold Land	Leasehold Land	Buildings (Refer Note 2 and 3)	Plant and Machinery (Refer Note 42)	Electric Installation	Furniture and Fixtures	Office Equipments	Vehicles (Refer Note 4)	Total	Softwares	Total
Cost											
At 1 April 2013	27.63	228.39	1,775.33	2,892.29	72.67	329.38	71.60	96.90	5,494.19	-	5,494.19
Additions	-	146.18	1,520.85	1,531.29	76.65	143.72	34.74	41.32	3,494.75	46.55	3,541.30
Disposals	-	-	-	347.62	-	-	-	7.49	355.11	-	355.11
At 31 March 2014	27.63	374.57	3,296.18	4,075.96	149.32	473.10	106.34	130.73	8,633.83	46.55	8,680.38
Additions	61.76	-	489.18	1,208.26	57.38	192.95	41.49	-	2,051.02	184.26	2,235.28
Disposals	-	-	52.43	64.96	8.29	12.42	27.33	-	165.43	-	165.43
At 31 March 2015	89.39	374.57	3,732.93	5,219.26	198.41	653.63	120.50	130.73	10,519.42	230.81	10,750.23

Depreciation/Amortization											
At 1 April 2013	6.17	3.72	82.91	703.84	12.38	127.56	28.51	28.09	1,145.46	-	1,145.46
Charge for the year	-	3.72	265.76	5.57	34.46	11.57	11.14	415.13	7.44	422.57	1,170.26
Disposals	-	-	168.20	-	-	-	-	2.06	170.26	-	170.26
At 31 March 2014	9.89	321.82	801.40	17.95	162.02	40.08	37.17	1,390.33	7.44	1,397.77	1,145.46
Charge for the year	-	3.79	136.46	426.13	20.96	53.22	33.59	19.10	693.25	24.40	717.65
Disposals	-	2.73	39.37	5.05	10.58	18.31	-	76.04	-	-	76.04
At 31 March 2015	-	455.55	1,188.16	33.86	204.66	55.36	56.27	2,007.54	31.84	2,039.38	1,145.46
Net Book Value											
At 31 March 2015	89.39	360.89	4,031.10	3,274.56	131.37	448.97	65.14	74.46	8,511.88	198.97	8,710.85
At 31 March 2014	27.63	364.68	2,974.36	3,274.56	131.37	448.97	65.14	74.46	8,511.88	198.97	8,710.85

¹ The borrowing cost capitalized during the year ended 31 March 2015 was Rs. 64,59 lacs (31st March 2014: 96,70 lacs).

² Building includes those constructed on leasehold land:

Building includes those constructed on leasehold land:	31-Mar-15	31-Mar-14
Gross block	2,699.46	2,719.48
Depreciation charged during the year	107.05	74.90
Accumulated depreciation	404.97	263.91
Net Book Value	2,294.49	2,455.57

³ Building includes those constructed on leasehold land but title not transferred in the name of the company till date.

Gross block	219.30	219.30
Depreciation charged during the year	7.31	1.52
Accumulated depreciation	8.83	1.52
Net Book Value	210.47	217.78

⁴ Vehicles includes vehicles in the personal name of directors & employees having Gross Block Rs. 65.04 lacs and WDV Rs. 40.79 lacs (31st March 2014 - Gross Block Rs. 65.04 lacs and WDV Rs. 49.53 lacs)

⁵ Reconciliation of depreciation:

Reconciliation of depreciation:	31-Mar-15	31-Mar-14
Change for the year as above	717.65	422.57
Depreciation capitalised for fixed assets under development	(4.75)	(6.27)
Depreciation and amortization charged for the year	712.90	416.30

⁶ Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax of Rs. 9 lacs in retained earnings amounting to Rs. 17.42 lacs (31 March 2014: Rs. Nil).

12. Non current investments (valued at cost unless stated otherwise) (Unquoted)	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Non-trade Investments		
Government securities		
National Saving Certificate	0.10	0.10
Investment in equity instruments		
20,000 (31 March 2014: 20,000) equity shares of Rs. 25 each fully paid-up in Shamrao Vithal co-operative Bank Limited	5.00	5.00
Trade Investments		
Investment in Subsidiary Company		
25 equity shares (31 March 2014: Nil) of 1000 AED each fully paid-up in Zim Laboratories FZE,UAE	4.03	-
	9.13	5.10
13. Loans & Advances		
(Unsecured, considered good unless otherwise stated)		
	Non Current	Current
	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Capital advances	18.63	123.43
Earnest Money and security deposits	191.04	86.48
Loan & advances to related parties (Note 34)	-	17.84
Advances recoverable in cash or kind	-	3,169.60
Pre-paid expenses	6.15	39.63
Loans to employees	-	4.38
Leave benefits	-	4.08
Balance with statutory/government authorities	-	12.00
Minimum Alternative Tax credit entitlement	272.19	132.02
	488.01	3,326.17
	346.80	2,640.77
Loans & advances to related parties include:		
	Current	
	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Advances to Managing Director and Executive Director	17.84	12.48
	17.84	12.48
14. Inventories		
(Valued at lower of cost and net realizable value)		
	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Raw materials [includes in transit - Rs.140.21 lacs (31 March 2014 : Rs.33 lacs)]	2,975.84	1,339.85
Work in progress	677.03	820.57
Finished goods [includes in transit - Rs. Nil (31 March 2014 : Rs.531 lacs)]	910.77	901.58
Stores and spares	46.26	51.91
	4,609.90	3,113.91
15. Trade receivables (unsecured)		
	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Outstanding for more than six months from the date they are due for payment		
Considered good	1,930.22	2,910.23
Considered doubtful	570.62	267.07
Other receivables		
Considered good	6,082.28	6,874.86
Considered doubtful	2,718.68	-
	11,301.80	10,052.16
	(3,289.30)	(267.07)
Less: Provision for doubtful debts (Refer Note 25a)	8,012.50	9,785.09

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Trade receivables are disclosed net of a provision for bad and doubtful debts. The provision for bad and doubtful debts is based on a specific risk assessment and reference to past default experience.

16. Cash and Bank Balances

	Non-Current		Current	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
Cash and cash equivalents				
Balances with banks in:				
- Current accounts	-	-	72.35	737.14
- Dividend account	-	-	21.22	14.63
Cash on hand	-	-	1.67	2.00
	-	-	95.24	753.77
Other Bank Balances				
Margin money deposits*	21.74	168.16	654.11	400.74
Fixed deposits with original maturity for more than 12 months			5.00	684.72
	21.74	168.16	659.11	1,085.46
Amount disclosed under non-current assets (Note 17)	(21.74)	(168.16)	-	-
	-	-	754.35	1,839.23

*Margin money deposits are subject to first charge to secure company's cash credit borrowings and other non fund base limits.

17. Other assets

	Non-Current		Current	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
(Unsecured, considered good unless stated otherwise)				
Non-current bank balances (Note 16)	21.74	168.16	-	-
Unamortised Premium on Forward Contracts	-	-	2.49	-
Others				
Interest accrued on fixed deposits	-	-	3.34	11.37
	21.74	168.16	5.83	11.37

18. Revenue from operations

	Rs. lacs	Rs. lacs
Sales of products (Refer note 25a)		
Finished goods	24,415.46	21,941.26
Traded goods	2,642.20	1,018.92
Other operating revenue	451.76	387.99
	27,509.42	23,348.17
Less: Excise duty	876.39	638.54
	26,633.03	22,709.63
Details of product sold		
Finished goods		
Tablets	13,306.23	11,181.64
Capsules	2,673.55	2,387.01
Pre formulation ingredients	8,435.68	8,372.61
	24,415.46	21,941.26
Traded goods		
Bulk drugs	2,642.20	1,018.92
	2,642.20	1,018.92
Other operating revenue		
Export incentives	326.11	321.77
Scrap Sales	53.68	29.56
Sale of dossiers	70.68	28.86
Others	1.29	7.80
	451.76	387.99

19. Other income

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Interest income on		
Fixed deposits	50.50	148.85
Others	6.53	27.54
Dividend income on Long term investments	0.60	0.60
Exchange rate difference (net)	70.64	162.16
Sundry creditors written back	-	38.27
Other non-operating income	119.98	10.67
	248.25	388.09

20. Cost of raw material and components consumed

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Inventory at the beginning of year	1,339.85	1,177.18
Add: Purchases (Refer note 25a)	17,262.74	14,497.30
	18,602.59	15,674.48
Less: Inventory at the end of year	2,975.84	1,339.85
Cost of raw material and components consumed	15,626.75	14,334.63

Details of raw material and components consumed

Drugs	4,343.01	5,046.34
Antibiotics	7,014.72	4,711.75
Packing materials	1,966.60	1,752.22
EHG capsules	340.71	413.76
Vitamins	248.92	117.83
Others	1,712.79	2,292.73
	15,626.75	14,334.63

Details of inventory

Drugs	683.09	484.77
Antibiotics	1,373.65	198.24
Packing materials	425.27	361.81
EHG capsules	67.36	0.01
Vitamins	34.74	37.26
Others	391.73	257.76
	2,975.84	1,339.85

21. Purchase of Traded Goods

2,409.16 924.77

Details of purchases of traded goods (Refer note 25a)

Bulk Drugs	2,409.16	924.77
	2,409.16	924.77

22. (Increase)/decrease in inventories of finished goods and work in progress

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Inventories at the end of the year		
Finished goods	910.77	901.58
Work in progress	677.03	820.57
	1,587.80	1,722.15

Inventories at the beginning of the year

Finished goods	901.58	716.54
Work in progress	820.57	431.40
	1,722.15	1,147.94
	134.35	(574.21)

Details of inventory
Finished goods

Tablets	448.16	554.61
Capsules	95.55	91.61
Pre formulation ingredients	367.06	255.36
	910.77	901.58

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Work in progress

Tablets	407.13	552.28
Capsules	38.27	119.85
Pre formulation ingredients	231.63	148.44
	677.03	820.57

23. Employee benefits expense

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Salaries, wages and bonus	2,161.10	1,676.31
Contribution to provident and other funds	66.33	45.87
Gratuity expense (Note 28)	18.52	36.11
Staff welfare expenses	78.46	53.12
	2,324.41	1,811.41

24. Finance costs

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Interest	970.15	751.34
Other borrowing costs	55.03	43.93
Interest on delayed payment of income tax	7.37	18.16
	1,032.55	813.43

25. Other Expenses

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Consumption of stores & spares	113.20	93.77
Power and fuel	622.95	520.24
Water charges	9.55	11.59
Insurance	15.53	24.71
Increase/(decrease) of excise duty on inventory	(19.25)	38.75
Repairs & maintenance -		
Machines	233.26	127.21
Buildings	77.14	47.93
Others	70.21	46.95
Printing & stationery	37.16	24.52
Communication costs	27.50	32.35
Legal and professional fees	210.54	137.92
Payment to auditors (Refer details below)	21.12	20.78
Advertisement & sales promotion	42.23	30.55
Travelling and conveyance	197.27	166.63
Commission on sales	1,176.14	1,585.77
Freight and forwarding charges	451.54	453.10
Bad debts/ advances written off	29.30	24.83
Provision for doubtful debts and advances (Refer Note 25a)	3,301.88	112.15
Rates and taxes	103.48	15.30
Fixed Assets Written off	17.00	177.03
Loss on sale of fixed assets (net)	-	1.96
Rent	6.74	8.63
Premium on forward exchange contract amortized	1.07	-
Miscellaneous expenses	552.13	380.44
	7,297.69	4,083.11

Payment to auditor

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
As auditor:		
Audit fee	19.00	18.50
In other capacity:		
Other services (certification fees)	1.18	1.09
Reimbursement of expenses	0.94	1.19
	21.12	20.78

- 25a The company's domestic business comprises of mainly supply to government through direct tender and institutional business (both corporation & government), routed via agents, through local tender. For the institutional business, agents and distributors procure orders for the company's products, through various local tenders and source the same from the company.

In the past year, some of the traders and distributors associated with such agents have either wound up their business or have failed to pay their outstanding amounts due to the company. As a result, the company has decided to close this indirect business through agents / distributors and take legal action to recover/settle the outstanding receivables from these agents, traders and distributors. In light of this development, the company has decided to make a provision on prudent basis of indirect local tender business receivables due & which are doubtful amounting to Rs. 3097 lacs including receivables of Rs. 2711 lacs representing sales made during the year.

Further, purchases amounting to Rs. 2259 lacs have been made during the year from few parties, to whom payments (including advances) of Rs. 2422 lacs are made, have discontinued and wound up their businesses during/ subsequent to the year.

26. Capitalisation of expenditure

During the year, the company has capitalised the following expenses of revenue nature to the cost of capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Salaries, wages and bonus	8.60	40.52
Finance costs	66.83	104.24
Other expenses	47.28	33.60
	122.71	178.36

27. Earning per share (EPS)

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Total operations for the year		
Profit/ (loss) after tax	(2,156.82)	1,014.07
Net profit/ (loss) for calculation of basic and diluted EPS	(2,156.82)	1,014.07
Weighted average number of equity shares in calculating basic and diluted EPS	7,998,520	7,998,520
Basic and Diluted Earning Per Share (Rs.)	(26.97)	12.68

28. General Description of Defined Benefit Plan - Gratuity

Under the gratuity plan, every employee is entitled to the benefit equivalent to fifteen days salary of last drawn salary for each completed year of service depending on the date of joining and eligibility terms, in terms of provisions of the Payment of Gratuity Act, 1972. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the Projected Unit Credit method. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the fund status and amounts recognized in the balance sheet respectively.

Statement of profit and loss
Net employee benefit expense recognized in the employee cost:

	Gratuity	
	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Current service cost	11.98	8.31
Interest cost on benefit obligation	11.47	6.98
Expected return on plan assets	(7.68)	(5.28)
Net actuarial(gain)/loss in the year	1.62	24.00
Net benefit expenses	17.39	34.01
Actual return on plan assets	8.05	5.37

Balance sheet
Benefit asset/liability

	Gratuity	
	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Present value of defined benefit obligation	147.72	125.54
Fair value of plan assets	119.76	88.25
Plan (asset) / liability	27.96	37.29

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Changes in the present value of the defined benefit obligation are as follows:

	Gratuity	
	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Opening defined benefit obligation	125.54	87.23
Current service cost	11.98	8.31
Interest cost	11.47	6.98
Benefit paid	(4.34)	(1.08)
Actuarial(gains)/losses on obligation	3.07	24.10
	147.72	125.54

Changes in the fair value of the plan assets are as follows:

	Gratuity	
	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Opening fair value of plan assets	88.25	60.65
Expected return	7.68	5.27
Contribution by employer	23.07	23.31
Benefit paid	(0.69)	(1.08)
Actuarial gain/(losses)	1.45	0.10
Closing fair value of plan assets	119.76	88.25

The company expects to contribute Rs. 44.71 lacs to gratuity in the next year (31 March 2014: 44.07 lacs).

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Investments with insurer (Insurer managed funds)	100%	100%

The principal assumption used in determining gratuity benefit obligation for the company's plans are shown below:

	Gratuity	
	31-Mar-15	31-Mar-14
Discount rate	8.04%	9.14%
Expected rate of return on assets	8.04%	8.70%
Salary escalation	5.00%	5.00%
Attrition rate	13.79%	12.85%
Mortality	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate
Retirement age (years)	60 & 65	60 & 65

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current and previous four periods are as follows:

	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
Gratuity					
Defined benefit obligation	147.72	125.54	87.23	67.86	50.91
Plan assets	119.76	88.25	60.65	34.77	28.78
Surplus/(Deficit)	(27.96)	(37.29)	(26.58)	(33.09)	(22.13)
Experience adjustments on plan liabilities	(4.71)	29.57	2.49	3.72	-
Experience adjustments on plan assets	1.45	0.09	1.69	0.24	-

29. Operating leases

Where company is the lessee :

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Within one year	6.00	6.00
After one year but not more than five year	26.85	25.70
More than five years	7.26	14.41

The company has entered into operating lease agreement on certain premises. The lease term is 5 years with renewal option included in the contracts. There are no restrictions placed upon the company by entering into these leases. There is escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

30. Research & development expenditure

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Revenue	411.41	156.94
Capital*	316.17	432.88
Total	727.58	589.82

* Includes Rs. Nil under capital work in progress (31st March 2014: 209.22 lacs).

31A. Capital and other commitments

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	67.28	393.98

31B. Contingent liabilities

Particulars	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Claims against company not acknowledged as		
Sales tax	34.71	40.70
Service tax	63.57	88.12
Income tax	222.52	175.86
Gram Panchayat Tax	4.41	4.10
Central Sales Tax Liability against pending 'C' and 'H' forms	174.24	128.46
Total	499.45	437.24

32. Derivative instruments and unhedged foreign currency exposure

	31-Mar-15	31-Mar-14
(a) Derivatives outstanding as at the reporting date	254.86	-
Particulars	Purpose	
Forward contract to sell US \$ 4.08 lacs (31 March, 2014 : Nil)	Hedge of highly probable foreign currency sales	
Interest rate swap US \$ 27.04 lacs (31 March, 2014 : US \$ 56.23 lacs)	Hedge against exposure to variable interest on loan. Swap to pay fixed interest interest @ 7.8% p.a. and receive a variable interest @ LIBOR on the outstanding amount.	

(b) Particulars of unhedged foreign currency exposure as at the reporting date

	31-Mar-15		31-Mar-14	
Particulars	Amount In Foreign Currency (Lacs)	Amount In Local Currency (Lacs)	Amount In Foreign Currency (Lacs)	Amount In Local Currency (Lacs)
Trade payables (USD)	9.15	572.14	4.57	275.51
Trade receivables				
USD	19.50	1,220.23	27.08	1,626.44
EURO	1.44	96.67	0.24	20.15
Borrowings (USD)	7.27	454.59	56.23	3,377.14
Buyer's Credit (USD)	1.73	108.38	1.12	67.27
Export Commission				
USD	7.66	478.96	5.50	330.25
EURO	0.26	17.14	0.40	32.68

33. Segment information

The operations of the Company represent a single primary business segment relating to pharmaceuticals. Secondary segment reporting is performed on the basis of location of the customers. All the fixed assets of the Company are situated in India.

Particulars	31-Mar-15			31-Mar-14		
	Domestic	Export	Total	Domestic	Export	Total
Revenue from operations	17,769.36	8,863.67	26,633.03	13,756.89	8,952.74	22,709.63
Carrying amount of segment assets	24,654.40	1,574.31	26,228.71	24,708.24	1,650.43	26,358.67
Capital expenditure for the year	2,235.28	-	2,235.28	3,541.30	-	3,541.30
- Tangible	2,051.02	-	2,051.02	3,494.75	-	3,494.75
- Intangible	184.26	-	184.26	46.55	-	46.55

34. Related party disclosures
(A) Name of related parties where control exists:

Zim Laboratories FZE,UAE

Wholly Subsidiary Company

(B) Others - With whom transactions have taken place during the year
Key Management Personnel:

Mr. Anwar S.Daud
Mr. Zulfiquar Kamal
Mr. Riaz A.Kamal
Mr. Niraj Dhadiwal
Mr. Prakash Sakpal

Nature of relationship

Managing Director
Executive Director
Executive Director
Executive Director (appointed w.e.f November 22, 2013)
Executive Director (appointed w.e.f November 22, 2013)

Nature of transactions	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
1) Remuneration paid		
Mr. Anwar S.Daud	71.50	78.00
Mr. Riaz Kamal	17.50	15.00
Mr. Zulfiquar Kamal	36.00	36.00
Mr. Niraj Dhadiwal	23.00	8.54
Mr. Prakash Sakpal	22.85	8.48
2) Rent paid		
Mr. Anwar S.Daud	6.00	6.00

The remuneration to Key management personnel does not include provision for gratuity & leave benefits, as these are determined on actuarial basis for the company as a whole.

Balances outstanding at year end	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Advances to Key Managerial Personnel		
Mr. Anwar S.Daud	17.64	12.48
Mr. Prakash Sakpal	0.20	-
Payable to Key Managerial Personnel		
Mr. Anwar S.Daud	12.01	-
Mr. Zulfiquar Kamal	4.22	-
Mr. Riaz A.Kamal	2.23	0.30
Trade Payable		
Mr. Anwar S.Daud	1.38	-

Indian rupee loans and short term borrowings of Rs.5,681.31 lacs (31 March 2014: Rs.4,799.77 lacs) and foreign currency loan of Rs. 3,354.74 lacs (31 March 2014: Rs.3,377.14 lacs) from banks is guaranteed by the personal guarantee of the managing director of the company.

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35. Details of dues to micro and small enterprises as defined under the MSMED Act 2006*

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	-	-
- Interest due on above	-	-
b. The amount of interest paid by the buyer in terms of section 16 of the Micro and Small enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprise Development Act, 2006.	-	-

*The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

36. Value of imports calculated on CIF Basis

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Raw materials	1,893.43	781.89
Components & spare parts	3.21	3.49
Capital goods	117.52	253.70
	2,014.16	1,039.08

37. Expenditure in foreign currency (accrual Basis)

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Commission on export sales	943.49	1,235.04
Interest	226.06	171.14
Travelling & conveyance	4.49	15.19
Sales promotion	1.99	0.58
Other expenses	68.69	7.26
	1,244.72	1,429.21

38. Imported and indigenous raw materials, components and spare parts consumed

	% of total consumption 31 March 2015	Value 31 March 2015 Rs. lacs	% of total consumption 31 March 2014	Value 31 March 2014 Rs. lacs
Raw materials				
Imported	11%	1,753.20	5%	781.89
Indigenous	89%	13,873.55	95%	13,552.74
	100%	15,626.75	100%	14,334.63
Spare parts & Components				
Imported	3%	3.21	4%	3.49
Indigenous	97%	109.99	96%	90.28
	100%	113.20	100%	93.77

39. Net dividend remitted in foreign exchange

	31-Mar-15	31-Mar-14
Year of remittance(ended on)	1 April 2013 to	1 April 2012 to
Periods to which it relates	31 March 2014	31 March 2013
Number of non- resident shareholders	58	68
Number of equity shares held on which dividend was due	2,092,520	2,176,220
Amount remitted (in USD)	29,235.96	31,161.31
Amount remitted (in INR)	1,876,652.00	2,176,220.00

40. Earnings in foreign currency (accrual basis)

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Exports at F.O.B. value	7,889.09	8,028.48
Sale of Dossiers	70.68	28.86
	7,959.77	8,057.34

41. "As per SEBI Circular dated May 30, 2012 the Company became unlisted on May 30, 2014 till which date the Company had complied with the Listing Conditions as per OTCEI's confirmation to SEBI while applying for their voluntary exit order. OTCEI has confirmed by their letter dt. January 13, 2015 that the Company having become unlisted, the shares had been shifted to Dissemination Board of BSE as per OTCEI's Notice No. 201411-37 dated November 11, 2014 according to which

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Notice the shares have been shifted to Dissemination Board w.e.f. November 12, 2014. After submitting the required documents the Company's CIN Number has been changed in the MCA Master Data from L99999MH1984PLC032172 to U99999MH1984PLC032172 which indicates the unlisted status of the Company."

42. Physical verification of Plant and Machinery had been carried out during the previous year and written down value of Rs.116 lacs representing assets not found in physical verification or identified as not in use has been written off.
43. Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date

For S R B C & CO LLP
ICAI Firm registration number: 324982E
Chartered Accountants

For and on behalf of the board of directors of
Zim Laboratories Limited

per Ravi Bansal
Partner
Membership no.: 49365

Anwar S. Daud
Managing Director

Zulfiqar M. Kamal
Director & CFO

Place: Mumbai
Date: 17th December, 2015

Place: Nagpur
Date: 17th December, 2015

R.A. Parasuraman
Company Secretary

INDEPENDENT AUDITOR'S REPORT
To the Members of Zim Laboratories Limited**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Zim Laboratories Limited (hereinafter referred to as "the Holding Company") comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with 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. The Board of Directors of the Holding company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for qualified opinion

- (a) During the course of our audit, we identified certain sales transactions totalling Rs 27.11 Crores during the year with customers whose closing receivable balances at March 31, 2015 totals Rs. 27.11 Crores which are fully provided for being doubtful of its recovery as explained in note 15a to the financial statement and certain purchase transactions aggregating to Rs. 22.59 Crores from vendors to whom payment (including advances) of Rs. 24.22 Crores has been made. The Company has not been able to provide us with sufficient appropriate audit evidence to substantiate the occurrence of these transactions and the recoverability of the underlying receivable balances respectively. Accordingly, we are unable to comment on the impact, if any, of the aforesaid transactions on the financial statements of the Company including any implications, if any, under Companies Act, 2013.

- (b) Outstanding receivable balance of Rs. 9.32 Crores and advance of Rs. 9.16 Crores at March 31, 2015 to two parties which are doubtful of recovery have not been provided for. Had the Company provided for these receivables and advances, net profit and net worth would have been lower by Rs. 18.48 Crores and accounts receivable and loans and advances would have been lower by Rs. 9.32 Crores and Rs. 9.16 Crores, respectively.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter(s) described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated 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 consolidated the state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2015, of their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company, its subsidiaries, associate companies and jointly controlled entities incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, to the extent applicable, we report that:
 - (a) We have sought and obtained all the information and explanations except for the matters described in the Basis for Qualified Opinion paragraph (a) above which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion proper books of account except for the matters described in the Basis for Qualified Opinion paragraph (a) above, as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books;
 - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated 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) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
 - (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's company and its subsidiary is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
 - (h) 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 consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group— Refer Note 31B to the consolidated financial statements;

- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary.

Other Matter

- (a) The accompanying consolidated financial statements include total assets of Rs15,81 lacs as at March 31, 2015 and net cash outflows of Rs 14.33 lacs for the year ended on that date, in respect of subsidiary, which have been audited by other auditor, which financial statements and other financial information have been furnished to us. Our opinion, in so far as it relates amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based on such unaudited Financial Statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial Statement and other financial information are not material to the group.

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

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E

per Ravi Bansal

Partner

Membership Number: 49365

Place: Mumbai

Date: December 17, 2015

Annexure to our report of even date

- (I) (a) The Holding Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Holding Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (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 Holding Company and the nature of its business.
- (c) The Holding Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Holding 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. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order 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, in respect of purchase of inventory, the internal control system is inadequate in respect of approval of purchase orders, basis of approval of quotations and seeking of regular confirmation of balances from vendors and their reconciliation. In respect of purchase of fixed assets, the internal control system is inadequate in respect of comparative quotation analysis and basis of approval of quotations. In respect of sale of goods, the internal control system is inadequate in respect of approval of sales price, acknowledgement of sales invoices by customers, seeking of regular confirmations of balances from customers and their reconciliation which needs to be strengthened to make it adequate and commensurate with the size of the Company and the nature of its business. In our opinion this is a continuing failure to correct major weaknesses in the internal control system.

- (v) The Holding Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Holding Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of formulations and bulk drugs, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of Service tax and Income tax.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Holding Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows.

Name of the statute (Nature of Dues)	Amount (Rs. Lakhs)	Period which to the amount relates	Forum where the dispute is pending
Income tax Act, 1961 (Tax & Interest)	222.52	FY 2006-2007 to 2011-2012	Asst. Commissioner of Income tax, Mumbai
Sales Tax (Tax & Interest)	34.70	FY 2004-05	Joint Commissioner of Sales tax Appeal, Nagpur
Service Tax (Tax & Interest)	63.57	FY 2012-13 and 2013-14	Commissioner of Central Excise and Customs, Nagpur
Gram Panchayat Tax (Local body tax)	4.41	FY 2008-2009 to 2012-2013	High Court of Mumbai

- (d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Holding 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.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, there are no dues to banks, financial institutions or debenture holders.
- (x) According to the information and explanations given to us, the Holding Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Holding Company did not have any term loans outstanding during the year.
- (xii) Except for the matters described in the Basis of Qualified Opinion paragraph (a) in our main report, for which we are unable to comment on whether there has been any fraud on the Company, 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 by the Company and no material fraud on the Company has been noticed or reported during the year.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E

per Ravi Bansal
Partner
Membership Number: 49365

Place: Mumbai
Date: 17 DEC 2015

31st Annual Report 2014-2015**Zim Laboratories Limited
Consolidated Balance sheet as at 31 March 2015**

	Notes	31-Mar-15 Rs. lacs	31-Mar-14 Rs. lacs
Equity and Liabilities			
Shareholder's funds			
Share capital	3	799.85	799.85
Reserves and surplus	4	8,621.19	10,802.78
		9,421.04	11,602.63
Non-current liabilities			
Long-term borrowings	5	3,758.78	3,967.64
Deferred tax liabilities (net)	6	-	498.93
		3,758.78	4,466.57
Current liabilities			
Short-term borrowings	8	5,141.59	4,016.74
Trade payables	9	6,411.53	4,664.24
Other current liabilities	10	1,723.96	1,371.03
Short-term provisions	7	54.97	237.46
		13,332.05	10,289.47
Total		26,511.87	26,358.67
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	8,511.88	7,243.52
Intangible assets	11	198.97	39.11
Capital work-in-progress		562.42	1,057.11
Intangible assets under development		-	108.50
Non-current investments	12	5.10	5.10
Loans and advances	13	487.20	346.80
Other non current assets	17	21.74	168.16
		9,787.31	8,968.30
Current assets			
Inventories	14	4,609.90	3,113.91
Trade receivables	15	8,012.50	9,785.09
Cash and bank balances	16	768.69	1,839.23
Loans and advances	13	3,326.17	2,640.77
Other current assets	17	7.30	11.37
		16,724.56	17,390.37
Total		26,511.87	26,358.67

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of financial statements.

As per our report of even date

For S R B C & CO LLP

ICAI Firm registration number: 324982E

Chartered Accountants

per Ravi Bansal

Partner

Membership no.: 49365

Place: Mumbai

Date: 17 DEC 2015

For and on behalf of the board of directors of
Zim Laboratories Limited

Anwar S. Daud

Managing Director

Place: Nagpur

Date: 17 DEC 2015

Zulfiqar M. Kamal

Director & CFO

R.A. Parasuraman

Company Secretary

31st Annual Report 2014-2015

Zim Laboratories Limited Consolidated Statement of Profit and loss for the year ended 31 March 2015

	Notes	31-Mar-15 Rs. lacs	31-Mar-14 Rs. lacs
Income			
Revenue from operations (gross)	18	27,509.42	23,348.17
Less: excise duty		876.39	638.54
Revenue from operations (net)		26,633.03	22,709.63
Other income	19	248.25	388.09
Total revenue		26,881.28	23,097.72
Expenses			
Cost of raw material and components consumed	20	15,626.75	14,334.63
Purchase of traded goods	21	2,409.16	924.77
(Increase)/ decrease in inventories of finished goods and work-in-progress	22	134.35	(574.21)
Employee benefits expense	23	2,324.41	1,811.41
Depreciation and amortization expense	11	712.90	416.30
Finance costs	24	1,032.46	813.43
Other expenses	25	7,301.73	4,083.11
Profit before tax		(2,660.48)	1,288.28
Tax expenses			
Current Tax - Minimum Alternate Tax payable (net of an adjustment of Rs.9.38 lacs pertaining to Previous year (31 March 2014 : Rs. 6.74 lacs))		120.41	264.15
Less: Minimum alternative tax credit entitlement		(129.79)	(132.02)
Net Current Tax Expense		(9.38)	132.13
Deferred Tax Expense/(Income)		(490.33)	142.08
Total tax expense		(499.71)	274.21
Profit / (Loss) for the year		(2,160.77)	1,014.07
Earning per share (nominal value of share Rs. 10 (31 March 2014: Rs. 10)			
Basic & Diluted	27	(27.01)	12.68
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of financial statements.

As per our report of even date

For S R B C & CO LLP
ICAI Firm registration number: 324982E
Chartered Accountants

per Ravi Bansal
Partner
Membership no.: 49365
Place: Mumbai
Date: 17 DEC 2015

For and on behalf of the board of directors of
Zim Laboratories Limited

Anwar S. Daud
Managing Director

Place: Nagpur
Date: 17 DEC 2015

Zulfiquar M. Kamal
Director & CFO

R.A. Parasuraman
Company Secretary

31st Annual Report 2014-2015

Zim Laboratories Limited Consolidated Cash flow statement for the year ended 31 March 2015

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Cash flow from operating activities		
Profit/ (Loss) before tax	(2,660.48)	1,288.28
Non cash adjustments		
Depreciation/amortisation	712.90	416.30
Loss/ (Profit) on sale of fixed assets	(0.10)	1.96
Fixed Assets written off	23.09	178.12
Unrealized Foreign Exchange Loss	105.19	75.95
Premium on forward exchange contract amortized	1.07	-
Provision for doubtful debts	3,301.88	112.15
Provision for employee benefits	(13.40)	8.02
Dividend income	(0.60)	(0.60)
Interest income	(50.50)	(148.85)
Interest Expenses	1,032.46	813.43
Operating Profit Before Working Capital Changes	2,451.51	2,744.76
Movement in working capital :		
(Increase)/decrease in trade receivables	(1,247.58)	(2,129.58)
(Increase)/decrease in inventories	(1,495.99)	(751.81)
Increase/(decrease) in trade payables	1,749.10	1,402.95
Increase/(decrease) in provisions	(16.34)	-
(Increase)/decrease in long term loan & advances	(105.84)	(38.12)
(Increase)/decrease in short term loan & advances	(960.98)	(411.48)
(Increase)/decrease in other non current assets	146.42	(136.53)
(Increase)/decrease in other current assets	3.00	14.17
Increase/(decrease) in other current liabilities	386.34	335.37
Net Cash generated from operations	909.64	1,029.73
Direct taxes paid (net of refunds)	(196.65)	(694.90)
Net cash flow from operating activities (A)	712.99	334.83
Cash flows from investing activities		
Purchases of fixed assets, including CWIP & capital advances	(1,492.70)	(2,459.84)
Sale proceeds of fixed assets	0.89	21.08
Investments in bank deposits (having original maturity of more than three months)	(320.53)	(1,048.59)
Maturity of bank deposits (having original maturity of more than three months)	746.89	2,214.90
Interest received	50.50	148.85
Dividend received	0.60	0.60
Net cash (used in) investing activities (B)	(1,014.35)	(1,123.00)
Cash flows from financing activities		
Proceeds from long term borrowings	17.31	2,279.36
Repayment of long term borrowings	(358.20)	(268.94)
Proceeds from short term borrowings	1,367.68	330.31
Repayment of short term borrowings	(242.83)	(118.51)
Interest Paid	(1,037.01)	(751.68)
Dividend paid on equity shares	(73.40)	(56.94)
Tax on equity dividend paid	(16.38)	(12.98)
Net cash from / (used) financing activities (C)	(342.83)	1,400.62
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	(644.19)	612.45
Opening cash and cash equivalents	753.77	141.32
Cash and Cash equivalents as at the end	109.58	753.77
Components of cash and cash equivalents		
Cash on hand	1.67	2.00
Balances with banks in:		
- Current accounts	86.69	737.14
- Dividend accounts*	21.22	14.63
Total Cash and cash equivalents (Note 16)	109.58	753.77

Summary of significant accounting policies

2.1

* The company can utilize these balances only toward settlement of the respective unpaid dividend, which are not available for use by the company.

The accompanying notes are an integral part of financial statements.

As per our report of even date

For S R B C & CO LLP
ICAI Firm registration number: 324982E
Chartered Accountants

per Ravi Bansal
Partner
Membership no.: 49365
Place: Mumbai
Date: 17 DEC 2015

For and on behalf of the board of directors of
Zim Laboratories Limited

Anwar S. Daud
Managing Director

Place: Nagpur
Date: 17 DEC 2015

Zulfiquar M. Kamal
Director & CFO

R.A. Parasuraman
Company Secretary

Notes to Consolidated Financial Statements for the year ended 31 March 2015 Note

1. SIGNIFICANT ACCOUNTING POLICIES

Zim Laboratories Limited ('the Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the manufacturing, marketing and selling of formulation drugs, pre formulation ingredients in India and outside India.

1.2 Basis of preparation

The financial statements of the subsidiaries used in the consolidation are drawn on the same reporting date as that of parent company, i.e. period ended 31st March, 2015, which are drawn in accordance with Accounting Standard - 21 (AS-21), "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India.

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of Companies Act, 2013.

Based on the nature of business and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

1.3 Principle of consolidation

The financial statements of the company and its subsidiaries have been combined on a line-by-line basis by adding together the balances of like items of assets, liabilities, income & expenditure after fully eliminating the intra-group balances and intra-group transactions in accordance with AS-21.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

The excess/Deficit of cost to the company of its investment in the subsidiaries over its portion in equity of subsidiary at the dates they become subsidiary is recognized in the financial statements as goodwill/capital Reserve.

The subsidiary considered in the consolidated financial statements is :

Sr. No.	Name of Subsidiary	Country of incorporation	% of Holdings	Period of Consolidation
1	Zim Laboratories FZE	UAE	100%	09.06.2014 to 31.03.2015

Name of Foreign Subsidiary	Net Assets	Amount	As % of Consolidated Profit or (Loss)	Share in Profit or (loss)
	As % of Consolidated Net Assets			Amount
Zim Laboratories FZE	0.00%	0.00*	0.19%	(4.03)

*The amount is below the rounding off norms of the Company.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP 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.

b. Tangible fixed assets and Capital CWIP

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for their intended use are also included in the cost of the assets to the extent these relate to the period up to the date such assets are ready to be put to use. Expenditure (including interest) incurred during the construction period is included in Capital work-in-progress and the same is allocated to respective fixed assets on completion of the construction.

Subsequent expenditure related to an item of fixed 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 fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

c. Depreciation on tangible fixed assets

Till the year ended 31 March 2014, depreciation rates prescribed under schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

Considering the applicability of Schedule II, the management has re-estimated useful lives & residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

Had the same accounting treatment followed for depreciation as considered till March 2014, been followed by Company in current year, profits for the current year would have been higher by Rs. 111 lacs (net of tax impact of Rs. 53 lacs), retained earnings would have been higher by Rs. 128 lacs (net of tax impact of Rs. 9 lacs) and the fixed assets would correspondingly have been higher by Rs. 190 lacs.

Cost of Leasehold land is amortized on a straight line basis over the period of lease.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets.

Useful lives estimated by the management (years)

Factory buildings	30
Plant and Machinery-Lab Equipments	10
Plant and Machinery	15
Furniture and fixtures	10
Office equipment	5
Vehicles	8 to 10
Leasehold improvements	Based on primary lease period

d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

e. Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

During the period of development, the asset is tested for impairment annually. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project. Amortization is recognized in the statement of profit and loss.

f. Leases

Where the company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

g. Borrowing costs

Borrowing cost includes interest and amortization of ancillary 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.

h. Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication of impairment exists, 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.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated.

i. Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds

j. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k. Inventories

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 weighted average basis.

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.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

l. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Income from services

Income from service rendered is recognized based on the terms of the agreements and when services are rendered. Service income is net of service tax.

Dividend

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

m. Foreign currency translation

Foreign currency transactions and balances

(i) **Initial recognition**

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

(ii) **Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) **Exchange differences**

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

- Exchange differences arising on settlement/ restatement of monetary items are recognized as income or as expenses in the year in which they arise. Premium or discount on forward contracts is amortized over the life of such contracts and is recognized as income or expenses.
- Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. The company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

(iv) **Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability**

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

The company has only one defined benefit plan for its employees, viz., gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gain and loss for defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

o. Taxation

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences 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. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing

evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the *Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961*, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

p. Segment reporting

Identification of segments

The company is operating only one business segment "pharmaceutical" as its primary segment. The analysis of geographical segments is based on the revenue generating locations. The geographical segment information of the company is categorized under domestic sales and export sales.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

q. 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. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

r. Provisions

A provision is recognized when the company 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.

s. 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 company 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 but discloses its existence in the financial statements.

t. Cash and cash equivalents

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

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Zim Laboratories Limited Notes to financial statements for the year ended 31 March 2015

3. Share capital

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Authorised share Capital		
1,10,00,000 (31 March 2014: 1,10,00,000) equity shares of Rs. 10 each	1,100.00	1,100.00
Issued, subscribed and fully paid-up shares		
79,98,520 (31 March 2014: 79,98,520) equity shares of Rs. 10 each fully paid up	799.85	799.85
Total issued, subscribed and fully paid-up share capital	799.85	799.85

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31-Mar-15		31-Mar-14	
Equity Shares	No. lacs	Rs. lacs	No. lacs	Rs. lacs
At the beginning of the period	79.99	799.85	79.99	799.85
Issued during the period	-	-	-	-
Outstanding at the end of the period	79.99	799.85	79.99	799.85

(b) Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 each. Each share holder of equity share is entitled to one vote per share.

During the year ended 31 March 2015, the amount of dividend per share is Rs. Nil (31 March 2014-Rs. 1)

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

(c) Details of shareholders holding more than 5% of shareholding in company

	31-Mar-15		31-Mar-14	
Name of Shareholder	No.	% holding in the class	No.	% holding in the class
AA Development Capital India Fund 1, LLC	1,782,652	22.29%	1,782,652	22.29%
Anwar Daud*	2,313,720	28.93%	1,853,000	23.17%
Aanjaneya Remedies Private Limited	-	-	601,800	7.52%
AMR Investments Private Limited	-	-	583,949	7.30%
Zakir Vali	1,910,570	23.89%	1,449,600	18.12%
Zulfiqar M.Kamal	497,010	6.21%	-	-

* 2,50,000 share are jointly held with Tasneem Daud (wife of Mr. Anwar Daud).

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

4. Reserves and surplus

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Capital reserve	40.00	40.00
Securities premium	4,761.16	4,761.16
General reserve		
Balance as per last financial statements	106.20	80.85
Add: amount transferred from the statement of profit and loss	-	25.35
	106.20	106.20

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Surplus in the statement of profit and loss

Balance as per last financial statements	5,895.42	4,999.67
Profit / (Loss) for the year	(2,160.77)	1,014.07
Less: Appropriations		
Proposed final equity dividend (31 March 2014: Rs. 1 per share)	-	79.99
Tax on proposed equity dividend (includes adjustment of earlier years of Rs.3.40 lacs (31 March 2014: Rs.Nil)	3.40	12.98
Transfer to general reserve	-	25.35
Adjustment relating to Fixed Assets (Refer Note 11)	17.42	-
Total appropriations	20.82	118.32
Net surplus in the statement of profit and loss	3,713.83	5,895.42
Total reserves and surplus	8,621.90	10,802.78

5. Long-term borrowings

	Non-current		Current	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
Secured				
Term Loans				
Indian rupee loan from banks	566.40	649.56	121.77	214.60
Foreign currency loan from banks	3,110.21	3,222.71	244.53	154.43
Unsecured				
Loan from Department of Scientific and Industrial Research (DSIR), Government of India	39.60	44.00	32.71	11.00
Deferred sales tax loan	42.57	51.37	0.71	-
Amount disclosed under the head "Other current liabilities" (Note 10)	-	-	(399.72)	(380.03)
	3,758.78	3,967.64	-	-

- (a) Indian rupee loan is from consortium members, the loan is secured by way of first charge on all fixed assets including Land & Building, Plant & Machinery and second charge on all current assets on pari passu basis with lead banker & other members under consortium arrangement. The loans are also secured by personal guarantee of managing director. The interest rates are Base rate plus 4.15% p.a, loan taken from the lead banker is repayable from March 2013 to September 2015 and in respect of loan taken from a member bank, interest rate is PLR less 3%, repayable in 84 EMI's starting from April 2014.
- (b) Foreign currency loan (ECB-I) from bank carries interest rate of 3 Month LIBOR plus 5% p.a. (earlier fixed @ 6.49% up to 19th May 2014) which is repayable from May 2013 to May 2019 on half yearly basis and the loan availed in the previous year (ECB-II) of Rs. 1700 Lakhs having interest rate of 7.80% is repayable from November 2014 to November 2020. The loan is secured by the first charge on entire fixed assets of the company both present & future & second charge on entire current assets of the company on pari-passu basis with other consortium members. Loans are also secured by personal guarantee of managing director.
- (c) Deferred sales tax loan pertains to interest free tax liability under the packing incentive scheme for the year 2004-05, 2005-06 and 2006-07 and is payable in 5 yearly installments starting from the financial year 2015-16, 2016-17 and 2017-18 respectively.
- (d) Loan from DSIR is repayable after 36 months from the date of first sanction i.e. 18th October 2011, in five yearly equal instalments. The Company shall pay annual royalty of 26% of the amount disbursed i.e. repayment shall be 1.30 times of the amount actually disbursed by DSIR.

6. Deferred tax liabilities (Net)

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	61.47	62.90
Provision for employee benefits	7.90	17.40
Provision for doubtful debts & advances	723.02	86.65
Gross deferred tax assets#	792.39	166.95

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Deferred tax liabilities

Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting

Others

Gross deferred tax liabilities

773.17	645.99
19.22	19.89
792.39	665.88
-	498.93

The Company has carried forward losses as at March 31, 2015 and hence deferred tax asset has been recognized only to the extent of deferred tax liability.

7. Short-Term Provisions

Provision for employee benefits

Provision for gratuity (Refer Note 28)

Provision for leave benefits

Other Provisions

Provision for income tax (net of advance tax)

Proposed equity dividend

Provision for tax on proposed equity dividend

31-Mar-15	31-Mar-14
Rs. lacs	Rs. lacs
27.96	37.29
-	16.34
27.01	90.86
-	79.99
-	12.98
54.97	237.46

8. Short term borrowings

Secured

Cash credit from banks

Buyer's Credit

Short term loan from financial institution

31-Mar-15	31-Mar-14
Rs. lacs	Rs. lacs
4,993.14	3,934.62
106.91	67.27
41.54	14.85
5,141.59	4,016.74

- (a) Cash credit from banks are secured by the first charge on all current assets and second charge on all the fixed assets of the Company on pari pasu basis with other consortium members. Cash credit is repayable on demand and interest rate on cash credit facility from lead banker & other banks is Base Rate plus 3.65% p.a. & 3.50% p.a. & PLR minus 3% p.a. respectively.
- (b) During the year, the Company has availed of import financing facility under the buyer's credit scheme. The maximum repayment period is one year from the date of drawdown. Buyer's credit facility is towards import of fixed assets. Interest is charged @ LIBOR plus mark-up payable at maturity. The facility is fully secured by cash equivalents.
- © Short term loan from financial institution is secured by bank guarantee having initial repayment period of 90 Days against each purchase at rate of interest of 12.95% p.a.

9. Trade payables

For goods (Refer note 25a)

For expenses

(Refer note no. 35 for micro & small enterprises)

31-Mar-15	31-Mar-14
Rs. lacs	Rs. lacs
5,098.26	3,497.01
1,313.27	1,167.23
6,411.53	4,664.24

10. Other current liabilities

Current maturities of long term borrowings (Note 5)

Interest accrued but not due on borrowings

Liability for capital expenditure

Advance received from customers

Statutory dues

Unpaid dividends

Others (includes payable to employees)

31-Mar-15	31-Mar-14
Rs. lacs	Rs. lacs
399.72	380.03
62.76	70.14
216.21	248.82
691.62	393.54
114.79	128.40
21.22	14.63
217.64	135.47
1,723.96	1,371.03

11. Tangible and Intangible assets

	Tangible assets					Intangible assets		
	Freehold Land	Leasehold Land	Buildings (Refer Note 2 and 3)	Plant and Machinery (Refer Note 42)	Electric Installation	Furniture and Fixtures	Office Equipments	Vehicles (Refer Note 4)
Cost								
At 1 April 2013	27.63	228.39	1,775.33	2,892.29	72.67	329.38	71.60	96.90
Additions	-	146.18	1,520.85	1,531.29	76.65	143.72	34.74	41.32
Disposals	-	-	-	347.62	-	-	-	7.49
At 31 March 2014	27.63	374.57	3,296.18	4,075.96	149.32	473.10	106.34	130.73
Additions	61.76	-	489.18	1,208.26	57.38	192.95	41.49	-
Disposals	-	-	52.43	64.96	8.29	12.42	27.33	-
At 31 March 2015	89.39	374.57	3,732.93	5,219.26	198.41	653.63	120.50	130.73
Depreciation/Amortization								
At 1 April 2013	-	6.17	238.91	703.84	12.38	127.56	28.51	28.09
Charge for the year	-	3.72	82.91	285.76	5.57	34.46	11.57	11.14
Disposals	-	-	-	168.20	-	-	-	2.06
At 31 March 2014	-	9.89	321.82	801.40	17.95	162.02	40.08	37.17
Charge for the year	-	3.79	136.46	426.13	20.96	53.22	33.59	19.10
Disposals	-	-	2.73	39.37	5.05	10.58	18.31	-
At 31 March 2015	-	13.68	455.55	1,188.16	33.86	204.66	55.36	56.27
Net Book Value								
At 31 March 2015	89.39	360.89	3,277.38	4,031.10	164.55	448.97	65.14	74.46
At 31 March 2014	27.63	364.68	2,974.36	3,274.56	131.37	311.08	66.26	93.56
Intangible assets								
At 31 March 2015	-	-	-	-	-	-	-	-
At 31 March 2014	-	-	-	-	-	-	-	-
Total								
At 31 March 2015	89.39	360.89	3,277.38	4,031.10	164.55	448.97	65.14	74.46
At 31 March 2014	27.63	364.68	2,974.36	3,274.56	131.37	311.08	66.26	93.56

1 The borrowing cost capitalized during the year ended 31 March 2015 was Rs.64.59 lacs (31st March 2014: 96.70 lacs).

2 Building includes those constructed on leasehold land:

	31-Mar-15	31-Mar-14
Gross block	2,699.46	2,719.48
Depreciation charged during the year	107.05	74.90
Accumulated depreciation	404.97	263.91
Net Book Value	2,294.49	2,455.57

3 Building includes those constructed on leasehold land but title not transferred in the name of the company till date.

	31-Mar-15	31-Mar-14
Gross block	219.30	219.30
Depreciation charged during the year	7.31	1.52
Accumulated depreciation	8.83	1.52
Net Book Value	210.47	217.78

4 Vehicles includes vehicles in the personal name of directors & employees having Gross Block Rs. 65.04 lacs and WDV Rs. 40.79 lacs (31st March 2014 - Gross Block Rs. 65.04 lacs and WDV Rs. 49.53 lacs)

	31-Mar-15	31-Mar-14
Charge for the year as above	717.65	422.57
Depreciation capitalised for fixed assets under	(4.75)	(6.27)
Depreciation and amortization charged for the year	712.90	416.30

5 Reconciliation of depreciation:
Charge for the year as above
Depreciation capitalised for fixed assets under
Depreciation and amortization charged for the year

6 Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax of R.9 lacs in retained earnings amounting to Rs. 17.42 lacs (31 March 2014: Rs. Nil).

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12. Non current investments (valued at cost unless stated otherwise) (Unquoted)

Non-trade Investments

Government securities

National Saving Certificate

Investment in equity instruments

20,000 (31 March 2014: 20,000) equity shares of Rs. 25 each fully paid-up in Shamrao Vithal co-operative Bank Limited

31-Mar-15	31-Mar-14
Rs. lacs	Rs. lacs
0.10	0.10
5.00	5.00
5.10	5.10

13. Loans & Advances

(Unsecured, considered good unless otherwise stated)

	Non Current		Current	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
Capital advances	18.63	123.43	-	-
Earnest Money and security deposits	191.04	86.48	87.32	56.50
Loan & advances to related parties (Note 34)	-	-	17.84	12.48
Advances recoverable in cash or kind	-	-	3,169.60	2,538.59
Pre-paid expenses	6.15	4.87	39.63	16.82
Loans to employees	-	-	3.70	4.38
Leave benefits	-	-	4.08	-
Balance with statutory/government authorities	-	-	4.00	12.00
Minimum Alternative Tax credit entitlement	271.38	132.02	-	-
	487.20	346.80	3,326.17	2,640.77

Loans & advances to related parties include:

Advances to Managing Director and Executive Director

Current	
31-Mar-15	31-Mar-14
Rs. lacs	Rs. lacs
17.84	12.48
17.84	12.48

14. Inventories

(Valued at lower of cost and net realizable value)

Raw materials [includes in transit - Rs.140.21 lacs (31 March 2014 : Rs.33 lacs)]

Work in progress

Finished goods [includes in transit - Rs. Nil (31 March 2014 : Rs.531 lacs)]

Stores and spares

31-Mar-15	31-Mar-14
Rs. lacs	Rs. lacs
2,975.84	1,339.85
677.03	820.57
910.77	901.58
46.26	51.91
4,609.90	3,113.91

15. Trade receivables (unsecured)

Outstanding for more than six months from the date they are due for payment

Considered good

Considered doubtful

Other receivables

Considered good

Considered doubtful

Less: Provision for doubtful debts (Refer Note 25a)

31-Mar-15	31-Mar-14
Rs. lacs	Rs. lacs
1,930.22	2,910.23
570.62	267.07
6,082.28	6,874.86
2,718.68	-
11,301.80	10,052.16
(3,289.30)	(267.07)
8,012.50	9,785.09

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Trade receivables are disclosed net of a provision for bad and doubtful debts. The provision for bad and doubtful debts is based on a specific risk assessment and reference to past default experience.

16. Cash and Bank Balances

	Non-Current		Current	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
Cash and cash equivalents				
Balances with banks in:				
- Current accounts	-	-	86.69	737.14
- Dividend account	-	-	21.22	14.63
Cash on hand	-	-	1.67	2.00
	-	-	109.58	753.77
Other Bank Balances				
Margin money deposits*	21.74	168.16	654.11	400.74
Fixed deposits with original maturity for more than 12 months			5.00	684.72
	21.74	168.16	659.11	1,085.46
Amount disclosed under non-current assets (Note 17)	(21.74)	(168.16)	-	-
	-	-	768.69	1,839.23

*Margin money deposits are subject to first charge to secure company's cash credit borrowings and other non fund base limits.

17. Other assets

	Non-Current		Current	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
(Unsecured, considered good unless stated otherwise)				
Non-current bank balances (Note 16)	21.74	168.16	-	-
Unamortised Premium on Forward Contracts	-	-	2.49	-
Others				
Pre Incorporation Expenses	-	-	1.47	-
Interest accrued on fixed deposits	-	-	3.34	11.37
	21.74	168.16	7.30	11.37

18. Revenue from operations

	Rs. lacs	Rs. lacs
Sales of products (Refer note 25a)		
Finished goods	24,415.46	21,941.26
Traded goods	2,642.20	1,018.92
Other operating revenue	451.76	387.99
	27,509.42	23,348.17
Less: Excise duty	876.39	638.54
	26,633.03	22,709.63
Details of product sold		
Finished goods		
Tablets	13,306.23	11,181.64
Capsules	2,673.55	2,387.01
Pre formulation ingredients	8,435.68	8,372.61
	24,415.46	21,941.26
Traded goods		
Bulk drugs	2,642.20	1,018.92
	2,642.20	1,018.92
Other operating revenue		
Export incentives	326.11	321.77
Scrap Sales	53.68	29.56
Sale of dossiers	70.68	28.86
Others	1.29	7.80
	451.76	387.99

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19. Other Income

Interest income on
Fixed deposits
Others
Dividend income on Long term investments
Exchange rate difference (net)
Sundry creditors written back
Other non-operating income

31-Mar-15	31-Mar-14
Rs. lacs	Rs. lacs
50.50	148.85
6.53	27.54
0.60	0.60
70.64	162.16
-	38.27
119.98	10.67
248.25	388.09

20. Cost of raw material and components consumed

Inventory at the beginning of year
Add: Purchases (Refer note 25a)
Less: Inventory at the end of year
Cost of raw material and components consumed

31-Mar-15	31-Mar-14
Rs. lacs	Rs. lacs
1,339.85	1,177.18
17,262.74	14,497.30
18,602.59	15,674.48
2,975.84	1,339.85
15,626.75	14,334.63

Details of raw material and components consumed

Drugs
Antibiotics
Packing materials
EHG capsules
Vitamins
Others

4,343.01	5,046.34
7,014.72	4,711.75
1,966.60	1,752.22
340.71	413.76
248.92	117.83
1,712.79	2,292.73
15,626.75	14,334.63

Details of inventory

Drugs
Antibiotics
Packing materials
EHG capsules
Vitamins
Others

683.09	484.77
1,373.65	198.24
425.27	361.81
67.36	0.01
34.74	37.26
391.73	257.76
2,975.84	1,339.85

21. Purchase of Traded Goods

2,409.16	924.77
----------	--------

Details of purchases of traded goods (Refer note 25a)

Bulk Drugs

2,409.16	924.77
2,409.16	924.77

22. (Increase)/decrease in inventories of finished goods and work in progress

Inventories at the end of the year
Finished goods
Work in progress

31-Mar-15	31-Mar-14
Rs. lacs	Rs. lacs
910.77	901.58
677.03	820.57
1,587.80	1,722.15

Inventories at the beginning of the year
Finished goods
Work in progress

901.58	716.54
820.57	431.40
1,722.15	1,147.94
134.35	(574.21)

Details of inventory

Finished goods

Tablets
Capsules
Pre formulation ingredients

448.16	554.61
95.55	91.61
367.06	255.36
910.77	901.58

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Work in progress

Tablets	407.13	552.28
Capsules	38.27	119.85
Pre formulation ingredients	231.63	148.44
	677.03	820.57

23. Employee benefits expense

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Salaries, wages and bonus	2,161.10	1,676.31
Contribution to provident and other funds	66.33	45.87
Gratuity expense (Note 28)	18.52	36.11
Staff welfare expenses	78.46	53.12
	2,324.41	1,811.41

24. Finance costs

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Interest	970.15	751.34
Other borrowing costs	55.03	43.93
Interest on delayed payment of income tax	7.37	18.16
	1,032.55	813.43

25. Other Expenses

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Consumption of stores & spares	113.20	93.77
Power and fuel	622.95	520.24
Water charges	9.55	11.59
Insurance	15.53	24.71
Increase/(decrease) of excise duty on inventory	(19.25)	38.75
Repairs & maintenance -		
Machines	233.26	127.21
Buildings	77.14	47.93
Others	70.21	46.95
Printing & stationery	37.16	24.52
Communication costs	27.50	32.35
Legal and professional fees	210.54	137.92
Payment to auditors (Refer details below)	21.12	20.78
Advertisement & sales promotion	42.23	30.55
Travelling and conveyance	197.27	166.63
Commission on sales	1,176.14	1,585.77
Freight and forwarding charges	451.54	453.10
Bad debts/ advances written off	29.30	24.83
Provision for doubtful debts and advances (Refer Note 25a)	3,301.88	112.15
Rates and taxes	103.48	15.30
Fixed Assets Written off	17.00	177.03
Loss on sale of fixed assets (net)	-	1.96
Rent	10.77	8.63
Premium on forward exchange contract amortized	1.07	-
Miscellaneous expenses	552.13	380.44
	7,301.73	4,083.11

Payment to auditor

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
As auditor:		
Audit fee	19.00	18.50
In other capacity:		
Other services (certification fees)	1.18	1.09
Reimbursement of expenses	0.94	1.19
	21.12	20.78

- 25a The company's domestic business comprises of mainly supply to government through direct tender and institutional business (both corporation & government), routed via agents, through local tender. For the institutional business, agents and distributors procure orders for the company's products, through various local tenders and source the same from the company.

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In the past year, some of the traders and distributors associated with such agents have either wound up their business or have failed to pay their outstanding amounts due to the company. As a result, the company has decided to close this indirect business through agents / distributors and take legal action to recover/settle the outstanding receivables from these agents, traders and distributors. In light of this development, the company has decided to make a provision on prudent basis of indirect local tender business receivables due & which are doubtful amounting to Rs. 3097 lacs including receivables of Rs. 2711 lacs representing sales made during the year.

Further, purchases amounting to Rs. 2259 lacs have been made during the year from few parties, to whom payments (including advances) of Rs. 2422 lacs are made, have discontinued and wound up their businesses during/ subsequent to the year.

26. Capitalisation of expenditure

During the year, the company has capitalised the following expenses of revenue nature to the cost of capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Salaries, wages and bonus	8.60	40.52
Finance costs	66.83	104.24
Other expenses	47.28	33.60
	122.71	178.36

27. Earning per share (EPS)

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Total operations for the year		
Profit/ (loss) after tax	(2,160.77)	1,014.07
Net profit/ (loss) for calculation of basic and diluted EPS	(2,160.77)	1,014.07
Weighted average number of equity shares in calculating basic and diluted EPS	7,998,520	7,998,520
Basic and Diluted Earning Per Share (Rs.)	(27.01)	12.68

28. General Description of Defined Benefit Plan - Gratuity

Under the gratuity plan, every employee is entitled to the benefit equivalent to fifteen days salary of last drawn salary for each completed year of service depending on the date of joining and eligibility terms, in terms of provisions of the Payment of Gratuity Act, 1972. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the Projected Unit Credit method. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the fund status and amounts recognized in the balance sheet respectively.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost:

	Gratuity	
	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Current service cost	11.98	8.31
Interest cost on benefit obligation	11.47	6.98
Expected return on plan assets	(7.68)	(5.28)
Net actuarial(gain)/loss in the year	1.62	24.00
Net benefit expenses	17.39	34.01
Actual return on plan assets	8.05	5.37

Balance sheet

Benefit asset/liability

	Gratuity	
	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Present value of defined benefit obligation	147.72	125.54
Fair value of plan assets	119.76	88.25
Plan (asset) / liability	27.96	37.29

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Changes in the present value of the defined benefit obligation are as follows:

	Gratuity	
	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Opening defined benefit obligation	125.54	87.23
Current service cost	11.98	8.31
Interest cost	11.47	6.98
Benefit paid	(4.34)	(1.08)
Actuarial(gains)/losses on obligation	3.07	24.10
	147.72	125.54

Changes in the fair value of the plan assets are as follows:

	Gratuity	
	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Opening fair value of plan assets	88.25	60.65
Expected return	7.68	5.27
Contribution by employer	23.07	23.31
Benefit paid	(0.69)	(1.08)
Actuarial gain/(losses)	1.45	0.10
Closing fair value of plan assets	119.76	88.25

The company expects to contribute Rs. 44.71 lacs to gratuity in the next year (31 March 2014: 44.07 lacs).

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Investments with insurer (Insurer managed funds)	100%	100%

The principal assumption used in determining gratuity benefit obligation for the company's plans are shown below:

	Gratuity	
	31-Mar-15	31-Mar-14
Discount rate	8.04%	9.14%
Expected rate of return on assets	8.04%	8.70%
Salary escalation	5.00%	5.00%
Attrition rate	13.79%	12.85%
Mortality	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate
Retirement age (years)	60 & 65	60 & 65

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current and previous four periods are as follows:

	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
Gratuity					
Defined benefit obligation	147.72	125.54	87.23	67.86	50.91
Plan assets	119.76	88.25	60.65	34.77	28.78
Surplus/(Deficit)	(27.96)	(37.29)	(26.58)	(33.09)	(22.13)
Experience adjustments on plan liabilities	(4.71)	29.57	2.49	3.72	-
Experience adjustments on plan assets	1.45	0.09	1.69	0.24	-

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29. Operating leases

Where company is the lessee :

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Within one year	6.00	6.00
After one year but not more than five year	26.85	25.70
More than five years	7.26	14.41

The company has entered into operating lease agreement on certain premises. The lease term is 5 years with renewal option included in the contracts. There are no restrictions placed upon the company by entering into these leases. There is escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

30. Research & development expenditure

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Revenue	411.41	156.94
Capital*	316.17	432.88
	727.58	589.82

* Includes Rs. Nil under capital work in progress (31st March 2014: 209.22 lacs).

31A. Capital and other commitments

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	67.28	393.98

31B. Contingent liabilities

Particulars	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
Claims against company not acknowledged as		
Sales tax	34.71	40.70
Service tax	63.57	88.12
Income tax	222.52	175.86
Gram Panchayat Tax	4.41	4.10
Central Sales Tax Liability against pending 'C' and 'H' forms	174.24	128.46
Total	499.45	437.24

32. Derivative instruments and unhedged foreign currency exposure

	31-Mar-15	31-Mar-14
	Rs. lacs	Rs. lacs
(a) Derivatives outstanding as at the reporting date	254.86	-
Particulars	Purpose	
Forward contract to sell US \$ 4.08 lacs (31 March, 2014 : Nil)	Hedge of highly probable foreign currency sales	
Interest rate swap US \$ 27.04 lacs (31 March, 2014 : US \$ 56.23 lacs)	Hedge against exposure to variable interest on loan. Swap to pay fixed interest @ 7.8% p.a. and receive a variable interest @ LIBOR on the outstanding amount.	
(b) Particulars of unhedged foreign currency exposure as at the reporting date		

	31-Mar-15		31-Mar-14	
Particulars	Amount In Foreign Currency (Lacs)	Amount In Local Currency (Lacs)	Amount In Foreign Currency (Lacs)	Amount In Local Currency (Lacs)
Trade payables (USD)	9.15	572.14	4.57	275.51
Trade receivables				
USD	19.50	1,220.23	27.08	1,626.44
EURO	1.44	96.67	0.24	20.15
Borrowings (USD)	7.27	454.59	56.23	3,377.14
Buyer's Credit (USD)	1.73	108.38	1.12	67.27
Export Commission				
USD	7.66	478.96	5.50	330.25
EURO	0.26	17.14	0.40	32.68

33. Segment information

The operations of the Company represent a single primary business segment relating to pharmaceuticals. Secondary segment reporting is performed on the basis of location of the customers. All the fixed assets of the Company are situated in India.

Particulars	31-Mar-15			31-Mar-14		
	Domestic	Export	Total	Domestic	Export	Total
Revenue from operations	17,769.36	8,863.67	26,633.03	13,756.89	8,952.74	22,709.63
Carrying amount of segment assets	24,654.40	1,574.31	26,240.49	24,708.24	1,650.43	26,358.67
Capital expenditure for the year	2,235.28	-	2,235.28	3,541.30	-	3,541.30
- Tangible	2,051.02	-	2,051.02	3,494.75	-	3,494.75
- Intangible	184.26	-	184.26	46.55	-	46.55

34. Related party disclosures

(A) Name of related parties where control exists:

Zim Laboratories FZE,UAE

Wholly Subsidiary Company

(B) Others - With whom transactions have taken place during the year

Key Management Personnel:

Mr. Anwar S.Daud
Mr. Zulfiquar Kamal
Mr. Riaz A.Kamal
Mr. Niraj Dhadiwal
Mr. Prakash Sakpal

Nature of relationship

Managing Director
Executive Director
Executive Director
Executive Director (appointed w.e.f November 22, 2013)
Executive Director (appointed w.e.f November 22, 2013)

Nature of transactions

1) Remuneration paid

	31-Mar-15 Rs. lacs	31-Mar-14 Rs. lacs
Mr. Anwar S.Daud	71.50	78.00
Mr. Riaz Kamal	17.50	15.00
Mr. Zulfiquar Kamal	36.00	36.00
Mr. Niraj Dhadiwal	23.00	8.54
Mr. Prakash Sakpal	22.85	8.48

2) Rent paid

Mr. Anwar S.Daud	6.00	6.00
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The remuneration to Key management personnel does not include provision for gratuity & leave benefits, as these are determined on actuarial basis for the company as a whole.

Balances outstanding at year end

Advances to Key Managerial Personnel

	31-Mar-15 Rs. lacs	31-Mar-14 Rs. lacs
Mr. Anwar S.Daud	17.64	12.48
Mr. Prakash Sakpal	0.20	-

Payable to Key Managerial Personnel

Mr. Anwar S.Daud	12.01	-
Mr. Zulfiquar Kamal	4.22	-
Mr. Riaz A.Kamal	2.23	0.30

Trade Payable

Mr. Anwar S.Daud	1.38	-
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Indian rupee loans and short term borrowings of Rs.5,681.31 lacs (31 March 2014: Rs.4,799.77 lacs) and foreign currency loan of Rs. 3,354.74 lacs (31 March 2014: Rs.3,377.14 lacs) from banks is guaranteed by the personal guarantee of the managing director of the company.

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35. Details of dues to micro and small enterprises as defined under the MSMED Act 2006*

	31-Mar-15 Rs. lacs	31-Mar-14 Rs. lacs
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	-	-
- Interest due on above	-	-
b. The amount of interest paid by the buyer in terms of section 16 of the Micro and Small enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprise Development Act, 2006.	-	-

*The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

36. Value of imports calculated on CIF Basis

	31-Mar-15 Rs. lacs	31-Mar-14 Rs. lacs
Raw materials	1,893.43	781.89
Components & spare parts	3.21	3.49
Capital goods	117.52	253.70
	2,014.16	1,039.08

37. Expenditure in foreign currency (accrual Basis)

	31-Mar-15 Rs. lacs	31-Mar-14 Rs. lacs
Commission on export sales	943.49	1,235.04
Interest	226.06	171.14
Travelling & conveyance	4.49	15.19
Sales promotion	1.99	0.58
Other expenses	68.69	7.26
	1,244.72	1,429.21

38. Imported and indigenous raw materials, components and spare parts consumed

	% of total consumption 31 March 2015	Value 31 March 2015 Rs. lacs	% of total consumption 31 March 2014	Value 31 March 2014 Rs. lacs
Raw materials				
Imported	11%	1,753.20	5%	781.89
Indigenous	89%	13,873.55	95%	13,552.74
	100%	15,626.75	100%	14,334.63
Spare parts & Components				
Imported	3%	3.21	4%	3.49
Indigenous	97%	109.99	96%	90.28
	100%	113.20	100%	93.77

39. Net dividend remitted in foreign exchange

	31-Mar-15	31-Mar-14
Year of remittance(ended on)	1 April 2013 to	1 April 2012 to
Periods to which it relates	31 March 2014	31 March 2013
Number of non- resident shareholders	58	68
Number of equity shares held on which dividend was due	2,092,520	2,176,220
Amount remitted (in USD)	29,235.96	31,161.31
Amount remitted (in INR)	1,876,652.00	2,176,220.00

40. Earnings in foreign currency (accrual basis)

	31-Mar-15 Rs. lacs	31-Mar-14 Rs. lacs
Exports at F.O.B. value	7,889.09	8,028.48
Sale of Dossiers	70.68	28.86
	7,959.77	8,057.34

41. "As per SEBI Circular dated May 30, 2012 the Company became unlisted on May 30, 2014 till which date the Company had complied with the Listing Conditions as per OTCEI's confirmation to SEBI while applying for their voluntary exit order. OTCEI has confirmed by their letter dt. January 13, 2015 that the Company having become unlisted, the shares had been shifted to Dissemination Board of BSE as per OTCEI's Notice No. 201411-37 dated November 11, 2014 according to which

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Notice the shares have been shifted to Dissemination Board w.e.f. November 12, 2014. After submitting the required documents the Company's CIN Number has been changed in the MCA Master Data from L99999MH1984PLC032172 to U99999MH1984PLC032172 which indicates the unlisted status of the Company."

42. Physical verification of Plant and Machinery had been carried out during the previous year and written down value of Rs.116 lacs representing assets not found in physical verification or identified as not in use has been written off.
43. Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date

For S R B C & CO LLP
ICAI Firm registration number: 324982E
Chartered Accountants

For and on behalf of the board of directors of
Zim Laboratories Limited

per Ravi Bansal
Partner
Membership no.: 49365

Anwar S. Daud
Managing Director

Zulfiqar M. Kamal
Director & CFO

Place: Mumbai
Date: 17th December,2015

Place: Nagpur
Date: 17th December,2015

R.A. Parasuraman
Company Secretary

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures

Part "A" : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1.	Sl. No.	:	1
2.	Name of the subsidiary	:	Zim Laboratories FZE
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	:	April 2014 to March-2015
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiary	:	AED and Exchange Rate- Rs16.12/AED
5.	Share capital	:	Rs. 4,02,980
6.	Reserves & surplus.	:	Rs. (3,94,823)
7.	Total assets	:	Rs. 15,81,012
8.	Total liabilities	:	Rs. 15,81,012
9.	Investments	:	Nil
10.	Turnover	:	Nil
11.	Profit /(Loss) before taxation	:	Rs. (3,94,823)
12.	Provision for taxation	:	Nil
13.	Profit/(Loss) after taxation	:	Rs. (3,94,823)
14.	Proposed Dividend	:	Nil
15.	% of shareholding.	:	100%

For and on behalf of the board of directors of
Zim Laboratories Limited

Anwar S. Daud
Managing Director

Zulfiquar M. Kamal
Director & CFO

Place: Nagpur
Date: 17 DEC 2015

R.A. Parasuraman
Company Secretary

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31st Annual Report 2014-2015**ZIM LABORATORIES LIMITED**

Regd. Office : Sadoday Gyan (Ground Floor), Opp. NADT, Nelson Square, Nagpur – 440 013
Tel. No. (0712) 2588070, E-mail ID : md@zimlab.in Website : www.zimlab.in

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies Management and Administration) Rules, 2014] CIN : U99999MH1984PLC032172.

Name of the member(s)	
Registered address :	
E-mail ID	
Folio No./DP ID-Client ID:	

I/We, being the holder(s) of _____ equity shares of the above named company, hereby appoint :

- (1) Name : _____
Address : _____
E-mail ID : _____ Signature _____ or failing him ;
- (2) Name : _____
Address : _____
E-mail ID : _____ Signature _____ or failing him ;
- (3) Name : _____
Address : _____
E-mail ID : _____ Signature _____ or failing him ;

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the adjourned meeting of 31st Annual General Meeting of the Company, to be held on Wednesday, the 18th May, 2016 at 2.00 p.m.. in the Registered Office at Sadoday Gyan (Ground Floor), Opp. NADT, Nelson Square, Nagpur – 440 013 and at any adjournment thereof in respect of such resolutions as are indicated below :-

S.No.	Resolution	Optional*	
		For	Against
1	"RESOLVED that the audited financial statements for the year ended 31.03.2015 along with the schedules forming part thereof, the Auditor's Report and the Board Report be and are hereby adopted."		
2	"RESOLVED that M/s Walker Chandok & Co. LLP (ICAI Firm Registration No. 001076N/N500013) 16 th Floor, Tower II, Indiabulls Finance Centre, S B Marg, Elphinstone (W), Mumbai – 400 013 who are eligible and who have given the required consent and the certificate that if appointed, the appointment will be within the limits prescribed under the Companies Act, 2013 be and are hereby appointed as the Auditors of the Company for a term of five years commencing with the financial year 2015-16 at a remuneration as may be determined by the Board of Directors in consultation with them".		
3	"WHEREAS pursuant to section 148(2) read with rule 14 of the Companies (Audit & Auditors) Rules, 2014, the Board has appointed M/s Dhananjay V. Joshi & Associates, "CMA Pride", Ground Floor, Plot No. 6, S. No. 16/6, Erandawana Hsg. Soc., Erandawana, Pune 411 004, as the Cost Auditors for the year 2015-16 at a remuneration of Rs. 2.50 lacs plus out of pocket expense at actuals, the remuneration being subject to ratification by the members, NOW, THEREFORE, RESOLVED that the remuneration of Rs. 2.50 lacs plus out of pocket expense at actuals for the Cost Auditor appointed by the Board of Directors be and is hereby ratified.		

Signed this _____ day of _____ 2016

Signature of Shareholder : _____

Signature of Proxy holder (s) : _____

Affix
Revenue
Stamp not
less than
Re. 1/-

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.