



PARABOLIC DRUGS LTD.



Re-energizing Business

Parabolic Drugs Limited | Annual Report, 2014-2015

Disclaimer

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions.

We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes, and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risk, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

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Corporate Information

Board of Directors:

Mr. Pranav Gupta	- Chairman & Managing Director
Mr. Vineet Gupta	- Whole- Time Director
Mr. Arun Mathur	- Director
Mr. Jagjit Singh Chahal	- Director
Mrs. Vandana Singla	- Director

President (Technical)

Mr. Yatish Kumar Bansal

Chief Financial Officer

Mr. Sushil Kapoor

Bankers:

State Bank of India (Specialised Commercial Branch)

S.C.O 103-106, Bank Square, Sector 17 B, Chandigarh

ICICI Bank Limited

S.C.O 129-130, Madhya Marg, Sector 9, Chandigarh

UCO Bank

S.C.O 55-57, Bank Square, Sector 17 B, Chandigarh

State Bank of Patiala

S.C.O 103-107, Sector 8 C, Chandigarh

Union Bank of India

4/14- A, Asaf Ali Road, New Delhi

Central Bank of India

S.C.O 58-59, Bank Square, Sector 17- B, Chandigarh

Bank of Baroda

S.C.O 62-63, Bank Square, Sector 17 –B, Chandigarh

IDBI Bank Limited

S.C.O 72-73, Bank Square, Sector 17-B, Chandigarh

Canara Bank

S.C.O 117-119, Sector 17- C, Chandigarh

Export-Import Bank of India

First Floor, PHD House, Sector 31-A Dakshin Marg, Chandigarh

State Bank of Hyderabad

S.C.O 62-63, Sector 34 A, Chandigarh

Small Industries Development Bank of India (SIDBI)

S.C.O 145-146, Floor 1-3, Sector 17 –C, Chandigarh

Auditors:

M/s. S.K. Bansal & Co.

Chartered Accountants,

Kothi No. 3193, Sector 28 D, Chandigarh

Registered & Corporate Office:

S.C.O 99-100, Top Floor, Sector 17 B
Chandigarh

Website:

www.parabolicdrugs.com

Works:

Village: Sundhran, P.O: Mubarakpur
Tehsil: Derabassi, Distt: Mohali
Punjab

Plot No. 45, Industrial Area,
Phase – II, Panchkula, Haryana

Village: Chachrauli,
Tehsil: Derabassi, Distt: Mohali, Punjab

R&D Centre:

Plot No. 280-281, Phase - 1
Block - 1
Alipur, Industrial Estates,
HSI IDC,
Tehsil: Barwala
Distt: Panchkula, Haryana

Sales Depot:

Parabolic Drugs Ltd

Safex Cargo Complex, Village: Kishanpura
Nalagarh Road, Baddi, Distt: Solan (H.P)

CORPORATE IDENTIFICATION NUMBER (CIN)

L24231CH1996PLC017755

Re-Energizing Business

Parabolic Drugs, an integrated pharmaceutical enterprise, has scaled to reach the different parts of world. The company spans across 4 manufacturing hubs and has a basket of products catering to the needs of business and consumers.

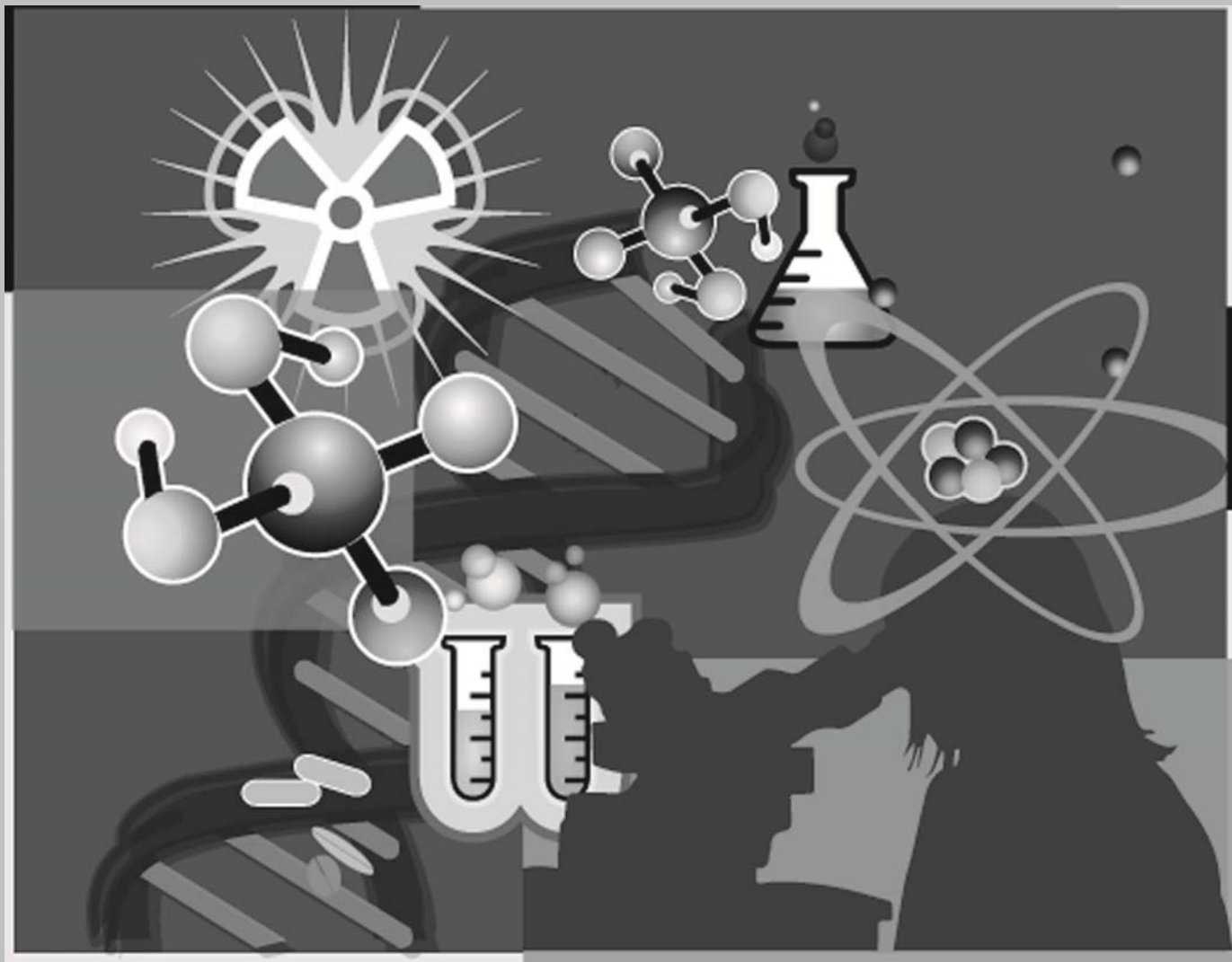
The company has evolved into a leading pharmaceutical company over the last 15 years is led by its research capabilities, chemistry skills, world class quality, IPR, large scale infrastructure, and a strong marketing setup.

With the unattractive monetary policy leading to high interest cost, the eroding of both export and domestic market prices and the weakened Indian comparative advantage in the commodity molecules, the company went into short term liquidity issues and had therefore applied for Corporate Debt Restructuring. Now, with its approval in the place, the company is looking beyond the problems. It is reorganizing its business, setting up priorities and reenergizing its potential to deliver what has been promised.

At Parabolic, we look to promising a viable future, seeking new initiatives, consolidating the system, optimizing the resources and therefore nurturing the best practices.

PDL AT A GLANCE

Established	:	1996
Facilities	:	4
Head Office	:	Chandigarh
Geographic Spread	:	55 Countries
Employees	:	650+people
Services	:	750+customers



VISION	MISSION
<p>To become a globally acceptable API and pharmaceutical manufacturing company by providing quality products that exceed customer expectation and are produced in a safe working environment</p>	<ul style="list-style-type: none">• To be chosen strategic partner of the world's top ten pharmaceutical companies• To grow consistently by entering Custom Synthesis and Contract Manufacturing Relationships with large Generic and Innovator companies• To leverage our cost efficiencies in manufacturing to penetrate world market across therapeutic segments, including oncology, cardiovascular and anti-hypertensive, among others

From The CMD's Desk



Managing Director's Review

Dear Shareholder's

At the outset, I would thank you for being with us and reposing your confidence in its management. 2014-15 has also been very turbulent year for your company and your company witnessed increased financial stress due to unruly economic variables that continued to affect the business normalcy and all performance parameters badly shaken. During the financial year 2014-15, the company registered a top line of INR 2399 Million while incurring loss of INR 3793 Million which includes Deferred Tax Asset (DTA) reversal amounting to INR 1282 Million.

As reported in the previous Annual Report, your company had also undertaken a financial restructuring with its lenders through CDR mechanism and the restructuring scheme was approved by CDR-EG in March 2013 and stands implemented. The performance of the Company was also going as per CDR projections and the Company had achieved turnover of Rs. 447 crores against CDR projection of Rs. 516 crores in financial year ended on 31-3-2014 with a little pressure on EBIDTA figures of 15 crores against projected 32 crores because of delay of six months in disbursement of funds by the lenders. However, In the month of April 2014 Statutory Auditors of State Bank of India (lead bank) reviewed the calculation of the Drawing Power and revised lower the valuation and the drawing powers with retrospective effect(w.e.f Sept, 2012). Drawing power of the company was reduced by Rs 50 Crores which resulted in the company becoming NPA technically from back date of revising. It adversely affected the operations of the company because of break in the working capital cycle for smooth operations in the company. Non availability of timely/ sufficient funds resulted into non availability of raw material / other payment commitments, forcing some of the other banks and regular suppliers of the company to squeeze the available credit. Since the company was having sufficient pipeline orders in hand, the company made repeated request to the bank to allow "Holding-ON" operations to avoid stoppage of production cycle / loss of productivity. The above NPA has affected the credit records of the company very badly due to which Credit was not available in the market and the company had to procure its raw

material on advance payment terms. The company couldn't import the raw material and its shortage continue to prevail and resulted in significant underutilization of its manufacturing facilities and thus resulted in heavy cost and erosion of its earning at gross and net levels.

Presently, Indian Active Pharmaceutical Industry (API) has been facing very severe competition from China. The India Pharma Industry is importing over 85-90% of its API's requirement from China. Since critical raw material is being sourced from China at highly competitive costs, standalone API manufacturing Industry in India is in deep trouble. The margins of Indian API manufacturers having main dependence on un-regulated market in India and abroad are very low, due to high infrastructure cost, high cost of power, less export incentives, high finance cost and price competition from China. Recognizing the above reasons **National Security Adviser (NSA)** has also confirmed the view that Indian Pharma Industry must take immediate concrete steps to revive the API Industry so that India can become self-sufficient in health care industry. The government has already set-up a commission to examine and revive the domestic API manufacturing industry.

Future Outlook

Standalone API industry in India is going through a tremendous amount of stress due to competition from China. To avoid the Chinese competition, PDL diversified into regulated markets like US, Europe and Japan as these markets offer high value addition and some of the negative impact of high cost of infrastructure in India is negated. However, till FY 2014, only 15% of the company's topline came from the regulated / semi regulated markets with a 2x-3x pricing advantage over unregulated markets like India and China. 'PDL' is in the process of establishing an upsurge in its presence in the regulated markets with an already established world class manufacturing infrastructure, development of non-infringing processes, DMF filings and it has already got certifications from European, Japanese, Korean, Mexican and Chinese authorities and has also signed long term contracts with Ranbaxy, Sun Pharma, Sandoz, Lupin, Midas (Germany), Pfizer (USA), Meiji(Japan), Summit Pharma (Japan), Alkem, Shinogi and Merck. There are very few plants in India with this infrastructure as it takes huge investment and time to build.

In-keeping the huge potential of the existing assets and infrastructure plus the regulatory approvals that the company had built over years and sustained relationship with the suppliers and customers the company took initiative and made request to the lead bank to allow second restructuring / holding on.

After seeing the inability of the banks to get 2nd restructuring sanctioned to the Company, the Promoters started initiative to get a strategic investor to solve the immediate requirement of necessary liquidity for the working capital cycle. For this the Company has also signed mandates with some leading investment bankers to bring in a strategic investor in the Company.

After discussion with the various interested parties, who were seriously interested and visited all the sites of the company, the term sheet has also been signed by two of them and the due diligence process is going on.

The promoters of the company are willing and putting their sincere efforts to get the strategic investor into the company so that value of the assets and the interest of lenders are protected. This initiative will go in-line with the "Make in India" as is initiated recently by the Hon'ble Prime minister in his vision statement.

With your support, I look forward that with the smooth induction of funds by new investors the company shall be able to revive and shall be able to re-energized beginning, towards the success of its business.

Regards



Pranav Gupta

Board Of Directors' Report

Dear Members,

The Board of Directors of your Company has pleasure in presenting the Nineteenth Annual Report on the affairs of the Company, together with the Audited Accounts of the Company for the year ended 31ST March, 2015.

1. **FINANCIAL RESULTS:**

The Financial Results for the year under review vis-à-vis the financial results for the previous year are as under:

(Rs. In millions)

Particulars	2014-15	2013-14
Gross Sales	2399	4467
Profit before Depreciation, Interest & Tax (PBDIT)	(1265)	(340)
Financial Expenses	987	831
Depreciation	238	189
Balances Written Off	----	840
Profit before Tax (PBT)	(2490)	(2200)
Provision for Taxation:		
-Current Tax	----	(270)
-Deferred Tax	1303	(613)
Profit after Tax (PAT)	(3793)	(1317)
Profits available for equity shareholders		
Appropriation:	-	-
Proposed Dividend on Equity Shares	-	-
Corporate Dividend Tax	-	-
Balance carried to Balance Sheet	(3793)	(1317)
Earnings per Share (Basic) Rupees	(61.29)	(21.28)
Earnings per Share (Diluted) Rupees	(61.29)	(21.28)

FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS:

Your Directors are pleased to report performance of the business operations as follows:-

- **Sales and Export:** During the year under review, your Company has registered a turnover of Rs. 2399 million as compared to Rs. 4467 million in the previous year showing thereby a decrease of 46%. The Export turnover of manufactured API products has also been lower at Rs. 1115 million as compared to 2038 million in the previous year. Total exports including trading of products have been at Rs. 1143 million as compared to Rs. 2098 million in previous year. There was overall decrease in domestic sales and exports due to paucity of non-availability of required working capital funds from the banks.
- **Profitability:** The Company incurred loss before depreciation, interest and tax (EBDIT) of Rs. 1265 million as compared to a loss of Rs. 340 million in the previous year. The Company incurred loss before tax (PBT) of Rs. 2490 million as compared to a loss of Rs. 2200 million in the previous year. After tax adjustment/write backs of Rs. 1303 million, the net loss worked out to Rs. 3793 million as compared to a net loss of Rs. 1317 million in the previous year.
- **Fixed Assets:** The net fixed assets (including work-in-progress) as at 31st March, 2015 were Rs. 4017 million as compared to Rs. 4122 million in the previous year.

2. DIRECTORS:

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, Mr. Vineet Gupta Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment. Notice convening the Annual General Meeting includes the proposal for his re-appointment as the Director.

Mr. Balbir Singh Bhasin, the Nominee Director of State Bank of India (SBI) on the Board of Directors of the Company had resigned from the Board w.e.f. 02.07.2014. Mr. Nikhil Goel and Mr. Balwan Bansal had also resigned from the Board of Directors of the Company w.e.f. 12.08.2014 and 12.02.2015 respectively.

Mr. Jagjit Singh Chahal and Mrs. Vandana Singla were appointed as Directors (Independent & Non-Executive) on the Board of Directors of the Company w.e.f. 14.08.2014 and 14.11.2014 respectively.

During the period under review, the Board appointed Mr. Sushil Kapoor as the Chief Financial Officer (CFO) of the Company w.e.f. 14.08.2014. In terms of the provisions of Section 203 of Companies Act, 2013, Mr. Pranav Gupta, Managing Director, Mr. Vipin Gupta, Vice President & Company Secretary and Mr. Sushil Kapoor, CFO are the KMP's of the Company.

Statement on Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchange.

3. SUBSIDIARIES:

The Company has two wholly owned subsidiary Companies namely M/s. Parabolic Research Labs Limited and M/s. Ziven Life Sciences Limited. The consolidated Financial Statements of these subsidiaries and the Company shall be laid before the Annual General Meeting of the Company.

As required pursuant to Section 129 of the Companies Act, 2013, a separate statement containing the salient features of the Financial Statements of its subsidiary shall be attached along with the Financial Statements of the Company.

4. SHARE CAPITAL:

During the year under review, the Authorized Share Capital of the Company remained unchanged at Rs. 72 Crores (divided into 7,20,00,000 Equity Shares of Rs. 10 each).

The Promoters/Promoters' Associates had contributed Rs 260 million as their additional contribution towards equity share capital for the allotment of 1,80,55,556 equity shares at a price of Rs. 14.40/-(face value Rs.10 and premium Rs.4.40) per equity share in terms of sanctioned CDR package. The allotment of said shares to the proposed allottees is pending for want of the in-principle approval of the Stock Exchanges required under the Listing Agreements and shall be completed in the Financial Year 2015-16.

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis of financial conditions and result of operations of the Company for the Financial Year 2014-15, as required under Clause 49 of the Listing Agreement, are annexed hereto as a separate statement in the Annual Report.

6. CORPORATE GOVERNANCE REPORT:

The Company aimed to conduct its affairs in ethical manner and has in place a system of Corporate Governance. A separate report on Corporate Governance forming a part of the Annual Report is annexed hereto. A certificate from the Statutory Auditors of the Company regarding the compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to the report on Corporate Governance.

7. AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013, every company at its first Annual General Meeting, has to appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth Annual General Meeting. No listed company or a company belonging to such class or classes of companies as may be prescribed, shall appoint or re-appoint an audit firm as auditors for more than two terms of five consecutive years. However, a time of three years has been given for the compliance of the said provisions.

The Board had re-appointed M/s. S.K. Bansal & Company, Chartered Accountants, Chandigarh for a period of one year i.e. from 30th September, 2015 to 29th September, 2016. Accordingly, their office shall stand vacated at the conclusion of 20th Annual General Meeting of the Company.

8. AUDITORS' REPORT:

The Auditors' Report on the Accounts of the Company for the year under review is self-explanatory and requires no comments.

9. SECRETARIAL AUDITORS' REPORT:

Mr. R.K Bhalla & Associates were appointed as the Secretarial Auditors of the company who has submitted their report to the Board of Directors. The said report is self-explanatory and requires no comments.

10. APPOINTMENT OF COST AUDITOR:

The Board of Directors has approved the appointment of M/s. Anil Sharma & Co., Cost Accountants, Chandigarh, as the Cost Auditors of the Company for the Financial Year 2015-16, subject to the approval of the Members in the ensuing Annual General Meeting of the Company. The cost audit report for the Financial Year 2014-15 will be forwarded to the Central Government as required under Law.

11. INTERNAL CONTROL SYSTEM:

The Company has well defined internal control system. The Company takes abundant care to design, review and monitor the working of internal control system. Internal Audit in the organization is an independent appraisal activity and it measures the efficiency, adequacy and effectiveness of other controls in the organization. All significant issues are brought to the attention of the Audit Committee of the Board.

12. FIXED DEPOSITS:

During the year 2014-15, the Company has not accepted any deposits from the public in terms of the provisions of Sections 73 of the Companies Act, 2013.

13. DIVIDEND:

In view of the loss incurred by the Company during the year under review, the Board of Directors has not recommended any dividend for the Financial Year 2014-15.

14. PERSONNEL AND HUMAN RESOURCES:

Your Company continues to lay emphasis on continued qualitative growth of its human resources by providing a congenial and conducive work environment in consonance with its belief that the real strength of its organization lies in its employees.

15. INDUSTRIAL RELATIONS:

The Industrial Relations between the employees and the management remained peaceful and cordial throughout the year at all the units of the Company.

16. STATEMENT OF PARTICULARS OF EMPLOYEES:

A statement of Particulars of Employees pursuant to the provisions of Section 134 of the Companies Act, 2013, is enclosed and forms a part of this report.

17. GROUP:

The Company, inter-alia with the following entities, constitutes a group as defined under the Monopolistic and Restrictive Trade Practices Act, 1969:

- a) PNG Trading Private Limited
- b) Parabolic Infrastructure Private Limited

18. MEETINGS OF BOARD OF DIRECTORS:

The Board of Directors met four times during the Financial Year 2014-15 on 30th May, 2014, 14th August, 2014, 14th November, 2014 and 14th February, 2015 besides a separate meeting of the Independent Directors of the Company which was held on 5th March, 2015.

19. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. appropriate accounting policies have been selected and applied consistently, and have 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 as at 31st March, 2015 and of the profit and loss of the Company for the year ended on 31st March, 2015;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
- d. the annual accounts have been prepared on a going concern basis.
- e. adequate internal financial controls to be followed by the Company have been laid down and such controls were operating effectively.
- f. proper and adequate systems to ensure compliance with the provisions of all applicable laws have been devised such systems were operating effectively.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Energy conservation continues to be an area of major emphasis in our Company. The Company has adopted the strategy of bringing about a general awareness amongst all regarding energy conservation.

Particulars with respect to conservation of energy and other areas as per Section 134 (3) (m) of the Companies Act, 2013, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are annexed hereto and form part of this report.

21. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company i.e. March 31, 2015 and the date of the Directors' Report i.e. August 14, 2015.

22. REFERENCE TO THE BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION:

Considering the erosion of entire Net Worth of the Company based on its audited account for the year ended March 31, 2015, your Company was statutorily obligated to file a Reference with the Hon'ble Board for Industrial and Financial Reconstruction ("BIFR") under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). Accordingly, Board of Directors of your Company in its meeting held on May 18, 2015 resolved to file the Reference under section 15(1) of SICA with the Hon'ble BIFR for declaration of the Company as a sick industrial company within the meaning of section 3(1)(o) of SICA and determination of the measures to be adopted for its revival. The said Reference of the Company has been registered by the Hon'ble BIFR as Case No. 82/2015 vide its letter dated 02.07.2015.

23. REMUNERATION TO DIRECTORS/EMPLOYEES AND RELATED ANALYSIS:

During the period under review, no employee of the Company received salary in excess of the limits as prescribed under the Act. Accordingly, no particulars of employees are being given pursuant to Section 134 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The details pertaining to the ratio of the remuneration of each director to the median employee's remuneration and other prescribed details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith and form part of the Directors' Report.

24. EXTRACT OF THE ANNUAL RETURN:

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at March 31, 2015 forms part of this report

25. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 and Clause 49(II) of the Listing Agreement, a Vigil Mechanism/Whistle Blower Policy for Directors and employees to report genuine concerns has been established

26. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The provisions of Section 135 of Companies Act, 2013 are not applicable to the Company.

27. NOMINATION AND REMUNERATION POLICY:

The Company's Nomination and Remuneration Policy formulated by the Nomination and Remuneration Committee deals with the appointment and remuneration of Directors and KMPs of the Company. The policy also covers the criteria for determining qualifications, positive attributes, independence of a Director and KMP. In terms of Section 134(3)(e) of Companies Act, 2013 the Nomination and Remuneration Policy of the Company is annexed herewith and forms part of the Directors' Report.

28. RISK MANAGEMENT POLICY:

Your Company has a Risk Management Policy in place, duly approved by the Board Of Directors, wherein all material risks faced by the Company are identified and assessed. For each of the Risks identified, corresponding controls are assessed and policies and procedure are put in place for monitoring, mitigating and reporting risk on a periodic basis.

29. LISTING / DE-LISTING OF SHARES:

The Shares of your Company are presently listed on The Bombay Stock Exchange Limited, Mumbai (BSE) and National Stock Exchange (NSE). The Annual Listing Fees for the year 2015-16 has already been paid.

30. RELATED PARTY TRANSACTIONS:

The contracts or arrangements with related parties has been given in Note no. 25(26) annexed to the Balance Sheet.

31. PERFORMANCE EVALUATION OF THE BOARD:

The Companies Act, 2013 and revised Clause 49 of the Listing Agreement entered with the Stock Exchanges stipulates the performance evaluation of the Directors including Chairperson, Board and its Committees. Considering the said provisions, the Company has devised the process and the criteria for the performance evaluation which has been recommended by the Nomination & Remuneration Committee and approved by the Board at their meetings held on 19th January, 2015 and 14th February, 2015, respectively.

32. ACKNOWLEDGEMENT:

Your Directors are pleased to place on record their sincere gratitude to Government, Bankers and Business Constituents for their continued and valuable co-operation and support to the Company.

Your Directors also express their deep appreciation for the devoted and sincere services rendered by workers, staff and executives at all levels of operations of the Company during the year and we are confident that our Company will continue to receive such co-operation from them in future also.

FOR AND ON BEHALF OF THE BOARD

PLACE: Chandigarh
DATED: 14.08.2015

PRANAV GUPTA
CHAIRMAN & MANAGING DIRECTOR

Annexure To The Board Of Directors' Report

INFORMATION AS PER SECTION 134(3) (m) of the COMPANIES ACT, 2013 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015:

1. CONSERVATION OF ENERGY:

Your Company has always been conscious of the need to conserve energy and also reduce the cost of production. We hold regular meetings in our Units for discussion on the various energy conservation measures and implement them. Various energy conservation measures taken during the year, which include Extra heat exchanger of cooling tower provide before brine heat exchanger to reduce load of chilled brine. This has resulted in reduction in running of chilled brine compressor which consumes very high power. Further, Stringent steam control program made to reduce husk consumption which includes leakage reduction ,steam controller inspection, steam trap inspection, hot water tanks inspection, insulation inspection, steam ejectors inspection.

The consequent impact of the above measures on the cost of production is as below:

S. No	Power/Fuel Saving Measures	Saving in Quantity	Saving in Amount (Rs)
1.	Power Saving by improvement in piping of cooling tower, chilled water/chilled brine compressor and overhauling of cooling tower	157600 KW	4,60,800
2.	Saving of husk by improvement in storage facility	2365000 Kg	18,25,000
	Total		22,85,800

The detail regarding the present energy consumption is furnished below as per Form A of the annexure to the rules.

Form-A

A. POWER & FUEL CONSUMPTION:			
PARTICULARS	UNIT	2014-15	2013-14
1. Electricity			
a) Purchased			
Units	KWH in million	14.27	14.98
Total Amount	Rs. in million	106.67	112.29
Rate per Unit	Rs./KWH	7.47	7.49
b) Own Generation through Diesel Generator			
Generator Units	KWH in million	0.94	1.03
Units per litre of Diesel	KWH	3.40	3.40
Cost per Unit	Rs./KWH	15.80	16.34
2. Furnace Oil :			
Quantity	K. Litres	0.00	0.00
Total Cost	Rs. in million	0.00	0.00
Average Rate	Rs./ litre	0.00	0.00
3. Others /Internal Generation			
Quantity (Timber & Husk)	Ton	8987.08	7163.45
Total cost	Rs. in million	45.88	34.64
Rate/Unit	Rs./ton	5105.99	4835.62
B. CONSUMPTION PER UNIT OF PRODUCTION:			
Production of Different Products			
Electricity	KWH/KG	6.31	5.82*
Furnace Oil			
Furnace Oil (Litres)			
Others/Internal Generation			
(*) Variation due to change in product mix			

2. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption are furnished in Form – B as under:

Form -B**A. Research and Development(R&D):**

- a) Specific areas in which Research & Development is carried out by the Company:
R & D has been carried out in areas of improvement in Product, Process, Cost Reduction, Development of New Products and Increase in Productivity.
- b) Benefits derived as a result of above R & D:
The Company was able to improve the quality of existing products and develop new products and was also able to reduce the cost of Production.
- c) Further course of action:
We intend to develop new product, to further reduce the cost and improve capacity utilization.
- d) Expenditure on R & D:

	(Rs. in million)	
	<u>2014-15</u>	<u>2013-14</u>
Capital	----	01.69
Recurring	28.05	47.03
	-----	-----
Total	28.05	48.72
	-----	-----

Total R& D expenditure as a percentage of turnover: 1.16%

B. Technology Absorption, Adaptation and Innovation:**a) Efforts made:**

The Company is continuously making efforts for adoption of latest technology in all its plants. The Company has also created specific R & D and other cells for studying and analyzing the existing processes for further improvement.

b) Particulars of Imported Technology in last five years:

- i) Technology Imported : NIL
- ii) Year of Import : Not Applicable
- iii) Has the Technology been fully absorbed : Not Applicable

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:**a) Activities relating to Exports, Initiative to increase:**

The Company exported Semi Synthetic Penicillin (oral and sterile) and Cephalosporin orals and sterile to various overseas customers. Our products are being exported to around 50 countries across the globe. The Company has understood the need of customer relationships and identified potential customers across the globe and initiated visit to meet them in order to know more about them and their requirements. The Company has also participated in various International/National Business fairs in order to interact with customers.

b) Total Foreign Exchange used and earned:

	(Rs. in million)	
	<u>2014-15</u>	<u>2013-14</u>
1. Earnings (FOB Value of exports)	1116.00	2038.00
2. Outgo (CIF Value of imports and Expenditure in foreign currency)	1128.00	1865.00

STATEMENT OF PARTICULARS OF EMPLOYEES

Information required as per Companies Act, read with Companies (Particulars of Employees) Rules and forming part of Board of Directors' Report for the year ended March 31, 2015

- A) Persons employed throughout the financial year, who were in receipt of remuneration for the year which, in the aggregate, was not less than Rs. 60,00,000 per annum

NONE

- B) Persons employed for a part of the financial year, who were in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Rs. 5, 00,000 per month.

NONE

Annexure

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2014-15 (` in crore)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Pranav Gupta Chairman and Managing Director	26,41,000*	-	4.40	Minimum remuneration as per Schedule XIII of the Companies Act, 1956 was paid
2	Vineet Gupta Whole time Director	48,00,000		8	
3	Arun Mathur Non-Executive Director	-	-	-	-
4	Jagjit Singh Chahal Non-Executive Director	-	-	-	-
5	Vandana Singla Non-Executive Director	-	-	-	-
6	Sushil Kapoor Chief Financial Officer	17,19,336	-	Not Applicable	
7	Vipin Gupta Company Secretary	4,14,196	-	Not Applicable	

* Net of Recovery

Extract Of Annual Return

as on Financial Year ended on 31st March, 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:- L24231CH1996PLC017755
- ii) Registration Date: 22 February, 1996
- iii) Name of the Company: Parabolic Drugs Limited
- iv) Category / Sub-Category of the Company: Public Listed Company
- v) Address of the registered office and contact details
S.C.O 99-100, Top Floor, Sector 17-B, Chandigarh 160017
Ph: 0172-3914646, 47, 38

- vi) Whether listed company - Yes
- vii) Name, Address and Contact details of Registrar and Transfer
Agent:
Link Intime India Pvt Ltd
44, Community Centre, Phase-I, Near PVR,
Naraina Ind. Area,
New Delhi-110028
Ph: +91 11 4141 0592, Fax- +91 11 4141 0591

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	AXETIL AMORPHOUS	21 : Manufacture of pharmaceuticals, medicinal chemical and botanical products	31.26%
2	Ceftriaxone Sodium Sterile	21 : Manufacture of pharmaceuticals, medicinal chemical and botanical products	14.81%

On the basis of Gross Turnover

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable section
1.	Ziven Lifesciences Limited Address: S.C.O 99-100, Top Floor, Sector 17- B, Chandigarh, 160017	U24232CH2011PLC033332	Subsidiary Company	100	2(87) of the Companies Act, 2013
2.	Parabolic Research Labs Limited Address: S.C.O 99-100, Top Floor, Sector 17- B, Chandigarh, 160017	U24232CH2007PLC031004	Subsidiary Company	100	2(87) of the Companies Act, 2013
3.	PNG Trading Private Limited Address: FLAT NO - 53, BLOCK - H, SARITA VIHAR NEW DELHI- 110076	U51909DL2004PTC124829	Associate Company	22.90	2(6) of the Companies Act, 2013

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 Share	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1652250	-----	1652250	2.67	1652250	-----	1652250	2.67	-----
b) Central/state Govt	-----	-----	-----	-----	-----	-----	-----	-----	-----
c) Bodies Corp	20368279	-----	20368279	32.91	20576627	-----	20576627	33.25	0.34
d) Banks / FI	-----	-----	-----	-----	-----	-----	-----	-----	-----
e) Any Other....	-----	-----	-----	-----	-----	-----	-----	-----	-----
e-i)Promoter Group	713400	-----	713400	1.15	713400	-----	713400	1.15	-----
e-ii)Relative of Promoter	525150	-----	525150	0.85	525150	-----	525150	0.85	-----
Sub-total (A) (1):-	23259079	-----	23259079	37.58	23467427	-----	23467427	37.92	0.34
(2) Foreign									
a) NRIs - Individuals	450000	-----	450000	0.73	450000	-----	450000	0.73	-----
b) Other – Individuals	-----	-----	-----	-----	-----	-----	-----	-----	-----
c) Bodies Corp.	-----	-----	-----	-----	-----	-----	-----	-----	-----
d) Banks / FI	-----	-----	-----	-----	-----	-----	-----	-----	-----
e) Any Other....	-----	-----	-----	-----	-----	-----	-----	-----	-----
Sub-total (A) (2):-	450000	-----	450000	0.73	450000	-----	450000	0.73	-----
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	23709079	-----	23709079	38.31	23917427	-----	23917427	38.65	0.34

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-----	-----	-----	-----	-----	-----	-----	-----	-----
b) Banks / FI	1487323	-----	1487323	2.40	1487323	-----	1487323	2.40	-----
c) Central Govt	-----	-----	-----	-----	-----	-----	-----	-----	-----
d) State Govt(s)	-----	-----	-----	-----	-----	-----	-----	-----	-----
e) Venture Capital Funds	-----	-----	-----	-----	-----	-----	-----	-----	-----
f) Insurance Companies	-----	-----	-----	-----	-----	-----	-----	-----	-----
g) FIIs	5319259	-----	5319259	8.59	5290896	-----	5290896	8.55	(0.04)
h) Foreign Venture Capital Funds	3067484	-----	3067484	4.96	3067484	-----	3067484	4.96	-----
i) Others(specify)	-----	-----	-----	-----	-----	-----	-----	-----	-----
Sub-total (B)(1):-	9874066	-----	9874066	15.95	9845703	-----	9845703	15.91	(0.04)
2.Non- Institutions									
a) Bodies Corp.	4217247	200000	4417247	7.14	2537997	200000	2737997	4.42	(2.72)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	9212350	47911	9260261	14.96	9263879	47911	9311790	15.05	0.09
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	8142065	144500	8286565	13.39	9979883	144500	10124383	16.36	2.97
c) Others(specify)	-----	-----	-----	-----	-----	-----	-----	-----	-----
c-i) Clearing Member	891244	-----	891244	1.44	212101	-----	212101	0.34	(1.10)
c-ii) NRI- Repat	959370	-----	959370	1.55	1228026	-----	1228026	1.98	0.43
c-iii) NRI- NON Repat	47859	-----	47859	0.08	68264	-----	68264	0.11	0.03
c-iv) Foreign Companies	2400000	2046323	4446323	7.18	2400000	2046323	4446323	7.18	-----
Sub-total (B)(2):-	25870135	2438734	28308869	45.74	25690150	2438734	28128884	45.44	(0.30)
Total Public Shareholding (B)=(B)(1)+(B)(2)	35744201	2438734	38182935	61.69	35535853	2438734	37974587	61.35	(0.34)
C. Shares held by Custodian for GDRs & ADRs	-----	-----	-----	-----	-----	-----	-----	-----	-----
Grand Total (A+B+C)	59453280	2438734	61892014	100.00	59453280	2438734	61892014	100.00	-----

(ii) Shareholding of Promoters

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	PNG TRADING PRIVATE LIMITED	14171836	22.90	22.90	14171836	22.90	22.90	----
2	PARABOLIC INFRASTRUCTURE PRIVATE LIMITED	6177543	9.98	9.98	6385891	10.31	10.31	0.33
3	PRANAV GUPTA	824100	1.33	1.33	824100	1.33	1.33	---
4	VINEET GUPTA	701550	1.13	1.13	701550	1.13	1.13	----
5	PRANAV GUPTA (TRUSTEE OF PRANAV GUPTA FAMILY)	521700	0.84	0.00	521700	0.84	0.00	----
6	SACHIN GUPTA	450000	0.73	0.00	450000	0.73	0.00	----
7	DEEPA GUPTA	234600	0.38	0.38	234600	0.38	0.38	----
8	RAMA GUPTA	229650	0.37	0.37	229650	0.37	0.37	----
9	VINEET GUPTA (TRUSTEE OF VINEET GUPTA FAMILY TRUST)	191700	0.31	0.00	191700	0.31	0.00	----
10	PRANAV GUPTA KARTA OF PRANAV GUPTA HUF	66600	0.11	0.00	66600	0.11	0.00	----
11	VINEET GUPTA KARTA OF VINEET GUPTA HUF	60000	0.10	0.00	60000	0.10	0.00	----
12	AKRITA KALRA	53400	0.09	0.09	53400	0.09	0.09	----
13	JAMBOREE EDUCATION PVT LTD	18900	0.03	0.03	18900	0.03	0.03	----
14	PAARTH GUPTA	7500	0.01	0.00	7500	0.01	0.00	----
	Total	23709079	38.31	36.01	23917427	38.64	36.54	0.33

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

Sr. No.	Name	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.	Parabolic Infrastructure Private Limited				
	At the beginning of the year	6177543	9.98	6177543	9.98
	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):	208348*	0.03	208348	0.03
	At the End of the year	6385891	10.31	6385891	10.31

*Market Purchase

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

Sl. No.	Name of shareholders	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	Ankit Goel				
	At the beginning of the year	5,70,000	0.921	5,70,000	0.921
	Sold during the year	(46,750)	(0.076)	5,23,250	0.845
	At the end of the year	5,23,250	0.845	5,23,250	0.845
2	Umamaheshwara Reddy Guddeti				
	At the beginning of the year	3,45,000	0.557	3,45,000	0.557
	Bought during the year	87,500	0.141	4,32,500	0.698
	At the end of the year	4,32,500	0.698	4,32,500	0.698
3	B.Lavanya				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Bought during the year	4,00,000	0.646	4,00,000	0.646
	At the end of the year	4,00,000	0.646	4,00,000	0.646
4	Ubaldo Germano Joao Marianio Fernandes				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Bought during the year	3,72,736	0.602	3,72,736	0.602
	At the end of the year	3,72,736	0.602	3,72,736	0.602

5	Lakshmi M				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Bought during the year	2,50,000	0.403	2,50,000	0.403
	At the end of the year	2,50,000	0.403	2,50,000	0.403
6	Anand Mohan				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Bought during the year	2,33,000	0.376	2,33,000	0.376
	At the end of the year	2,33,000	0.376	2,33,000	0.376
7	Nikhil Goel				
	At the beginning of the year	1,80,000	0.290	1,80,000	0.290
	Bought during the year	Nil		Nil	
	At the end of the year	1,80,000	0.290	1,80,000	0.290
8	Wasnik Indu Tarachand				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Bought during the year	1,60,000	0.258	1,60,000	0.258
	At the end of the year	1,60,000	0.258	1,60,000	0.258
9	Bollachettira Dhyan Appachu Poovamma C U				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Bought during the year	1,58,010	0.255	1,58,010	0.255
	At the end of the year	1,58,010	0.255	1,58,010	0.255
10	Yechuri Seshagiri Rao Bhaskara Saraswathy				
	At the beginning of the year	1,41,896	0.229	1,41,896	0.229
	Bought during the year	Nil			
	At the end of the year	1,41,896	0.229	1,41,896	0.229

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Directors	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	Pranav Gupta				
	At the beginning of the year	8,24,100	1.331	8,24,100	1.331
	Bought during the year	Nil			
	At the end of the year	8,24,100	1.331	8,24,100	1.331
2	Vineet Gupta				
	At the beginning of the year	7,01,550	1.133	7,01,550	1.133
	Bought during the year	Nil			
	At the end of the year	7,01,550	1.133	7,01,550	1.133

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

Particulars	(Rs. In Million)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,083.27	323.77	57.62	8,464.66
ii) Interest due but not paid	12.30	-----	-----	12.30
iii) Interest accrued but not due	-----	-----	-----	-----
Total (i+ii+iii)	8,095.57	323.77	57.62	8,476.96
Change in Indebtedness during the financial year				
· Addition	1,650.66	1.13	-----	1,651.79
· Reduction	-----	-----	(31.16)	(31.16)
Net Change	1,650.66	1.13	(31.16)	1,620.63
Indebtedness at the end of the financial year				
i) Principal Amount	9,190.59	324.90	26.46	9,541.95
ii) Interest due but not paid	59.40	-----	-----	59.40
iii) Interest accrued but not due	496.24	-----	-----	496.24
Total (i+ii+iii)	9,746.23	324.90	26.46	10,097.59

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

Sl. no.	Particulars of Remuneration	Name of MD/WTM/ Manager		Total Amount
		Pranav Gupta	Vineet Gupta	
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 Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	2.64*	4.8	7.44
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	2.64	4.8	7.44
	Ceiling as per the Act			

* Net of Recovery

B. Remuneration to other directors:**(Amount in Rs)**

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount
		Arun Mathur	Balwan Bansal*	Jagjit Singh Chahal	Vandana Singla	Nikhil Goel**	
1.	Independent Directors · Fee for attending Board Committee meetings · Commission · Others, please specify	6,500	19,500	21,000	14,500	6,500	47,000
	Total (1)	6,500	19,500	21,000	14,500	6,500	47,000
2.	Other Non-Executive Directors · Fee for attending Board Committee meetings · Commission · Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	6,500	19,500	21,000	14,500	6,500	47,000
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act						

* Ceased to be Director w.e.f. 12-02-2015

** Ceased to be Director w.e.f. 12-08-2014

D. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**(Rs. In Million)**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (Mr. VIPIN GUPTA)	CFO (Mr. SUSHIL KAPOOR)	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 Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Not Applicable	0.41	1.72	2.13
2.	Stock Option		-	-	-
3.	Sweat Equity		-	-	-
4.	Commission - as % of profit - others, specify...		-	-	-
5.	Others, please specify		-	-	-
	Total		0.41	1.72	2.13

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	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

POLICY FOR DIRECTOR'S APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING INDEPENDENCE OF A DIRECTOR

BRIEF OVERVIEW UNDER COMPANIES ACT 2013

{Section 178 & Companies [Meetings of Board and its Powers] Rules 2014}

- Constitution of the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors
- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and senior management personnel i.e. employees at one level below the Board including functional heads.

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors in its meeting held on 14th day of February, 2015.

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Role of the Committee

The role of the Committee will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.

- To recommend to the Board the appointment and removal of Directors, KMP and Senior Management.
- To devise a policy on Board diversity, composition and size.
- Succession planning for replacing Key Executives and overseeing their orientation and successful alignment with the philosophy of the Company.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Interview and Selection procedure.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as the M.D or Whole-time Director or a manager who has attained the age of seventy years Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

TERM / TENURE

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a term not exceeding three years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

Rotation: The Managing Director/Whole Time Director and other Non-Executive Directors of the Company shall be liable to retire by rotation subject to the employment agreement, if any signed between the company and such Directors of the Company at the time of appointment.

b) Independent Director:

An Independent Director shall hold office for a term up to three consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Rotation: An Independent Director shall not be liable to retire by rotation pursuant to the provisions of sub-sections (6) and (7) of section 152 of the Companies Act, 2013.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Listing Agreement.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/ SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non-Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible

under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

- b) All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's HR Policy.
- b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may delegate any of its powers to one or more of its members

Secretarial Audit Report

For The Financial Year Ended On 31st March, 2015

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

To,

The Members,

Parabolic drugs limited

SCO 99 -100, Sector 17 B

Chandigarh

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Parabolic Drugs Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Parabolic Drugs Limited** for the financial year ended on **31st March, 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 Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - (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;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit period)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit period)
 - (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 (Not applicable to the Company during the Audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period)

(vi) OTHER APPLICABLE ACTS

- (a) The Air (Prevention & Control of Pollution) Act, 1981
- (b) Water (Prevention & Control of Pollution) Act, 1974
- (c) Drugs & Cosmetics Act, 1940
- (d) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- (e) The Employees' State Insurance Act, 1948
- (f) The Payment of Wages Act, 1936

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above except to the extent as mentioned below;

The Company has not made allotment of shares against Share Application Money of Rs. 26,00,00,000/- (Twenty Six Crores only) which is standing in the books of Accounts of the Company as at 31st March, 2015. The said Share Application Money relates to the financial year-2013-2014. As per information and explanation given to us, the allotment is pending for want of In-Principle approval of Stock Exchanges (NSE & BSE) under Clause 24(a) of the Listing Agreement, for which the Company had already applied and which is withheld by the Stock Exchanges for want of Undertaking from Banks as required under Regulation 78(6) of SEBI ICDR Regulations, 2009 and as soon as the approval is received, the Company shall proceed to allot the said shares to the proposed allottees

We 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 of the meeting.

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

We further report that there are 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.

We further report that during the audit period the company has Major decisions taken by the members in pursuance to Section 180(1) (c) authorizing Board of Directors to borrow money in excess of the aggregate of the paid-up capital of the Company and its free reserves up to Rs` 1500 Crore (Rupees One Thousand Five Hundred Crore only) and under Section 180(1) (a) of the Companies Act, 2013 authorizing Board of Director of the Company to create securities in respect of borrowings of the company having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above).

**For R.K.Bhalla & Associates
Company Secretaries**

**Place: Yamuna Nagar
Date: 15.05.2015**

**Rajinder Kumar Bhalla
(Proprietor)
ACS No: 10525
CP No: 7360**

Note : This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

Annexure 'A'

To,

**The Members,
Parabolic drugs limited
SCO 99 -100, Sector 17 B
Chandigarh**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For R.K.Bhalla & Associates
Company Secretaries**

**Place: Yamuna Nagar
Date: 15.05.2015**

**Rajinder Kumar Bhalla
(Proprietor)
ACS No: 10525
CP No: 7360**

Management Discussion and Analysis

Overview

Pharmaceutical Industry –Present Global Scenario

The Global Pharmaceutical market is expected to grow at a Compound Annual Growth Rate (CAGR) of 5% during 2011-17 exceeding sales with US\$ 1100 billion by 2017 (Global Pharmaceutical Market Report , forecast : 2012-17"). There is an accelerating shift in spending towards generic drugs, rising to 39 % of spending in 2015, up from 20 % in 2005. Further, the shares of patented brands in global pharmaceutical spending is sharply declining on account of patent expiries in the developed market.

Global Consolidation pressure on drug prices has made global pharmaceutical's MNCs resort to mergers and alliances in a bid to reduce R&D duplication and costs besides increasing reach so as to spread research expenditure over a larger base.

Within the pharmaceutical industry, Injectable market have a large chunk and is growing @ 10 % per annum. Injectable are specialised and niche area due to the high complexity involved during development and manufacturing. Sterile injectable products have major role in treating diseases which includes anaesthesia, critical care, anti-infective, renal care, infusion therapy, enteral & parenteral nutrition and oncology. Oncology drugs form one of the largest and fastest growing sectors of global generic injectable market; highlighting the numbers and the sterile products like injectable, are facing shortage worldwide.

Pharmaceutical Industry –India

The Indian Pharmaceutical Industry, the most respected amongst the emerging nations, is one of the most sought after sector from a global collaboration point of view. The transformation of the global Pharmaceutical market continues unabated with focus steadily shifting from developed to developing countries and from patented drugs to generics.

Presently, India is amongst the top 5 emerging Pharma market. Currently India's share of the US generic market is 24%. The Indian pharmaceutical industry is estimated to grow at 20% Compound Annual Growth Rate (CAGR) over the next 5 years , as per India Rating , a Fitch Group company. Indian pharmaceutical manufacturing facilities registered with US Food and Drugs Administration (FDA) as on March, 2014 was the highest at 523 for any country outside the US. The Domestic Pharma market to grow at 10-12 per cent in FY15 as compared to 9 per cent in FY14, as per a recent report from Centrum Broking. The Domestic growth rate was 11.9% in October 2014 as per the said report.

Indian Active Pharmaceutical Industry (API) is facing very severe competition from china. India was once a favored destination for sourcing low cost, good quality raw material for manufacturing medicines. However China has taken over this bulk drug market globally in the past few years by creating huge capacities. Presently the Indian pharma industry is importing over 85-90% of its API requirement from China due to which the margins of Indian API manufacturers having main dependence on unregulated markets in India and abroad are very low. High infrastructure cost, high cost of power, less export incentives, high finance cost, price competition from China and geo-political disturbance in relations with China can become a big threat to Indian pharma. Due to above reasons National Security Adviser (NSA) had warned the Government about the overdependence on China and had recommended that Indian Pharma Industry must take concrete steps to revive the API industry so that India may become self –sufficient in health care industry. The government has already set-up a commission to examine and revive the domestic API manufacturing industry.

Growth Areas

Oncology drugs form one of the largest and fastest growing sectors of the global generic injectable market. The India oncology drug market is expected to grow at a CAGR of 17.6% from 2015-2019 due to greater influx of patients in cancer care centers due to rising awareness among the people about the right place for best treatment will continue to escalate the growth of oncology treatment in India.

The other area that will drive growth in the Indian market is the antibiotics segment, as the injectable antibiotics market in India has shown robust growth in the last four to five years. The domestic injectable antibiotics market is worth US\$ 425 million.

The market for injectable in the antibiotics segment and particularly for cephalosporin has been growing significantly and there is huge opportunity in the Indian market itself. Indian companies are able to manufacture and supply high volumes of parenteral drugs to the world market through joint ventures with MNCs/ NGOs/ International Health Organizations such as WHO, UNICEF and so on.

Stem cells are also seen by many as a powerful tool for improving the R&D process in the Pharma Industry. Stem cells are being used to develop some types of direct therapeutic applications & are also becoming increasingly important as a tool to test potential drug toxicity. India's entry into stem cell research has progressed from a few institutions to currently over 40 institutions.

Indian Pharmaceutical Industry: swot analysis

- **Strengths-** Low cost of innovation, manufacturing and operations, Low cost of skilled manpower.
- **Weaknesses-** Stringent pricing regulations, presence of more unorganized players versus the organised ones.
- **Opportunities-** Opening of the health insurance sector and increase in per capita income.
- **Threats-** Other low cost countries such as China and Israel affecting outsourcing demand for Indian pharmaceutical products.

Market Trend

India's Pharma industry accounts for about 1.4% of the global Pharma industry in value terms and 10% in volume terms. Among the fastest growing Pharma industries in the world, India's pharmaceutical sector is estimated to grow at 20% Compound Annual Growth Rate (CAGR) over the next five years, as per India Ratings, a Fitch group company.

Drug sales in rural markets are growing at a higher rate than in urban markets. Pharma companies are focusing on rural markets to counter the effects of price controls. Companies are hiring more personnel to tap the rural markets as price cuts have made medicines more affordable to the rural consumers.

Contract Manufacturing segment (CMS) to grow at 18% CAGR till 2018. Patented drugs worth approximately US\$85 billion in potential annual sales in US are to come off patent by 2014-20. Some of the major drugs going off patents are nexium, Cymbalta, celebrex, abilify and gleevac. Once drugs loose patent protection, the focus would shift to price competitiveness and manufacture of such generic drugs in the most cost effective manner.

The Non-Small Cell Lung Cancer (NSCLC) therapeutics market value in the Asia-Pacific region is expected to grow at a CAGR of 6.6% to touch US\$ 7.9 billion in 2020, according to GBI Research. An aging population and increasing number of NSCLC incident cases will be the main drivers behind this anticipated growth in India.

Government Initiatives

The National Security Adviser (NSA) had warned the Government about the overdependence on China and had advised that Indian Pharma Industry must take concrete steps to revive the API industry so that India may become self-sufficient in health care industry. The government has already set-up a commission to examine and revive the domestic API manufacturing industry.

Further, the Government has taken various measures to promote "Make in India" initiative to boost the domestic manufacturing industry including the pharma sector and attract foreign investors to invest into Indian Economy and in consistency of the said initiative the Government has declared The Year 2015 as The Year of Active Pharmaceutical Ingredients (API). The Government had also constituted a committee under the Chairmanship of Secretary, Department of Health Research known as Katoch Committee to suggest ways to reduce the dependence on bulk drugs from China and to look into various issues concerning the bulk drugs. The recommendation of said committee which includes single window clearance for licensing of drugs, providing land at concessional rates, removing of cross subsidy charges, establishment of mega parks for APIs with common facilities such as common effluent treatment plants, testing facilities, captive power plants/assured power supply by state systems, common utilities/ services such as storage, testing laboratories, IPR management, designing etc. maintained by a separate special purpose vehicle (SPV), has been accepted by the Government.

The union cabinet has given its approval to amend the existing FDI policy allowing FDI upto 100% under the automatic route for manufacturing of medical devices. The drugs and pharmaceuticals sector attracted cumulative Foreign Direct Investment (FDI) inflows worth US\$ 12,813.02 million between April 2000 and December 2014 according to data released by the Department of Industrial Policy and Promotion (DIPP). Foreign Direct Investment (FDI) inflows during the April '14-Jan '15 period totalled US\$ 1,259 million, which is five per cent of the total FDI inflows in the country during the same period.

The policies of the Government aimed at making quality healthcare affordable to all, increasing access to healthcare in rural and urban areas and increasing penetration of healthcare insurance is expected to complement growth in the Indian Pharmaceutical market and in that pursuit Government has led initiatives such as the Jan Aushadhi, Pharma Vision 2020 and making India the Drug Discovery and Global Pharma Innovation Hub by 2020. As part of this campaign, the Government will make available low-cost generic drugs from July 1, 2015. The Government has also taken several other cost effective measures in order to bring down healthcare expenses.

Road Ahead –Future Outlook

1. Based on the McKinsey FICCI report, the size of Indian Pharma market is set to grow four folds to reach USD 55 billion in 2020. However it is estimated that at full potential and aggressive efforts of the Industry, it can reach USD 77 Billion.
2. The domestic Pharma Industry is likely to grow at 11-12% dwarfing global average of 5%. Going forward, better growth in domestic sales will depend on the ability

of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, diabetes, depressants and cancers which are on the rise. In the domestic market, generics are expected to fuel growth in this fiscal supported by the "Jan Aushadhi" campaign of the Government. The OTC markets is also expected to record substantial growth with pharma companies and chemists increasing their presence in rural markets.

3. India's potential in R&D will be 10 billion by 2020. There will be a surge of patent expires in the next three-four years, having implications for the generic. In addition, the thrust on rural health programmes, life saving drugs and preventive vaccines also augurs well for the Pharma companies.

"Company Perspective"

Parabolic Drugs Limited is a vertically integrated, research based, pharmaceutical manufacturer and exporter, specializing in development and manufacturing of Active Pharmaceutical Ingredients (API) and API intermediates. The Company has dedicated facilities for Custom Research and API manufacturing at its 4 locations, 2 in Haryana (India) and 2 in Punjab (India) and exporting to around 50 countries across the globe from its WHO-GMP facilities.

Its product portfolio includes Oral and Sterile Semi Synthetic Penicillin API, Oral and Sterile Cephalosporin API in antibiotic segment to non-antibiotic API in the Cardiovascular, NSAID, Anti-Hypertensive and Osteoporosis segments.

However, owing to the recent challenges, continuous infrastructural growth, the company came into financial stress and this led to issues in the cash flow.

The pharmaceutical industry in India is fragmented into four major verticals viz. API, CRAMS, Formulations, and Biosimilars. Parabolic Drugs operates in the three segments, Its main stay rests on the active pharmaceutical ingredients.

Active Pharmaceuticals Ingredients

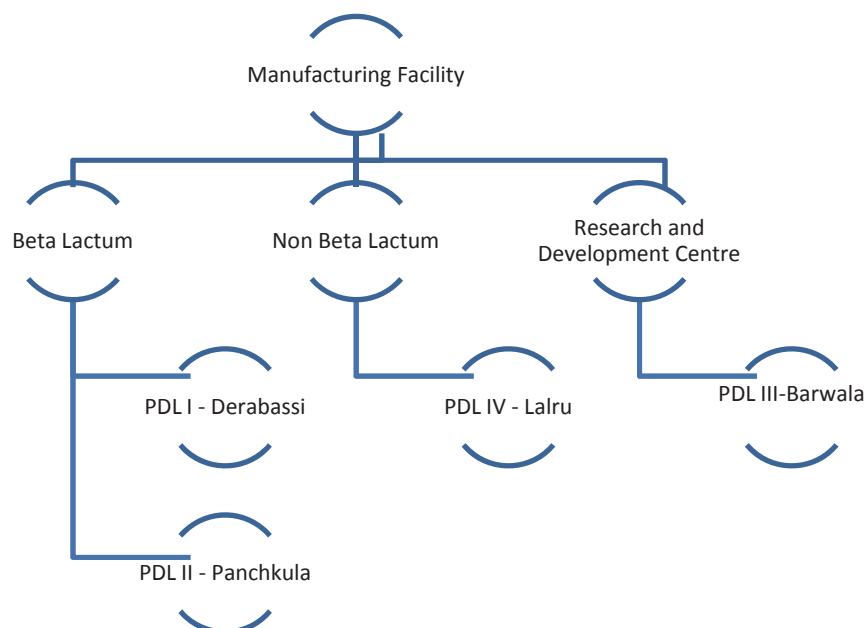
The Active Pharmaceuticals Ingredients manufacturing division for the company plays the fundamental role in the revenues. The company drives its API business through its large scale manufacturing facilities dedicated for different verticals and covering therapeutic segments. Besides, the in-house location, the company also has strategic alliances with different world class facilities for catering to the demand of its customers.

Indian CRAMS players to cram in growth

CARE Ratings expects Indian Contract Research and Manufacturing Services (CRAMS) players to register strong growth rates- a CAGR of 18-20% by 2018. In the past with global innovators rationalizing inventories and reducing Research & Development spend; Indian players faced a gloomy phase. Going forward factors like patent cliff, favorable currency and focus on new product development shall drive the growth. CRAMS players also faced rising cost pressures, especially with new products not being launched in the market.

Location and Manufacturing facilities

The company today operates from its four in-house locations that comply with International regulatory standards and are duly approved by International regulatory agencies.



Cephalosporin Facility at Derabassi (PDL I)

- A 17.4 acre site with nine manufacturing plants that enables it to produce wide range of latest generation cephalosporin APIs and intermediates.
- A dedicated quality control and quality assurance unit, Solvent recovery units, three R&D laboratories, a pilot plant for scale-up of new technologies developed by the in-house R&D, three boilers and utilities, two warehouses and in house healthcare centre
- Installed Capacity of 1100 TPA on single product basis.
- **Regulatory Approvals:** EU GMP, WHO GMP, Japanese PMDA, Korean FDA, OHSAS 18001-2004, ISO 14001-2004

Penicillin Facility at Panchkula (PDL II)

- Two dedicated blocks for the manufacturing of wide range of oral penicillin products including niche penicillin APIs such as Bacampicillin, Sultamycillin and Pivampicillin
- Complies with all GMP requirements and has complete utility support with ETP, an in-house liquid nitrogen tank, and a GMP compliant water systems and chillers
- Installed Capacity of 480 TPA on single product basis.
- Regulatory Approvals : WHO GMP, USFDA for 6- APA

Research and Development centre at Barwala (PDL III)

The Research & Development wing of Parabolic Drugs Ltd is driven by a team of intellectuals, including Ph.D Doctors. The company has an R&D Centre spread over 50000sq.ft area in HSIIDC, Barwala.

The Centre has 6 dedicated laboratories with in-house pilot facilities and kilo lab for CRAMS business handling. The Centre has been equipped with six specialized testing laboratories of International standard following cGLP. A digital and reference library exists to support research activities. In addition to the above, improvement in current products and processes of the

company in order to save costs and improve efficacy is a continual agenda for the research.

Quality Control and Quality Assurance

Quality is a way of life at Parabolic and its internal quality systems work single mindedly for a "Zero Defect Product". The company's API units are European GMP accredited and is on the verge of an inspection by US FDA for its API facilities, which reflects the company's commitment to quality.

Environment Health and safety

PDL is well aware that human life is its main asset . It considers it an obligation to ensure establishment of safe working conditions in all areas , to provide adequate protection for its employees, visitors & stakeholders. PDL promotes ongoing training for its staff and makes its best efforts to provide all technological resources and material required to control the risks inherent to PDL's business. PDL engages & encourages its employees to adopt & comply with safety standards, safe practices and safe procedures on the job to prevent occupational health & safety related problems.

Accreditations

The assets of the company have regulatory approvals from Europe, Japan, Korea, Mexican and Chinese authorities and the company having sufficient pipeline orders in hand.

EUROPEAN GMP accreditation

A rare certification for regulated markets for the company's Cephalosporin products. The Cephalosporin plant of the company have been inspected by the European authorities and are accredited to be complying with the manufacturing and quality control standards as per the European goods manufacturing practice. The European GMP certification is a pre-requisite for export to the European Union.

Accreditation by Japanese PMDA

PMDA (Pharmaceuticals and Medical Devices Agency) is Japanese regulatory agency, working together with Ministry of Health, Labour and Welfare. The company received an official accreditation from Japan's Ministry of Health, Labour and

Welfare, enabling it to manufacture and supply Cephalosporin non sterile drugs to the Japanese market.

Korean FDA

Approved for Cefaclor, and Cefuroxime Axetil by Korean regulatory agency.

OHSAS 18001-2004 by DNV

OHSAS 18000 is an international occupational health and safety management system specification.

ISO 14001-2004 by DNV

This certificate proves the environmental management system of the company.

Risks Concerns and its management

Risk in a pharmaceutical Company are a natural phenomenon the global and Indian pharmaceutical industry continues to be regulated by various regulatory agencies. Stringent regulatory norms, delay in obtaining regulatory approvals for key products, patent litigations, currency fluctuations and pricing guidelines in the domestic market are risks that can affect the company's business. The risk management activities also include assessment and review of financial risks such as currency risks, credit risks and liquidity.

Major Risks and their mitigations strategies

Risk of economic slowdown

Effect: A slowdown in global economy can affect our global business. PDL has vast business and revenues dependent on the regulated sales from Europe.

Strategy: PDL has a business plan to diversify its regulated business into other emerging markets and keep strengthening its domestic arm.

Risk of Competition

Effect: Our products face ample competition from domestic API players. This results in immense pressure on erosion of profits and sales.

Strategy: PDL is going forward into development of new molecules and aiming to keep a continuous focus on the process improvement for its existing product range.

Threat of the falling prices of Antibiotics

Effect: With the increasing trend of 'Generalization', changing government policies, the world is witnessing a fall in pricing of the finished formulations of antibiotics. This results in the erosion of selling prices of the Active pharmaceuticals ingredients.

Strategy: PDL has a rich pipeline of niche molecules that have access to diversified therapeutic areas.

Higher reliance on API supply

Effect: Most of PDL's business relies on its API supplies. Any industry related change, competition from Chinese markets can intensely affect PDL's revenues.

Strategy: Going forward, PDL is foraying into FDFs and strategic alliances with different innovators in AOIs for secured business.

Personnel Risk

Effect: Success of any Organization largely depends on the active resources and assets called- Human Beings. In the Pharma industry, where success banks on highly qualified employees, where rate of attrition is high, it is very important to retain people.

Strategy: PDL has been looking forward to a proactive approach to human resource management and the retention of key management personnel.

Review of Financial Performance

Net Sales

V

For the financial year 2014-15, the company registered a net sale of INR 2288 million. The sales have reduced largely on account of underutilization of its manufacturing facilities due to non- availability of sufficient working capital funds which caused banks lowering the valuation and consequently the drawing powers with retrospective effect.

EBIDTA

The EBIDTA for the financial year 2014-15 has been INR (1265) million due to underutilization of manufacturing facilities which resulted in reduced sales and proportionally higher expenses.

PAT

With the recent challenges gripping the economy, the company incurred a net loss of INR 3793 million in the FY 2014-15. Apart from the EBIDTA, the major factors accumulating to the unattractive bottom-line are the high interest rates , quality erosion of semi- finished stock and huge write offs of debit balance in books at the year-end due to non-recovery of debts and Deferred Tax Asset reversal (DTA) amounting to INR 1282 million.

Expenses

The cost stands high due to increased input cost. The cost of employees and allied services stands at INR 170 million in FY 2014-15, against INR 186 million in the previous year. For the entire year, the other expenses stand at INR 375 million against INR 1317 million in the previous year.

Interest

The Cost of finance for the entire year stands at INR 987 million in FY 2014-15, against INR 831 million for the previous year.

Depreciation, Amortization and Deferred Tax asset

The depreciation in FY 2014-15 has gone up substantially to INR 238 million, against 189 million for the previous year. The R&D/Miscellaneous Expenditure write off for the FY 2014-15 stands at INR 491.46 million in books at the year end. The deferred tax assets are NIL, against INR 1282.45 million in previous year.

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

This report on Corporate Governance forms part of the Annual Report. Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices that ensure that a Company meets its obligations to optimize shareholders' value and fulfill its responsibilities to the community, customers, employees, Government and other segments of the society. Parabolic Drugs Limited (Parabolic) is committed on adopting the best practices of Corporate Governance as manifested in the Company's functioning to achieve the business excellence by enhancing long-term shareholders' value. Parabolic is committed to achieve the best standards of Corporate Governance through complete transparency in its dealings with the management, associate companies and other third parties. The Management of Parabolic understands its accountability and responsibility towards its shareholders/investors, regulatory authorities and also for other sections of the society.

• BOARD OF DIRECTORS:

2(A) Board Meetings:

During the financial year 2014-15, the Board met 5 times on the following dates:

- 30th May, 2014
- 14th August, 2014
- 14th November, 2014
- 14th February, 2015
- 5th March, 2015

2(B) Composition as on 31st March, 2015:

The Board of Directors comprises of an Executive Chairman (CMD), 1 Whole Time Director and 3 Non-Executive Directors. Out of the total strength of 5 Directors, 3 Directors are Independent, thus it meets the stipulated requirement of Clause 49 of the Listing Agreement.

The composition of the Board of Directors and the attendance of Directors at the Board Meetings during the year and at last Annual General Meeting of the Company and also the number of other Directorship in Indian Public Limited Companies:

Name of the Director	Designation & Category	No. of Board meetings attended	Attendance at last AGM	Total no. of Directorship in other companies	No. of committee memberships in other companies	Total no. of Board chairmanship in other companies	Total no. of committee chairmanship in other companies
Pranav Gupta	Chairman & Managing Director	4	Yes	2	Nil	2	Nil
Vineet Gupta	Whole Time Director	4	No	2	Nil	Nil	Nil
Arun Mathur	Non-Executive Independent Director	1	No	Nil	Nil	Nil	Nil
Balbir Singh Bhasin*	Nominee Director of SBI	Nil	No	2	Nil	Nil	Nil
Nikhil Goel**	Non-Executive Independent Director	1	No	Nil	Nil	Nil	Nil
Balwan Bansal***	Non-Executive Independent Director	3	No	Nil	Nil	Nil	Nil
Jagjit Singh Chahal#	Non-Executive Independent Director	3	No	Nil	Nil	Nil	Nil
Vandana Singla##	Non-Executive Independent Director	2	No	Nil	Nil	Nil	Nil

*Ceased to be Director W.e.f 02-07-2014

**Ceased to be Director W.e.f 12-08-2014

***Ceased to be Director W.e.f 12-02-2015

#appointed w.e.f 14-08-2014

##appointed w.e.f 14-11-2014

2(C) Disclosure of Change

NAME OF DIRECTOR	POSITION	NATURE OF CHANGE	DATE OF EVENT
Balbair Singh Bhasin	Nominee Director	Resignation	02.07.2014
Nikhil Goel	Director	Resignation	12.08.2014
Jagjit Singh Chahal	Additional Director	Appointment	14.08.2014
Vandana Singla	Additional Director	Appointment	14.11.2014
Balwan Bansal	Director	Resignation	12.02.2015

2(D) Detail of Remuneration paid to the Executive Directors for the Financial Year 2014-15:

The details of the remuneration paid to the Chairman & Managing Director and Executive Directors/Whole Time Director for the Financial Year 2014-15 is as under:

Particulars	Pranav Gupta	Vineet Gupta
Salary, Allowances and perquisites (in Million)	2.64*	4.8
Bonus/Performance Incentive	-	-
Retirement Benefits	-	-
Stock options	-	-
Tenure	3 Years	3 Years
Notice Period & Severance Pay	-	-
Number of shares held	824100	701550

* Net of Recovery

2(E) Details of Remuneration paid to the Non-Executive Directors for the Financial Year 2014-15:

Non-Executive Directors are not entitled to any remuneration except sitting fees for the Board and Committee Meetings. The details of the sitting fees paid to the Non-Executive Directors for the Financial Year 2014-15 is as follows:

Name of the Director	Sitting Fee (in Rs.)
Mr. Arun Kumar Mathur	6,500
Mr. Balwan Bansal	19,500
Mr. Jagjit Singh Chahal	21,000
Mrs. Vandana Singla	14,500
Mr. Nikhil Goel	6,500

- COMMITTEES:**

3(A) AUDIT COMMITTEE:

As at 31st March, 2015, the Audit Committee comprised of four Directors namely Mr. Jagjit Singh Chahal, Mr. Arun Mathur, Mr. Pranav Gupta and Mrs. Vandana Singla.

Mr. Jagjit Singh Chahal is the Chairman of the Audit Committee. The Company Secretary is the secretary of the Audit Committee. The terms of reference of the Audit Committee are as contained in Companies Act and also as contained in the Corporate Governance Clause of the Listing Agreement.

The Audit Committee met four times during the financial year 2014-15 on the following dates:

-29 th May, 2014	-	13 th August, 2014
-14 th November, 2014	-	14 th February, 2015

The attendance of the members of the Audit Committee during the financial year 2014-15 is given below:

Sr. No.	Name of the Director	Designation	Executive/ Non Executive/ Promoter	Independent/ Non Independent	No. of Audit Committee Meetings Attended
1.	Jagjit Singh Chahal	Chairman	Non-Executive	Independent	2
2.	Arun Mathur	Member	Non-Executive	Independent	1
3.	Pranav Gupta	Member	Executive & Promoter	Non Independent	4
4.	Vandana Singla	Member	Non-Executive	Independent	1

3(B) NOMINATION & REMUNERATION COMMITTEE:**a) Composition:**

As at 31st March, 2015, the Remuneration Committee of the Company comprised of four Directors namely Mr. Jagjit Singh Chahal, Mr. Arun Mathur, Mr. Balwan Bansal and Mrs. Vandana Singla. Mr. Jagjit Singh Chahal is the Chairman of the Nomination & Remuneration Committee.

The Nomination & Remuneration Committee met once during the financial year 2014-15 on 19-01-2015.

The Membership & attendance of the members of the Nomination & Remuneration Committee during the financial year 2014-15 is given below:

S. No.	Name of the Director	Designation	Executive/ Non Executive/ Promoter	Independent/ Non Independent	No. of Remuneration Committee Meetings Attended
1.	Jagjit Singh Chahal	Chairman	Non-Executive	Independent	1
2.	Arun Mathur	Member	Non-Executive	Independent	NIL
3.	Vandana Singla	Member	Non-Executive	Independent	1
4.	Balwan Bansal	Member	Non-Executive	Independent	1

The terms of reference of the Nomination & Remuneration Committee are as contained in Companies Act and also as contained in the Corporate Governance Clause of the Listing Agreement.

3(C) STAKEHOLDERS' RELATIONSHIP COMMITTEE:**a. Composition:**

As at 31st March, 2015, the Stakeholders' Relationship Committee of the Company comprised of three Directors namely Mr. Jagjit Singh Chahal, Mr. Arun Mathur and Mrs. Vandana Singla. Mr. Jagjit Singh Chahal is the Chairman of the Stakeholders' Relationship Committee.

S. No.	Name of the Director	Designation	Executive/ Non Executive/ Promoter	Independent/ Non Independent
1.	Jagjit Singh Chahal	Chairman	Non-Executive	Independent
2.	Arun Mathur	Member	Non-Executive	Independent
3.	Vandana Singla	Member	Non-Executive	Independent

The Stakeholders' Relationship Committee constituted by the company looks into the redressal of Investors' complaints on various issues.

The Stakeholders' Relationship Committee met once during the Financial Year 2014-15 on 15.01.2015.

Mr. Vipin Gupta, the Company Secretary is the Compliance Officer of the Stakeholders' Relationship Committee

The e-mail id of the company for Investor Grievance is pdl.investors@parabolicdrugs.com

Details of investor complaints during the financial year 2014-15:

RECEIVED	SOLVED	PENDING
6	6	0

• GENERAL BODY MEETINGS:

The detail of General Body Meetings held during the last three financial years are given as below:

Nature of Meeting	Day, Date and time of AGM	Venue	Number of Special Resolutions	Whether any special resolution passed last year through postal ballot
Annual General Meeting	Tuesday, 30 th September, 2014 09.00 A.M	PHD House, Sector 31 A, Chandigarh	4	No
Annual General Meeting	Monday, 30 th September, 2013 09.00 A.M	PHD House, Sector 31 A, Chandigarh	4	2
Annual General Meeting	Friday, 28 th September, 2012 3.00 P.M.	PHD House, Sector 31 A, Chandigarh	1	No

• DISCLOSURES:

During the year, there were no materially significant transactions with related parties that may have potential conflict with the interests of company at large. Also there has not been any non-compliance by the Company, no penalties or strictures were imposed by the Stock Exchanges, the Securities and Exchange Board of India or any other Statutory Authority on any matter related to Capital Markets during the last three years.

The Company has not so far, adopted any non-mandatory requirements as stated in Annexure III of the Listing Agreement except the Remuneration Committee and Whistle Blower Policy during the Financial Year 2014-15. As per the Whistle Blower Policy adopted by the Company, personnel of the Company have access to the Audit Committee.

• CODE OF CONDUCT:

The Company has laid down a Code of Conduct ("Code") for all Board Members and Senior Management of the Company. The Code is available on the website of the Company i.e. www.parabolicdrugs.com. The Code has been circulated to all the members of the Board and Senior Management and they have affirmed compliance with the Code.

A declaration signed by the Chairman & Managing Director to this effect is part of the Annual Report.

• MEANS OF COMMUNICATION:

Presently, the Company communicates with the shareholders at large through its Annual Reports, publication of financial results, press releases in leading newspapers and by filing of various reports, information and returns with the Statutory Bodies like Stock Exchanges, Reserve Bank of India and the Registrar of Companies. The information is published in prominent daily newspapers viz. Financial Express and Desh Sewak. The Investors' related information of the Company is also made available at the Company's web-site i.e. www.parabolicdrugs.com

• GENERAL SHAREHOLDER INFORMATION:

i. AGM: 19th Annual General Meeting

Date: 29th September, 2015

Time: 09.30 A.M.

Venue: PHD House, Sector 31-A, Chandigarh

ii. Financial Calendar (2015-16)

First Quarter Results: August, 2015

Second Quarter Results: November, 2015

Third Quarter Results: February, 2016

Fourth Quarter and Annual Results: May, 2016

iii. Date of Book Closure: 23rd September, 2015 to 29th September, 2015 (Both Days Inclusive)

iv. Listing on Securities:

The Equity Shares of the Company are listed on the following two Stock Exchanges:

The Bombay Stock Exchange Limited (BSE)

Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001

The National Stock Exchange of India Limited (NSE)

Exchange Plaza, BandraKurla Complex,
Bandra (East), Mumbai- 400 051

The Listing fee for the financial year 2015-16 has been paid to both the Stock Exchanges.

v. Stock Code:

BSE: 533211

NSE: PARABDRUGS

vi. Market Price Data: High, Low during each month in last financial year:

Month	Open Price	High Price	Low Price	Close Price	No.of Shares	Total Turnover (Rs.)	Spread High-Low	Spread Close-Open
Apr-14	4.67	8.21	4.6	7.43	773206	5094864	3.61	2.76
May-14	7.15	8.32	5.85	7.29	652979	4657475	2.47	0.14
Jun-14	6.93	8.69	5.9	8.69	1055470	7042319	2.79	1.76
Jul-14	9.12	9.57	7.02	7.53	831405	7032832	2.55	-1.59
Aug-14	7.3	12.18	7.3	11.57	2382792	25388968	4.88	4.27
Sep-14	11.65	18.01	11.08	14.37	2236889	34832271	6.93	2.72
Oct-14	14.5	15.75	12.21	12.59	572879	7892925	3.54	-1.91
Nov-14	12.25	15.54	9	9.24	884204	10759325	6.54	-3.01
Dec-14	9.98	9.98	7.6	8.88	445858	3988159	2.38	-1.1
Jan-15	8.71	11.13	8	8.98	267129	2492489	3.13	0.27
Feb-15	9	10.6	8	8.7	372126	3294452	2.6	-0.3
Mar-15	8.7	9.44	6.9	9.16	543941	4380981	2.54	0.46

vii. Registrar and Share Transfer Agents:**M/s. Link Intime India Private Limited**

C-13, Pannalal Silk Mills Compound
L.B.S Marg, Bhandup (West)
Mumbai 400 078
Tel: + (91 22) 2596 3828
Fax: + (91 22) 2594 6969
Email: mumbai@linkintime.co.in
Website: www.linkintime.co.in

44, Community Centre,
Phase-I, Near PVR, Naraina Ind. Area
New Delhi – 110 028
Tel: + (91 11) 4141 0592, 93, 94
Fax: + (91 11) 4141 0591
Email: delhi@linkintime.co.in
Website: www.linkintime.co.in

viii. Share Transfer System:

The Company has constituted a Share Transfer Committee of its Directors which meets as per requirement and in accordance with the provisions of the Listing Agreement and Companies Act. The list of valid transfers and objections, if any, are placed before the Committee for its approval/ Confirmation.

All the requests for transfer are effected within the stipulated period under the Listing Agreement & Companies Act. Presently, the shares of the Company are traded on the Stock Exchanges compulsorily in demat form. The Company has participated as an issuer both with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Shareholders may operate through any of the depositories. The International Securities Identification Number (ISIN) is INE 618H01016. No case is pending for transfer as well as dematerialization of shares as on 31st March, 2015.

ix. Distribution of shareholding as on 31st March, 2015:

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
Up to 500	10221	70.4459	1817546	2.9366
501-1000	1709	11.7789	1426943	2.3055
1001-2000	1091	7.5195	1657238	2.6776
2001-3000	395	2.7224	1031307	1.6663
3001-4000	211	1.4543	767444	1.2400
4001-5000	198	1.3647	940577	1.5197
5001-10000	335	2.3089	2486115	4.0169
10001 and above	349	2.4054	51764844	83.6374
Total	14509	100	61892014	100

Shareholding Pattern as on 31st March, 2015:

Category	No. of shares	No. of shareholders	% of shareholding
Promoter & Promoter Group	23917427	15	38.64
Public Shareholding			
Institutional			
Mutual Funds/ UTI/FIs/Banks/ Central & State Government	1487323	3	2.40
FVCF/FII	8358380	5	13.51
Non Institutional			
- Individuals	19436173	13995	31.42
- Body Corporate	2737997	222	4.42
- NRI	1296290	188	2.09
- Foreign Company	4446323	3	7.18
- Trust			
- Clearing Member	212101	78	0.34
Total	61892014	14509	100.00

x. Dematerialization of shares and Liquidity: Presently, some of the Pre -IPO shares are in physical mode and the entire Post-IPO holding is in Demat form.

xi. Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity: Not Applicable

xii. Plant Locations:

The plants of the Company are located at the following locations:

- a) Parabolic Drugs Limited,**
Village: Sundhran, P.O. Mubarakpur, Tehsil: Derabassi, District: Mohali, Punjab
- b) Parabolic Drugs Limited,**
Plot No. 45, Industrial Area, Phase II, Panchkula, Haryana
- c) Parabolic Drugs Limited,**
Plot No. 280-281, Phase I, Block 1, Alipur Industrial Estates, HSIIDC,
Tehsil Barwala, Haryana, District: Panchkula
- d) Parabolic Drugs Limited,**
Village: Chachrauli, Tehsil: Derabassi, District: SAS Nagar, Mohali

xiii. Address for correspondence:**Registered and Corporate Office:**

Parabolic Drugs Limited,
S.C.O. 99-100, Top Floor,
Sector 17 B, Chandigarh 160 017
Phone No's: 0172-3914646-647
Fax No: 0172-3914645
Website: www.parabolicdrugs.com

xiv. Green Initiative in Corporate Governance:

The Company support the Green Initiative taken by the Ministry of Corporate Affairs ("MCA") vide its circulars issued in this regard Accordingly, to comply with better Corporate Governance Practice and to implement the said circulars, the Company opted to send the notices and Annual Report etc. in electronic form to the members at their registered-mail address.

During the previous financial year, the Company sent Annual Report including Notice of AGM in electronic form to those members whose e-mail addresses were registered with their respective depositories (NSDL & CDSL) and the Company.

Auditor's Certificate on Compliance of Corporate Governance

The Members

Parabolic Drugs Limited,
S.C.O. 99-100, Top Floor,
Sector 17-B, Chandigarh

We have examined the compliance of conditions of Corporate Governance by M/s. PARABOLIC DRUGS LIMITED ("the Company"), for the year ended 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was limited to review the procedures and implementation thereof, adopted by the Company, for ensuring the compliance, of the condition of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

Place: Chandigarh
Date: 14.08.2015

For S.K Bansal & Co.,
Chartered Accountants
(S.K. Bansal)
Membership No. 013147
FRN 002222

Declaration Regarding Compliance with Code of Conduct

The Company has adopted the Code of Conduct for all Board Members and Senior Management of the Company.

It is hereby affirmed that all the Directors and Senior Managerial personnel have complied with the Code of conduct and have given a confirmation in this regard.

Place: Chandigarh
Dated: 14.08.2015

Sd/-
Pranav Gupta
Chairman & Managing Director

Certificate of Chairman & Managing Director and Chief Financial Officer

We have reviewed financial statements and cash flow statement for the April 1, 2014 to March 31, 2015 and to the best of our knowledge and belief:

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- (ii) These statements together present a true and fair view of the Company's affairs and are in the compliance with existing accounting standards, applicable laws and regulations.
- (iii) No transactions entered into by the Company during the years which are fraudulent, illegal or violative of the company's Code of Conduct.

Further, we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to reporting and we have disclosed to the Auditors and the Audit Committee:

- a) deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps they have taken or proposes to take to rectify these deficiencies;
- b) significant changes in internal control over financial reporting during the year;
- c) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- d) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Chandigarh
Dated: 18.05.2015

Sd/-
Sushil Kapoor
Chief Financial Officer

Sd/-
Pranav Gupta
Chairman & Managing Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARABOLIC DRUGS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s. Parabolic Drugs Limited** which comprises the Balance sheet as at 31st March 2015 and the Statement of Profit & Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, ***subject to Note 25(1) of the financial statement regarding confirmation of debit or credit balances on whatsoever account, the aforesaid financial statements read with note 25 forming part of 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:

- a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2015;
- b) in the case of Statement of Profit & Loss, of the **Loss** for the year ended on that date and
- c) in case of cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 we enclose in the Annexure "A" a statement on the matters specified in paragraph 3 and 4 of the said order.

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

- a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet and the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the Directors, as on 31st March 2015 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2015 from being appointed as a Director in terms of Section 164(2) of the Act.

Chandigarh

Dated: 18th May 2015

FOR S.K. BANSAL & CO.

CHARTERED ACCOUNTANTS
Firm Registration No. 002222N

(S.K. Bansal)

Partner

Membership No: 013147

Name: M/s. S.K. Bansal & Co.

Chartered Accountants

Address: Kothi No. 3193, Sector 28 - D,
Chandigarh-160002

Annexure- 'A' referred to in the Independent Auditors' Report to the Members of M/s. Parabolic Drugs Limited, on the accounts for the year ended 31st March 2015

- (i) (a) As confirmed by the management, the Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. However it is not upto date as on 31st March 2015.
- (b) We are informed that the company has framed programme of periodical physical verification of its fixed assets in phased manner, which in our opinion is reasonable having size of the company and nature of its business. As confirmed by the company, during the year ended 31st March 2015, physical verification of the fixed assets was carried out by the management during the year and no material discrepancy was noticed on such verification.
- (ii) (a) According to the information & explanations given to us, the inventories comprises of raw material, work in progress, material at shop floor, semi-finished goods and finished goods total valuing Rs 315.38 crores as on 31st March 2015 have been physically verified and certified by the management which have been relied upon.
- (b) The procedure of physical verification of inventory followed by the management is, in our opinion reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) Quantitative records have been maintained for Raw Materials & Finished Goods produced only. As confirmed by management, no material discrepancies were noticed on physical verification of the same.
- (iii) Since 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, so paragraph iii (a) & iii (b) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods & services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls system.
- (v) In our opinion and according to information and explanation given to us, the Company has not accepted deposits as per Companies (Acceptance of Deposits) Rule 2014 and as per provisions of Section 73 to 76 of the Companies Act, 2013
- (vi) The company is required to maintain cost records as prescribed by Central Government under section 148(1) of the Companies Act 2013 and according to the information and explanations given to us the company has maintained proper records as prescribed by central government. However we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, value added tax, excise duty, cess and other material statutory dues as applicable to it. There are no statutory dues outstanding for a period exceeding six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no material dues of sales tax, value added tax, wealth tax, service tax and cess which have not been deposited with the appropriate authorities on account of any dispute. However according to information and explanations given to us the following cases of Income tax, Excise duty & Service Tax are pending at various courts as there demand will be confirmed after order:-

Rs. in Millions

S.No.	Nature of the Statute	Nature of Dues	Amount	Period to which amount related	Forum where dispute is pending
1	Service Tax	Service Tax	2.85	FY 2011-12	Commissioner(Appeals)
2	Service Tax	Service Tax	0.63	FY 2013-14	Deputy Commissioner Derabassi
3	Central Excise act	Excise Duty	585.99	FY 2012-13	Punjab & Haryana High Court
4	Central Excise act	Rebate Claim	87.59	FY 2012-13	Commissioner Chandigarh
5	Central Excise Act	Excise Duty	1.00	FY 2008-09	CESTAT
6	Central Excise Act	Rebate Claim	1.56	FY 2011-12	Joint Secretary Ministry of Finance
7	Income Tax 1961	Income Tax	24.39 (Including penalty of Rs 7.01)	A.Y 2005-06	Income Tax Appellate Tribunal
8	Income Tax 1961	Income Tax	8.62	A.Y. 2007-08	Income Tax Appellate Tribunal
9	Income Tax 1961	Income Tax	0.04	A.Y. 2008-09	Income Tax Appellate Tribunal
10	Income Tax 1961	Income Tax	45.75	A.Y. 2009-10	Income Tax Appellate Tribunal
11	Income Tax 1961	Income Tax	0.59	A.Y. 2010-11	Income Tax Appellate Tribunal
12	Income Tax 1961	Income Tax	0.12	A.Y. 2011-12	Income Tax Appellate Tribunal

(viii) The accumulated losses of the company have exceeded its net worth. The company has incurred cash loss during the year covered by our audit and also in the immediately preceding financial year. However the accounting continues to be prepared on going concern basis.

(ix) In our opinion and according to the information and explanations given to us and as confirmed by management, the company has defaulted in repayment of dues to a financial institutions & banks as all the credit facilities from most of banks/financial institutions of the company have been classified as NPA during the year.

During the F.Y.2012-13 the company has made application for restructuring of debts under CDR Mechanism which has been approved and stands implemented, the cutoff date being 30th September 2012.As per CDR Package, the installment for various Term Loans were to start from October, 2014. However company has not been able to fulfill obligation towards repayment of installment & Interest.

- (x) The company has given corporate guarantee in respect loans taken by M/s Ziven Life Sciences Limited (its subsidiary) from banks or financial institutions.
- (xi) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company and as confirmed by management , we report that the no fresh term loans has been raised by the company during the year under report.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Chandigarh;**Dated: 18th May 2015****FOR S.K. BANSAL & CO.****CHARTERED ACCOUNTANTS****(S.K. Bansal)****Partner**

Membership No: 013147

FRN No.002222N

Name: M/s. S.K. Bansal& Co.

Chartered Accountants

Address: Kothi No. 3193, Sector 28 – D,
Chandigarh-160002

PARABOLIC DRUGS LIMITED**(CIN No. L24231CH1996PLC017755)****BALANCE SHEET AS AT 31st March 2015****(Rs. In Millions)**

PARTICULARS	NOTE	As at 31st March 2015	As at 31st March 2014
<u>I. EQUITY AND LIABILITIES</u>			
(1) Shareholders' Funds			
(a) Share Capital	1	618.92	618.92
(b) Reserves and Surplus	2	(2,839.63)	950.25
(2) Share Application Money Pending Allotment		260.01	260.01
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	5,632.91	5,346.22
(b) Deferred tax liabilities (Net)	4	254.59	(1,048.66)
(c) Long term provisions	5	24.58	27.46
(4) Current Liabilities			
(a) Short-term borrowings	6	3,941.98	3,073.12
(b) Trade payables	7	1,019.09	1,891.96
(c) Other current liabilities	8	588.92	103.96
TOTAL		9,501.37	11,223.24
<u>II. ASSETS</u>			
(1) Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		3,950.49	3,303.70
(ii) Intangible assets		0.83	3.80
(iii) Capital work-in-progress		65.18	814.89
(b) Non-current investments	10	63.24	61.41
(c) Other non-current assets	11	912.75	1,376.16
(2) Current assets			
(a) Inventories	12	3,153.83	3,675.87
(b) Trade receivables	13	980.50	1,489.77
(c) Cash and cash equivalents	14	30.23	59.87
(d) Short-term loans and advances	15	296.96	400.13
(e) Other current assets	16	47.36	37.64
TOTAL		9,501.37	11,223.24

**Significant Accounting Policies &
Notes on Financial Statements**

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The accompanying notes (No. 1 to 25) are an integral part of Financial Statements**As per our report of even date****On behalf of the Board****For S.K. BANSAL & CO.****Chartered Accountants****Firm Registration Number: 002222N****S.K. BANSAL****Partner****Membership No. 013147****Place: Chandigarh****Date: 18.05.2015****Sd/-****Whole Time Director**

Vineet Gupta

(DIN-01256753)

Sd/-**Managing Director**

Pranav Gupta

(DIN-00914361)

Sd/-**V.P. & Company Secretary**

VIPIN GUPTA

Sd/-**Chief Financial Officer**

SUSHIL KAPOOR

PARABOLIC DRUGS LIMITED**(CIN No. L24231CH1996PLC017755)****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2015****(Rs. In Millions)**

PARTICULARS	NOTE	As at 31st March 2015	As at 31st March 2014
REVENUE			
Gross Revenue from sale of products		2,399.34	4,467.14
Less: Excise Duty		111.53	163.30
Net Revenue from sale of products		2,287.81	4,303.84
Other operating revenue		29.99	75.38
I. Revenue from Operations	17	2,317.80	4,379.22
II. Other Income	18	12.39	126.57
III. Total Revenue (I + II)		2,330.19	4,505.79
EXPENSES			
Cost of Materials consumed	19	2,089.39	3,906.23
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	468.99	(214.01)
Employee benefit expenses	21	170.12	185.50
Finance costs	22	986.86	830.67
Depreciation and amortization expense	23	729.68	680.84
Other expenses	24	375.14	1,316.73
IV. Total Expenses		4,820.18	6,705.96
V. Profit before tax(III-IV)		(2,489.98)	(2,200.17)
VI. Tax expense:			
(1) Current tax (including wealth tax)		-	-
(2) Deferred tax Charge/ (Credit)		1,303.25	(613.06)
(3) Tax Adjustment Earlier Years		-	(269.77)
		1,303.25	(882.83)
VII. Profit for the period (V-VI)		(3,793.23)	(1,317.34)
Weighted Average Number of Equity Shares Outstanding (In Millions Number)		61.89	61.89
VIII. Earning per equity share of Rs.10 each:			
(1) Basic		(61.29)	(21.28)
(2) Diluted		(61.29)	(21.28)

Significant Accounting Policies & Notes on Financial Statements

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The accompanying notes (No. 1 to 25) are an integral part of Financial Statements

As per our report of even date

On behalf of the Board

For S.K. BANSAL & CO.

Chartered Accountants

Firm Registration Number: 002222N

S.K. BANSAL

Partner

Membership No. 013147

Place: Chandigarh

Date:18.05.2015

Sd/-

Whole Time Director

Vineet Gupta

(DIN-01256753)

Sd/-

V.P. & Company Secretary

VIPIN GUPTA

Sd/-

Managing Director

Pranav Gupta

(DIN-00914361)

Sd/-

Chief Financial Officer

SUSHIL KAPOOR

PARABOLIC DRUGS LTD**(CIN No. L24231CH1996PLC017755)****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015****(Rs. In Millions)**

PARTICULARS	As at 31st March 2015	As at 31st March 2014
CASH FLOW FROM OPERATING ACTIVITIES		
(INCLD. WC CHANGES)		
Profit/(Loss) before tax	(2489.98)	(2200.17)
Depreciation & amortization	238.22	188.77
Finance Expenses	986.86	830.67
R & D Expenses Written off	489.61	490.22
Misc Expenses Written Off	1.85	1.85
Total Operating Cash flow before WC Changes	(773.44)	(688.66)
Working Capital Changes		
Current Assets		
- Inventory	(522.04)	164.87
- Debtors	(509.27)	103.92
- Loans & Advances & Other Current Assets	(93.46)	(561.61)
Increase / (Decrease) in Current Assets	(1124.77)	(292.82)
Current Liabilities		
- Trade Payables	(872.86)	653.33
- Others Current Liabilities & Provisions	484.97	(244.99)
- Long Term Provisions	(2.88)	(2.83)
Increase / (Decrease) in Current Liabilities	(390.77)	405.51
Net Increase/(Decrease) in Working Capital	734.00	698.33
- Reversal of Income Tax	0.00	269.77
Total Cash inflow /(outflow) Flow from Operations including Working capital Changes (A)	(39.44)	279.44
CASH FLOW FROM INVESTMENT ACTIVITIES		
- (Purchase)/Sale of Fixed Assets(Net)	(128.99)	(252.87)
- Investment In Shares	(1.83)	0.00
- Dividend	0.00	0.00
- R&D Expenditure	(28.05)	(47.03)
Total Cash Inflow/(out Flow) from Investment Activities (B)	(158.87)	(299.90)

(Rs. in Millions)		
PARTICULARS	As at 31 st March 2015	As at 31 st March 2014
CASH FLOW FROM FINANCING ACTIVITIES		
- Share Capital/Share Premium/ Share Application Money	0.00	137.21
- Term Loans Additions / (Repayments)	285.56	1130.37
- Unsecured Loans/Deferred Creditors	1.13	(1.99)
- Increase / (Decrease) in Working Capital Loans	868.86	(475.54)
- Finance Expenses	(986.87)	(830.67)
Total Cash inflow/(outflow) from Financing Activities (C)	168.68	(40.62)
Net cash inflow/(outflow) During the Year(A+B+C)	(29.63)	(61.08)
Cash & Cash Equivalents in the beginning of the year	59.87	120.94
Cash & Cash Equivalents at the end of the year	30.24	59.86

NOTE:-

- 1) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 (AS 3), Cash Flow Statement.
- 2) Cash and Cash Equivalents comprise cash on hand, current accounts and deposits with banks.
- 3) Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification disclosure.

AUDITORS' REPORT:

Under reference to our report of even date.

For and On behalf of the Board

For S.K. BANSAL & CO.

Chartered Accountants

Firm Registration Number: 002222N

S.K. BANSAL

Partner

Membership No. 013147

Place: Chandigarh

Date:18.05.2015

Sd/-

Whole Time Director

Vineet Gupta

(DIN-01256753)

Sd/-

V.P. & Company Secretary

VIPIN GUPTA

Sd/-

Managing Director

Pranav Gupta

(DIN-00914361)

Sd/-

Chief Financial Officer

SUSHIL KAPOOR

Notes on Financial Statements for the year ended 31st March 2015**1. SHARE CAPITAL**

(Rs. in Millions)

PARTICULARS	FIGURES AS AT 31ST MARCH 2015	FIGURES AS AT 31ST MARCH 2014
AUTHORISED 72000000 Equity Shares (Previous Year 72000000) of Rs. 10 each	720.00	720.00
ISSUED, SUBSCRIBED AND FULLY PAID UP 61892014 Equity Shares (Previous Year 61892014) of Rs. 10 each fully paid up	618.92	618.92
TOTAL ISSUED, SUBSCRIBED & FULLY PAID UP SHARE CAPITAL	618.92	618.92

(A) RECONCILIATION OF NUMBER OF SHARES OUTSTANDING**EQUITY SHARES**

(No/Rs. in Millions)

PARTICULARS	31st March 2015		31st March 2014	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of current reporting period	61.89	618.92	61.89	618.92
Shares Issued & Subscribed during the Period	0.00	0.00	0.00	0.00
Shares Bought Back	0.00	0.00	0.00	0.00
Shares outstanding at the end of current reporting period	61.89	618.92	61.89	618.92

(B) TERMS/ RIGHTS ATTACHED TO EQUITY SHARES

The Company has only One Class of Equity Shares having par value of Rs. 10 each. Each holder of Equity share is entitled to one vote per share with a right to receive per share dividend declared by the company. The company declares and pays dividend in Indian rupees. The Dividend proposed by Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of Equity shares held by the Shareholders.

(C) DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

PARTICULARS	31st March 2015		31st March 2014	
	Number	% Holding	Number	% Holding
M/s PNG Trading Pvt. Ltd.	14171836	22.90%	14171836	22.90%
M/s Parabolic Infrastructure Pvt. Ltd.	6385891	10.31%	6177543	9.98%
M/s BTS India Private Equity Fund Ltd.	5467484	8.83%	5467484	8.83%

2. RESERVE & SURPLUS

(Rs. in Millions)

PARTICULARS	31st March 2015	31st March 2014
Profit and Loss Account		
At the beginning of the year	(684.26)	633.08
Add/(Less) : Net Profit/(Loss) for the Year	(3,793.23)	(1,317.34)
Less: Appropriations		
Addition on account of Dep. Adjustment as per schedule-2 of Co's Act 2013	3.34	0.00
At the end of the year	(4,474.15)	(684.27)
Capital Reserve		
At the beginning and at the end of the year	0.34	0.34
Capital Subsidy		
At the beginning and at the end of the year	3.00	3.00
Security Premium		
At the beginning and at the end of the year	1,631.18	1,631.18
Grand total of Reserve & Surplus	(2,839.63)	950.25
Note : - Out of total shares belonging to promoter and promoter's group , Shares in nos 22645045 (36.95%) of total share capital are encumbered.		

(Rs. in Millions)

PARTICULARS	31st March 2015	31st March 2014
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3. LONG TERM BORROWINGS

Secured:		
Term Loans from Banks	5,308.01	5,022.46
Unsecured:		
Due to Others	323.37	323.76
Due to Directors	1.53	-
	5,632.91	5,346.22

Terms of borrowings are as under:

Term Loans from Banks are secured by way of 1st paripassu charge on all existing & future fixed assets of the company at all locations with equitable mortgage of land & building, 2nd paripassu charge on all the current assets of the Company and paripassu charge on the collateral properties of M/s Parabolic Infrastructure P Ltd, M/s PNG Trading P Ltd & also personally guaranteed by Mrs. Rama Gupta, Mr. J.D.Gupta, Mr T.N Goel, Mr Pranav Gupta and Mr. Vineet Gupta.

As on 31st March 2015 all the loan accounts from Banks / Financial Institutions are classified as NPA by the Banks except the Canara Bank, IDBI & ICICI Bank.

4. DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability (A)		
Related to Fixed assets	254.59	233.79
Deferred Tax Assets (B)		
Related to Accumulated Loss	-	1,282.45
(A-B)	254.59	(1,048.66)

5. LONG TERM PROVISIONS

Provision for Employee Benefits-Gratuity	15.84	16.55
Provision for Employee Benefits-Leave Encashment	8.74	10.91
	24.58	27.46

6. SHORT TERM BORROWINGS

Secured:		
Working Capital Loans from Banks:		
-Cash Credit	3,537.36	2,961.75
-Buyer Credit	-	104.23
-LC Devolvement	141.69	-
-Temporary overdraft from Banks	262.93	7.14
	3,941.98	3,073.12

Working Capital borrowings from Banks are secured by way of first paripassu charge on hypothecation of entire present & future current assets of the Company, Second paripassu charge on all fixed assets of the Company and paripassu charge on the collateral properties of M/s Parabolic Infrastructure P Ltd, M/s PNG Trading P Ltd & also personally guaranteed by Mrs Rama Gupta, Mr. J.D. Gupta, Mr T.N Goel, Mr. Pranav Gupta and Mr Vineet Gupta.

7. TRADE PAYABLES

Sundry Creditors – Materials	903.65	1,768.79
Sundry Creditors – Expenses	48.55	62.00
Sundry Creditors - Capital Expenses	66.89	61.17
TOTAL	1,019.09	1,891.96

(Rs. in Millions)

PARTICULARS	31st March 2015	31st March 2014
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8. OTHER CURRENT LIABILITIES

Current maturities of Long Term Debt	-	-
Share Application money due for refund	0.05	0.05
Cheques Payable	4.65	-
Advance from Customers	24.12	45.88
Statutory Liabilities	26.12	12.32
Other Expenses Payable	533.98	45.71
	588.92	103.96

9. FIXED ASSETS
(Rs. in Millions)

PARTICULARS		GROSS BLOCK					DEPRECIATION					NET BLOCK	
	USEFUL LIFE IN YEARS	AS ON 1-4-2014	ADDIT-ION DURING THE PERIOD (01.04.2014 - 30.09.14)	ADDIT-ION DURING THE PERIOD (01.10.2014- 31.03.2015)	DEDUCTION DURING THE YEAR	TOTAL AS ON 31.03.2015	AS ON 1-04-2014	PROVIDED DURING THE YEAR	ADJUSTMENT OF DEPRECIATION AS PER USEFUL LIVES	ASSETS SOLD/ WRITTEN BACK/ ADJUSTMENT	AS ON 31.03.2015	AS ON 31.03.2015	AS ON 31.03.2014
1. TANGIBLE ASSETS:													
Land & Site Development	-	28.47	9.94	0.01	-	38.42	-	-	-	-	-	38.42	28.47
Factory Building	30	767.27	1.32	177.05	-	945.64	86.47	25.82	-	-	112.30	833.34	680.80
Non Factory Building	60	6.50	-	-	-	6.50	1.18	0.11	-	-	1.29	5.21	5.32
Plant & Machinery	20	2,628.81	13.94	674.59	0.99	3,316.35	460.24	133.91	-	0.13	594.03	2,722.33	2,168.56
Office Equipment	5	12.47	0.04	0.04	-	12.55	2.88	5.84	0.00	-	8.71	3.84	9.60
Furniture & Fixture	10	134.62	-	0.00	0.12	134.50	12.36	34.18	0.00	0.02	46.52	87.98	122.25
TUBEWELL	5	6.04	-	-	-	6.04	0.44	3.79	-	-	4.23	1.81	5.60
Vehicles	6	30.90	-	-	3.61	27.29	14.91	6.72	1.55	2.01	18.07	9.22	15.99
Computers & Peripherals	3	13.69	0.43	0.01	0.26	13.86	10.74	3.82	1.56	0.15	12.84	1.02	2.95
Research & Development - Fixed Assets	-	347.49	2.80	1.19	-	351.48	83.26	20.99	0.09	-	104.17	247.32	264.23
TOTAL		3,976.26	28.47	852.89	4.98	4,852.64	672.50	235.18	3.21	2.32	902.14	3,950.49	3,303.77
2. INTANGIBLE ASSETS													
Computer Software	3	7.11	0.00	-	-	7.12	3.39	3.04	0.13	-	6.29	0.83	3.73
3. CAPITAL WORK IN PROGRESS		814.89	26.09	10.14	785.95	65.18	-	-	-	-	-	65.18	814.89
TOTAL (1+2+3) :		4,798.27	54.56	863.03	790.93	4,924.93	675.88	238.22	3.34	2.32	908.44	4,016.50	4,122.38
PREVIOUS YEAR		4,545.40	66.77	186.10	-	4,798.27	487.11	188.77	-	-	675.88	4,122.38	4,058.29

NOTE:

- 1) All the Fixed Assets have been physically verified by the management as on 31st March, 2015.
- 2) During the Year, the depreciation has been provided on the basis of useful life of assets as prescribed under schedule- II of the companies Act, 2013.
- 3) Pursuant to the enactment of Companies Act 2013, the company has applied the useful lives as specified in Schedule II. Accordingly the unamortized carrying value is being depreciated /amortized over the revised/ remaining useful lives of assets.
- 4) The value of assets whose lives have not yet expired as on 1st April 2014 as per Schedule II of Companies act, 2013 and excess depreciated as per companies act, 1956 upto 31st March 2014 have been adjusted in fixed asset chart through Reserve & Surplus .

(Rs. in Millions)

<u>PARTICULARS</u>	31st March 2015	31st March 2014
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10. NON CURRENT INVESTMENTS

A. TRADE INVESTMENTS:		
Parabolic Research Labs Ltd (Unquoted, Fully paid up)		
4950000 equity Shares (PY 4900000) of Rs. 10/- each	49.50	49.00
Parabolic Research Labs Ltd (Unquoted, Fully paid up)		
(Towards Share Application Money pending allotment)	-	0.17
Ziven Lifesciences Ltd (Unquoted, Fully paid up)		
1250000 equity Shares (PY 1149996) of Rs. 10/- each	12.50	11.50
B. NON TRADE INVESTMENTS:		
<u>Investment in equity instruments</u>		
(1) Nimbuja Greenfield (Punjab) Ltd- Unquoted, Fully paid up		
18750 Equity shares (PY 18750) of Rs. 10/- each	0.19	0.19
(2) Mohali Green Environment Private Ltd- Unquoted, Fully paid up		
105000 Equity shares (PY 55000) of Rs. 10/- each	1.05	0.55
	63.24	61.41

11. OTHER NON CURRENT ASSETS

Other Non Current Assets		
-Preliminary Expenses	5.76	7.61
-Research & Development Expenses	906.99	1,368.55
	912.75	1,376.16

12. INVENTORIES

Raw Materials	117.95	170.13
Work in Process/ Semi Finished Goods	3,022.18	3,454.02
Finished Goods	9.32	46.47
Stores and Consumables	4.38	5.25
	3,153.83	3,675.87

Inventory has been valued as per inventory taken, valued and certified by the management on which we have relied upon.

13. TRADE RECEIVABLES

Unsecured, Considered Good)		
Outstanding for a period of:		
-More than six Months	720.06	791.74
-Less than six Months	260.44	698.03
Less: Provision for doubtful debts	-	-
	980.50	1,489.77

(Rs. in Millions)

PARTICULARS	31st March 2015	31st March 2014
14. CASH & CASH EQUIVALENTS		
Cash in hand and as imprest	1.08	4.37
Cheques in Hand	0.59	-
Balance with Banks		
- Current accounts	2.05	(2.18)
- Public issue refund account	0.05	0.05
- Fixed Deposit accounts	26.46	57.63
	30.23	59.87

15. SHORT TERM LOANS & ADVANCES		
Loans and Advances to Related Parties	23.49	44.24
Loans and Advances to Employees	0.45	0.85
Security Deposits	14.05	14.26
Deposits/Balances with Statutory Authorities	195.92	217.94
Unexpired Expenses	2.60	3.61
Commercial Advances		
-For Raw materials/ Expenses	38.40	95.19
-For Capital Goods	22.05	24.04
	296.96	400.13

16. OTHER CURRENTS ASSETS		
Interest accrued but not due on Fixed deposits	-	0.17
Advances Recoverable in cash or Kind or for value to be received	47.36	37.47
	47.36	37.64

17. REVENUE FROM OPERATIONS		
Gross Revenue from sale of products	2,399.34	4,467.14
Other Operating Revenue	29.99	75.38
Less: Excise duty attributable to products sold	111.53	163.30
	2,317.80	4,379.22

18. OTHER INCOME		
Interest Income	8.89	21.96
Other non-operating income	3.01	6.72
Applicable net loss on foreign currency transactions and translations	0.49	97.89
	12.39	126.57

(Rs. in Millions)

PARTICULARS	31st March 2015	31st March 2014
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19. COST OF MATERIALS CONSUMED

RAW MATERIAL		
Opening Stock	170.13	220.20
Purchases	2,034.29	3,843.05
Closing Stock	117.95	170.13
	2,086.47	3,893.12
STORES & SPAIRS-		
Opening Stock	5.25	4.33
Purchases	2.05	14.03
Closing Stock	4.38	5.25
	2.92	13.11
	2,089.39	3,906.23

20. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

Opening Stock:		
Finished Goods	46.47	60.79
Work in Process	3,454.02	3,225.68
	3,500.49	3,286.47
Closing Stock:		
Finished Goods	9.32	46.46
Work in Process	3,022.18	3,454.02
	3,031.50	3,500.48
	468.99	(214.01)

21. EMPLOYEE BENEFIT EXPENSES

Salary, Wages and other allowances	151.34	164.60
Staff and labour Welfare Expense	7.78	9.40
Contribution to Statutory Funds	11.00	11.50
	170.12	185.50

22. FINANCE COST

Interest expense	953.17	786.80
Other Borrowing cost	33.69	43.87
	986.86	830.67

(Rs. in Millions)

PARTICULARS	31st March 2015	31st March 2014
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23. DEPRECIATION & AMORTISATION EXPENSES

Depreciation	238.22	188.77
Miscellaneous Expenditure written off	1.85	1.85
Research and development expenditure written off	489.61	490.22
	729.68	680.84

24. OTHER EXPENSES

Water & Electricity charges	152.57	172.16
Repair & maintenance		
- Machinery	12.11	9.25
- Building	0.93	0.72
- Others	8.83	6.96
Job work charges	3.34	8.99
Generator set expenses	21.12	27.12
Lab expenses	10.39	7.24
Freight & other expenses (inward)	29.69	39.72
Hire charges (nitrogen tank)	0.73	0.61
Travelling & conveyance		
- Directors (including foreign travelling)	1.07	1.02
- Others (including foreign travelling)	11.03	13.34
Vehicle running & maintenance	1.73	1.39
Printing & stationery	2.02	2.71
Telephone expenses	2.09	2.47
Postage & telegram	1.81	2.67
Insurance expenses	5.05	14.16
Rate, fees & taxes	3.56	10.14
Legal & professional charges	5.82	7.56
Directors remuneration	(2.30)	18.67
Office expenses	10.92	7.42
Security charges	5.22	5.56
Auditors' remuneration		
- Statutory auditor	0.53	0.53
- Internal auditor	0.18	0.22
- Out of pocket expense	-	0.01
Charity & donation	0.01	-
Director sitting fee	0.07	-
Office rent	2.51	4.06
Subscription fee	0.17	0.24
Testing charges	0.56	1.06
Newspaper, books & periodicals	0.01	0.01
General repair & maintenance	3.96	3.95
Profit / Loss on sale of fixed assets	1.00	-
Service charges	-	0.73
Insurance expenses (sales)	1.23	4.37
Freight & cartage outward	5.21	9.51
Clearing & forwarding (export)	23.11	37.00
Commission on sale	31.21	33.91
Business promotion	7.93	14.57
Balance Written Off	1.00	839.95
Exhibition & fair expenses	-	0.26
Rebate & discount	7.39	2.45
Miscellaneous expenses	1.33	4.02
	375.14	1,316.73

PARABOLIC DRUGS LIMITED

SIGNIFICANT ACCOUNTING POLICIES

The company's summarized significant accounting policies are stated as below -

A. CONVENTION

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 the Companies (Accounting Standard) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared on accrual basis and under the historical cost convention.

B. BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the historical cost convention on accrual basis in accordance with Accounting Standard -1 "Disclosure of Accounting Policies".

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 the Companies Act, 2013 based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained in Additional Notes.

C. FIXED ASSETS

All the fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost of acquisition of fixed assets includes all direct cost relating to the acquisition and installation of fixed assets as per Accounting Standard 10- "Accounting for Fixed Assets".

Borrowing costs directly attributable to acquisition or construction of fixed assets, which necessarily take substantial period of time to get ready for their intended use are capitalized in accordance with Accounting Standard -16 "Borrowing costs".

Expenditure and outlays of money on uncompleted Fixed Assets are shown as capital work in progress until such time the same are completed. Capital work in progress is stated at cost.

D. DEPRECIATION

Depreciation on Fixed assets, Tangible and Intangible, have been provided on continuous process basis on the basis of useful life of assets as prescribed under Schedule II of the Companies Act, 2013. During the year, depreciation on all the fixed assets has been provided at the rates applicable to continuous process industry on the straight-line method.

E. IMPAIRMENT OF ASSETS

The company provides for impairment loss, if any, to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired.

F. PRE-OPERATIVE EXPENSES

Pre-operative expenses represent expenses incurred prior to the date of commencement of commercial production for setting up new manufacturing facilities or expansion of existing facilities. Until capitalization, all expenses are disclosed under pre-operative expenses pending allocation/capitalization and allocated to cost of fixed assets on capitalization.

G. INVENTORIES

Inventories are valued in accordance with Accounting Standard -2 "Valuation of Inventories" and the method of valuation is given as under:

(i) Raw Material, Stores and Spares and Packing Materials	Lower of Cost or Net Realizable Value whichever is less on FIFO Basis. However, materials and other items held for use in the production of finished goods are not written down below cost if the products in which they will be used are expected to be sold at or above cost.
(ii) Works in Process / Semi Finished Goods	At cost up to estimated stage of completion. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
(iii) Finished Goods	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.

H. REVENUE RECOGNITION

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

Sale of Goods

Revenue from sale of Goods is recognized at the point of dispatch of finished goods. The VAT liability has been provided as per the VAT Returns filed. The additional liability arising at the time of assessment will be booked as & when arise. Sales are exclusive of VAT. 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 Income

Interest Income is recognized on time proportionate 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 Job Work

Income from job work is recognized on the basis of work executed as per the contract/agreement.

DEPB(Duty Entitlement Pass Book) Income

DEPB income is recognized by the Company after the admission of export benefit credited against the DEPB license realized from the Director General of Foreign Trade on eligible exports made by the Company and the gain (recognized on the basis of discount amount and the resultant difference between the license value and purchase value) on purchase of DEPB licenses from exporters for the purpose of payment of customs duty on import of raw material by the Company is also included within DEPB income.

Investment Income

Income from Investments is accounted on an accrual basis, inclusive of related tax deducted at source. Income from Dividends is accounted when the right to receive such dividends is established.

I. FOREIGN CURRENCY TRANSACTIONS

Foreign Currency Transactions are accounted for in accordance with Accounting Standard-11-"The Effects of changes in Foreign Exchange Rates". Transactions in foreign currencies are recorded at the rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the rate prevailing as on the balance sheet date.

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year are recognized as income or expenses in the year in which they arise.

Foreign Currency Monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. Any gains or losses are recognized in the profit and loss account.

J. INVESTMENTS

The company follows AS-13 "Accounting for investments" for treatment of its investments. Long Term investments are stated at cost. However, provision for diminution in value, other than temporary is made. Current investments are stated at the lower of cost and fair value, which is determined on an individual investment basis.

K. RETIREMENT AND OTHER EMPLOYEE BENEFITS

Retirement Benefits are accounted in accordance with Accounting Standard -15 "Accounting for retirement benefits in the financial statements of employers" as follows:

Defined Contribution Plan:

Retirement benefit in the form of provident fund is a defined contribution scheme. The company makes regular monthly contributions to Provident Funds and such paid/payable amounts are charged against revenue.

Defined Benefit Plans:

Liability in respect of defined benefit plans i.e. gratuity and leave encashment, are determined based on actuarial valuation made by an independent actuary as at balance sheet date. The actuarial gains or losses are recognized immediately in the profit and loss account.

L. BORROWING COSTS

Borrowing costs include interest and commitment charges on borrowings. As per Accounting Standard -16 "Borrowing Costs" Costs incurred on borrowings directly attributable to development projects, which take substantial period of time to complete, are capitalized to respective projects and all other borrowing costs are recognized in the profit and loss account in the period in which they are incurred.

M. SEGMENT REPORTING

The company is exclusively in the Pharmaceutical business segment and thus there is not more than one reportable segment, therefore the disclosure in the context of Accounting Standard 17 "Segment Reporting" has not been considered necessary.

N. TAXES ON INCOME

The company provides for Current tax as the amount of tax payable in respect of taxable income for the period, measured using the applicable tax rates and tax laws.

Deferred tax is recognized on timing differences between taxable income and accounting income subject to the consideration of prudence, measured using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date. Further, in respect of Deferred tax asset, it is recognized to the extent there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

O. EARNING PER SHARE

Basic Earning per Share is calculated by dividing the net earnings after tax for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share net profit or loss for the year attributable to equity shareholders and weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

P. RESEARCH AND DEVELOPMENT EXPENSES

In accordance with the Accounting Standard -26 "Intangible Assets", Cost incurred on research and development expenses of revenue nature are recognized as intangible assets and amortized on a straight line basis over a period of five years. Subsequent expenditure on research and development of revenue nature are also added to the cost of intangibles and also written off in succeeding five years.

Capital expenditure on Research & Development is shown under "R&D Equipment" under Fixed Assets and depreciation have been have been provided on continuous process basis on the basis of useful life of assets as prescribed under Schedule II of the Companies Act, 2013.

Q. AMORTISATION OF EXPENSES

Preliminary Expenses are amortized over a period of ten years.

R. EXPORT BENEFITS/ INCENTIVES

Export entitlements under Duty Entitlement pass Book [DEPB] Scheme are recognized in the Profit & Loss Account when the right to receive credit as per terms of the scheme is established in respect of export made.

Obligations/entitlements on account of Advance license scheme for import of raw material are accounted for on purchase of raw material and/ or export sales.

S. CONTINGENT LIABILITIES AND PROVISIONS

In accordance with Accounting Standard -29- "Provisions, Contingent Liabilities and Contingent Assets", which are material and where future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed in notes on accounts to financial statements after careful evaluation by the management of the facts and legal aspects of the matters involved.

T. USE OF ESTIMATES

In preparing companies financial statement in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates. Difference between actual results and estimates are recognised in the period in which the results are known/ materialised.

U. FINANCIAL DERIVATIVES HEDGING TRANSACTIONS

The use of Financial Derivatives Hedging Contracts is governed by the Company's policies which provide principles on the use of such financial derivatives consistent with the company's risk management strategy. The company does not use derivative financial instruments for speculative purposes.

Financial Derivatives Hedging Contracts are accounted on the date of their settlement/termination and realized gain/loss in respect of the settled/terminated contracts is recognized in the profit and loss account.

V. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash at bank, cash in hand and short term investments with an original maturity of three months or Less.

W. CASH AND CASH EQUIVALENTS (FOR THE PURPOSE OF CASH FLOW STATEMENT)

Cash flows are prepared using the Indirect Method, whereby profit / loss before extra ordinary items and tax is adjusted for the affects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on available information.

X. OPERATING CYCLE

Based on the varied nature of products / activities of the company and the normal time between acquisition of assets and their realisation in cash and cash equivalents, the company has considered its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.

25. Additional Notes to the Financial Statements:

- (1) Debit or Credit Balances on whatever account are subject to confirmation/ reconciliation.
- (2) The work-in-process / semi – finished goods and by product etc. have been grouped as closing stock and the variation in stock has been worked out accordingly.
- (3) The amount less received from the parties against sales made to them has been charged to Rebate & Discount Account and vice-versa.
- (4) In the opinion of the Board of Directors, all current assets and loans and advances have a value on realization at least equal to the amount at which they are stated in the Balance Sheet. Adequate provisions have been made for all the known liabilities.
- (5) The Company has called for the information from its suppliers as regard to disclosure required under Micro, Small and Medium Enterprises Development Act, 2006. The replies from most of the suppliers in this regard are still awaited. Hence the information required to be given in accordance with section 22 of the said act is not ascertainable and not disclosed .
- (6) Commission on sales and rebate & discount are accounted for when accounts are finally settled with the agents, including conclusion of underlying sales contracts.
- (7) Stock of stores and consumables amounting to Rs. 4.38 mn comprises spares and others consumable items. The value as estimated and certified by the management has been considered.
- (8) Fixed Deposit with banks of Rs. 26.46 mn (Previous year Rs. 57.62 mn) are pledged as margin money with banks.
- (9) The Company has been approved U/s 35 (2AB) of the Income Tax Act, 1961 by the Prescribed Authority i.e. The Secretary, Department of Scientific and Industrial Research, Govt. of India, New Delhi for co-operation in In-house Research and Development facility at Derabassi and Barwala upto 31.03.2016 vide letter No. TU/IV-RD/2502/2013 dated 18th September, 2013. The total revenue expenditure incurred during the year on Research & Development (including Barwala Unit) amounted to Rs. 28.05 mn have been treated as deferred revenue expenditure and will be written off over the period of 5 years as per policy of the company followed in proceeding years.
- (10) Other Operating revenue in Note-17 of financial statements includes FPS License income amounting to Rs 15.40 mn represents Export Incentive under Foreign Trade Policy.
- (11) The Inventory valuing Rs 3153.83 mn comprises of raw material, stores & spares, packing material, stock of work in progress, semi finished goods including recovery stock and material at shop floor as physically verified as on 31st March 2015, valued and certified by the management has been considered.
- (12) Since the company has not sent any balance confirmation letters to Sundry parties (Including Debtors, Creditors, Advance to Suppliers and Advance from Customers) as on 31st March, 2015, the balances have been taken as per records of the company.
- (13) During the F.Y.2012-13 the company has made application for restructuring of debts under CDR Mechanism which has been approved and stands implemented, the cutoff date being 30th September 2012. The CDR Package broadly includes waiver of penal interest and liquidated damages from cutoff date till implementation of package , reschedulements of term loans , Funding of interest on term loan , working capital, WCTL, and rupee tied ECB loan for period of 2 years and pledge of 100% of Promoters's share during the currency of restructuring scheme i.e. 37.92 % of the paid up capital of the company and corporate guarantee of group companies. As per CDR Package, the installment for various Term Loans i.e. WCTL, T/L, FITL and interest of various credit facilities were to start from October, 2014. However company has not been able to fulfill obligation towards repayment of installment & Interest as the case may be.

- (14) A sum of Rs.260 mn received by company as share application money from Promoters/ Promoters' Associates, to comply a critical condition to infuse an amount of Rs 260 mn in the form of Equity Share Capital of the Company, as stipulated under CDR package sanctioned to the Company pursuant to a scheme approved under the Corporate Debt Restructuring Framework of Reserve Bank of India .Now, the said amount of subscription money of Rs 260 mn has been received by the Company. The special resolution to this effect has been passed by the shareholders of the company by postal ballot on 31st January, 2014, however, the allotment of shares to the proposed allottees is pending awaiting the In-Principle approval of the Stock Exchanges required under the Listing Agreements. The said approval has been pending by stock exchanges due to non furnishing of an undertaking by the lending banks with whom the pre-preferential holdings of the proposed allottees are pledged, pursuant to the conditions of CDR.
- (15) The company has incurred losses of Rs 3793.20 mn (PY Rs 1317.34 mn) during the current year and the company has net current liabilities of Rs 1041.11 mn (PY net current assets OF Rs 594.24 mn) as on 31.03.2015. Further the company's accumulated losses have resulted in erosion of its entire net worth. The continuous losses have adversely affected the cash flows of the company.
- (16) Cheque payable as on 31st March 2015 amounting to Rs.3.99 mn shown under head "Other liabilities" Rs.0.81 mn of Canara bank cc a/c & Rs.3.18 mn of IDBI bank not cleared till date.
- (17) The Company has not been advised about interest by the banks pertaining to the Financial Year 2014-15 after the borrowal accounts of the Company, i.e., credit limit, working capital term loan, term loans and funded interest term loan accounts, became sub-standard. During the year the Company has accounted interest @ 10.50% pa basis, i.e., Rs.496.20 mn on these loan accounts during the year which have been classified as NPA.
- (18) During the Financial Year 2014-15 the Company has reversed Deferred Tax Asset (DTA) amounting to Rs. 1282.40 mn and charged the same to Statement of Profit & Loss as a below the Line entry. As per provisions of Accounting Standard-22, "Accounting for taxes on Income" the amount of DTA must be reviewed at each Balance sheet date, and DTA which cannot be realized on Balance Sheet date must not be carried forward. Since the management feels that the Company may not be able to earn substantial income in near future period, which may be able to absorb accumulated losses, the Company relying on concept of prudence and based on expert opinion, has reversed the entire amount of deferred tax hitherto carried forward as an asset and has not created any such asset during the year.
- (19) The Company's application to DGFT seeking extension of time for meeting its commitments of export obligations under its advance licenses are pending disposal.
- (20) During the year 2014-15, the company has paid Director remuneration to Shri Pranav Gupta & Shri Vineet Gupta at Rs 0.4 mn per month as per limits prescribed under Schedule-XIII of Companies act, 1956. Further in view of Circular issued by Ministry of Corporate affairs by Circular No. 07/2015 dated 10th April 2015 a managerial person may continue to receive remuneration for his remaining term in accordance with terms and conditions approved by company as per relevant provisions of Schedule XIII of earlier Act even if the part of his/her tenure falls after 1st April, 2014 which in case of this company is expiring on 30th August 2016.
- (21) Disclosure in accordance with accounting standard (AS 29) Provisions, Contingent Liabilities and Contingent Assets:

(Rs. in Millions)

Particulars	As at 31st March, 2014	Additions during the year	Amount paid/ reversed during the year	As at 31st March, 2015
Gratuity	16.55	4.24	4.95	15.84
Leave Encashment	10.91	2.61	4.78	8.74

(22) Taxation

- 1 In order to comply with the requirement of Accounting Standard –22 ' Accounting for Taxes on Income, the company has followed the deferred tax method of accounting. Consequently the company has accounted the deferred tax for the current period amounting to Rs. 1303.25 mn in the Statement of Profit & Loss.
- 2 Deferred Tax Asset/ Liability are attributable to the following items:

(Rs. in Millions)			
Particulars	Deferred tax Asset/ (Liability)31.3.2014	(Charge) / Credit	Deferred tax Asset/ (Liability) 31.3.2015
Deferred Tax(Liability)\Asset			
Difference between Tax and Book Written down value of Fixed Assets	(233.79)	(20.80)	(254.59)
Related to Accumulated Loss	1282.45	(1282.45)	0.00
Total	1048.66	(1303.25)	(254.59)

- (23) Fixed Assets possessed by PARABOLIC DRUGS LIMITED are treated as Corporate Assets and are not cash generating units as per Accounting Standard-28. In the opinion of Management, there is no impairment of fixed assets of the Company.

(24) Earnings Per Share

(Rs/No. in Millions)		
Description	2014-2015	2013-2014
Profit/(Loss) for the year (Amount in Rs.)	(3,793.23)	(1,317.34)
Weighted average number of Ordinary shares outstanding (In Nos)	61.89	61.89
Add: Dilutive effect of potential ordinary shares (In Nos)	-	-
Weighted average number of Ordinary shares in computing diluted earning per share (In Nos)	61.89	61.89
Earnings per share on profit for the year (Face value Rs.10/- per share)		
- Basic	(61.29)	(21.28)
- Diluted	(61.29)	(21.28)

(25) Employee Benefits:

Consequent upon adoption of Accounting Standard on Employee Benefits" (As 15) (Revised 2005), as required by the Standard, the following disclosures are made :

(As valued and certified by Actuary)

(Rs. in Millions)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Obligation at period beginning (April1, 2014)	16.55	10.91
Current service Cost	2.73	1.62
Reconciliation of opening and closing balances of the present value	1.51	0.99
Actuarial (gain)/loss	(2.59)	(1.93)
Benefits paid	(2.36)	(2.85)
Obligation at the year end (March 31, 2015)	15.84	8.74
Changes in plan assets	N.A.	N.A.
Plan assets at period beginning, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain / (loss)	-	-
Contributions	-	-
Benefits paid	-	-
Plan assets at the year end, at fair value	Nil	Nil
Reconciliation of present value of the obligation and the fair value of plan assets		
Fair value of plan assets at the end of the year	Nil	Nil
Present value of the defined benefits obligation at the end of the year	15.84	8.74
Liability / (Asset) recognized in the Balance Sheet	15.84	8.74
Cost for the year		
Current Service Cost	2.73	1.62
Interest Cost	1.51	0.99
Expected return on plan assets	-	-
Actuarial (gain)/ loss	(2.59)	(1.93)
Net Cost recognized in the Profit and Loss Account	1.65	0.69
Assumption used to determine the benefit obligations:		
Interest rate	7.80%	7.80%
Estimated rate of return on plan assets	N.A.	N.A.
Expected rate of increase in salary	10.00%	10.00%
Actual return on plan assets	-	-

(26) Related Party Disclosures in accordance with the Accounting Standard-18 as notified by the Companies (Accounting Standard) Rules, 2006

Key Management Personnel with whom transactions have taken place during the Year

* 1. Shri Pranav Gupta	Managing Director
* 2. Shri Vineet Gupta	Whole Time Director

Relatives of Key Management Personnel with whom transactions have taken place during the Year

1. J.D Gupta (HUF)
* 2. Smt. Rama Gupta

Subsidiary with whom transactions have taken place during the Year

1. Ziven Life Sciences Limited
2. Parabolic Research Labs Limited

Associates with whom transactions have taken place during the Year

* 1. Parabolic Infrastructure Private Limited.
2. Mohali Green Environment Private Limited.

* Subscription money received from promoters towards discharge of their obligation to infuse funds in the company in the form of equity share capital, under the CDR package sanctioned to the company approved under the CDR frame work of RBI

RELATED PARTY TRANSACTIONS

Disclosure of transactions between the company and the Related parties during the year and the status of outstanding balances as on 31.03.2015

(Rs. in Millions)

Nature of Transactions (Excluding Reimbursements)	Subsidiary	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Remuneration to Key Management Personnel	0.00	0.00	9.60	0.00	9.60
	0.00	0.00	18.67	0.00	18.67
Rent Paid	0.00	0.00	0.00	0.33	0.33
	0.00	0.00	0.00	0.76	0.76
Advances given	0.00	0.00	0.00	0.00	0.00
	14.85	0.00	0.00	0.00	14.85
Advances repaid	(20.75)	0.00	0.00	0.00	(20.75)
	0.00	(0.99)	(1.00)	0.00	(1.99)
Loan taken	0.00	0.00	1.53	0.00	1.53
	0.00	0.00	0.00	0.00	0.00

(Rs. in Millions)

Nature of Transactions (Excluding Reimbursements)	Subsidiary	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Loan repaid	0.00	11.90	0.00	0.00	11.90
	0.00	0.00	0.00	0.00	0.00
Share Application Money	0.00	0.00	0.00	0.00	0.00
	0.00	34.48	102.73	0.00	137.21
Sale of Goods	1.02	0.00	0.00	0.00	1.02
	0.00	0.00	0.00	0.00	0.00
Investment in Equity Shares	1.50	0.50	0.00	0.00	2.00
	0.00	0.00	0.00	0.00	0.00
Share Application Money given received back	0.17	0.00	0.00	0.00	0.17
	0.00	0.00	0.00	0.00	0.00
Purchase of Land	0.00	0.00	9.47	0.00	9.47
	0.00	0.00	0.00	0.00	0.00
Advance for land	0.00	0.00	0.00	0.00	0.00
	0.00	25.00	0.00	0.00	25.00
Balances as on 31st March, 2015					
Investments	62.00	1.05	0.00	0.00	63.05
	60.67	0.55	0.00	0.00	61.22
Loans & Advances (Asset)	23.49	0.00	0.00	0.00	23.49
	44.24	0.00	0.00	0.00	44.24
Loans (Liability)	22.10	289.77	1.53	0.00	313.40
	22.10	301.67	0.00	0.00	323.77
Sundry Creditor-Capital Goods	0.00	0.00	9.47	0.00	9.47
	0.00	0.00	0.00	0.00	0.00
Expenses Payable	0.00	0.00	0.00	0.08	0.08
	0.00	0.00	0.00	0.00	0.00

Note: Figures in Italics represents Previous Year's amount.

- (27) The following expenses incurred during the year as attributable to the fixed assets (including Capital Work in Progress) have been capitalized:

(Rs. in Millions)	
Particulars	Amount
Professional & Consultancy Charges	9.17
Bank Interest/ Lead Bank & operating MI Fee (SBI)	52.79
Power & Fuel	8.40
Others	0.02
Total	70.38

- (28) Additional information pursuant to the provision of Schedule-III of the Companies Act, 2013 [As certified by the Management and accepted by the Auditors]

a) Value of Imports during the year (C.I.F. Basis)

(Rs. in Millions)		
Description	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Raw materials	1101.42	1826.87
Capital goods	0.00	0.53

b) Value of Raw Material, Spare Parts & Components Consumed

(Rs. in Millions)				
Description	For the year ended 31 st March, 2015		For the year ended 31 st March, 2014	
	Amount	Percentage of Total	Amount	Percentage of Total
<u>Raw materials consumed</u>				
Indigenous	985.05	47.21%	2,066.26	53.07%
Imported	1,101.42	52.79%	1,826.87	46.93%
<u>Stores & spares consumed</u>	-		-	
Indigenous	2.92	100.00%	13.11	100.00%
Imported	-	0.00%	-	0.00%
	2089.39		3906.24	

c) Expenditure in Foreign Currency

(Rs. in Millions)		
Description	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Salary	0.00	0.65
Consultancy expenses	0.00	0.17
Travelling expenses	1.33	1.98
Commission on sales	24.03	25.35
Fee & Taxes	1.03	9.65

d) **Earnings in Foreign Currency**

(Rs. in Millions)

Description	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Export of Goods (F.O.B)	1115.56	2038.19

e) **Dividend remittance in foreign currency**

(Rs. in Millions)

Description	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Amount of Dividend	NIL	NIL

(29) **Contingent Liabilities**(a) **Foreign Letter of Credit/Inland Letter of Credit/Bank guarantee issued by bankers:**

(Rs. in Millions)

Description	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Letter of Credit (Foreign/ Inland) *	56.16	892.83
Bank Guarantees	27.11	25.50

* Out of above material valuing Rs. 48.99 mn (Previous year Rs 810.85 mn) has been received by 31.03.2015 and credited to respective Creditor Account.

- (b) In respect of Income Tax matters pending before appellate authorities/CIT (Appeals) which company expects to succeed, based on decisions of Tribunals/ Courts. There is contingent liability amounting to Rs 79.52 mn.
- (c) In respect of Service Tax matters pending before appellate authorities/Commissioner (Appeals) which company expects to succeed, based on decisions of Tribunals/ Courts. There is contingent liability amounting to Rs 3.48 mn.
- (d) In respect of Excise Duty matters pending before appellate authorities/Commissioner (Appeals) which company expects to succeed, based on decisions of Tribunals/ Courts. There is contingent liability amounting to Rs 676.15 mn.
- (e) In respect of Legal cases against the company, there is contingent liability amounting to Rs 9.55 mn.

(30) **Segment Reporting:**

There is not more than one reportable segment. Hence information as per AS-17 is not required to be disclosed.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PARABOLIC DRUGS LIMITED AND ITS SUBSIDIARIES**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/s. Parabolic Drugs Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance sheet as at 31st March 2015, the Consolidated Statement of Profit & Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated in terms of the requirement of the companies Act, 2013 (hereinafter referred to as "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 the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting

records in accordance with the provisions of the Act for safeguarding 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, 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 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 consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the 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 sub-paragraph (a) of

the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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:

- a) in the case of Balance Sheet, of the state of affairs of the Group as at 31st March 2015;
- b) in the case of Consolidated Statement of Profit & Loss, of the Loss for the year ended on that date and
- c) in case of Consolidated cash flow statement, of the cash flows for the year ended on that date.

1. As required by section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have

been kept so far as it appears from our examination of those books.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) 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) On the basis of written representations received from the Directors of the Holding Company, as on 31st March 2015 and taken on record by the Board of Directors of the Holding Company and the report of Statutory auditors of the subsidiary companies, none of the Directors of the Group companies, is disqualified as on 31st March 2015 from being appointed as a Director in terms of Section 164(2) of the Act.

Chandigarh
Dated: 18th May 2015

FOR S.K. BANSAL & CO.,

CHARTERED ACCOUNTANTS
Firm Registration No. 002222N

(S.K. Bansal)
Partner

Membership No: 013147

Name: M/s. S.K. Bansal & Co.

Chartered Accountants

Address: Kothi No. 3193, Sector 28 – D,
Chandigarh-160002

PARABOLIC DRUGS LIMITED & ITS SUBSIDIARIES
BALANCE SHEET AS AT 31st March 2015

(Rs. in Millions)			
PARTICULARS	NOTE	As at 31 st March 2015	As at 31 st March 2014
<u>I. EQUITY AND LIABILITIES</u>			
(1) Shareholders' Funds			
(a) Share Capital	1	618.92	618.92
(b) Reserves and Surplus	2	(2,919.04)	883.56
(2) Share Application Money Pending Allotment		260.01	260.01
(3) Minority Interest		-	0.23
(4) Non-Current Liabilities			
(a) Long-term borrowings	3	5613.72	5325.02
(b) Deferred tax liabilities (Net)	4	245.39	(1,057.79)
(c) Long term provisions	5	24.58	27.46
(5) Current Liabilities			
(a) Short-term borrowings	6	3,959.16	3,093.08
(b) Trade payables	7	1,021.11	1,893.30
(c) Other current liabilities	8	605.23	115.15
TOTAL		9429.08	11,158.94
<u>II. ASSETS</u>			
(1) Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		3,950.63	3,304.19
(ii) Intangible assets		0.85	3.79
(iii) Capital work-in-progress		68.24	819.67
(b) Non-current investments	10	1.24	0.74
(c) Other non-current assets	11	912.84	1,376.69
(2) Current assets			
(a) Inventories	12	3,159.27	3,680.69
(b) Trade receivables	13	982.41	1,493.31
(c) Cash and cash equivalents	14	31.96	60.63
(d) Short-term loans and advances	15	274.28	381.55
(e) Other current assets	16	47.36	37.68
TOTAL		9,429.08	11,158.94

**Significant Accounting Policies &
Notes on Financial Statements**

25

The accompanying notes (No. 1 to 25) are an integral part of Financial Statements

As per our report of even date

On behalf of the Board

For S.K. BANSAL & CO.

Chartered Accountants

Firm Registration Number: 002222N

S.K. BANSAL

Partner

Membership No. 013147

Place: Chandigarh

Date: 18.05.2015

Sd/-

Whole Time Director

Vineet Gupta

(DIN-01256753)

Sd/-

V.P. & Company Secretary

VIPIN GUPTA

Sd/-

Managing Director

Pranav Gupta

(DIN-00914361)

Sd/-

Chief Financial Officer

SUSHIL KAPOOR

PARABOLIC DRUGS LIMITED & ITS SUBSIDAIRIES
(CIN No. L24231CH1996PLC017755)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2015

(Rs. in Millions)

PARTICULARS	NOTE	As at 31 st March 2015	As at 31 st March 2014
REVENUE			
Gross Revenue from sale of products		2402.95	4466.98
Less: Excise Duty		111.53	163.30
Net Revenue from sale of products		2291.42	4303.68
Other operating revenue		29.99	75.38
I. Revenue from Operations	17	2321.41	4379.06
II. Other Income	18	12.42	127.17
III. Total Revenue (I +II)		2333.83	4506.23
EXPENSES			
Cost of Materials consumed	19	2093.15	3914.20
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	468.36	(218.83)
Employee benefit expenses	21	174.58	192.33
Finance costs	22	989.93	836.99
Depreciation and amortization expense	23	732.17	682.50
Other expenses	24	377.14	1319.83
IV. Total Expenses		4835.33	6727.02
V. Profit before tax(III-IV)		(2501.50)	(2220.79)
VI. Tax expense:			
(1) Current tax (including wealth tax)		-	-
(2) Deferred tax Charge/ (Credit)		1303.18	(613.04)
(3) Tax Adjustment Earlier Years		-	(269.77)
		1303.18	(882.81)
VII. Profit for the period (V-VI)		(3804.68)	(1337.98)
Weighted Average Number of Equity Shares Outstanding (In Millions Number)		61.89	61.89
VIII. Earning per equity share of Rs.10 each:			
(1) Basic		(61.47)	(21.62)
(2) Diluted		(61.47)	(21.62)

**Significant Accounting Policies &
Notes on Financial Statements**

25

The accompanying notes (No. 1 to 25) are an integral part of
Financial Statements

As per our report of even date

On behalf of the Board

For S.K. BANSAL & CO.

Chartered Accountants

Firm Registration Number: 002222N

S.K. BANSAL

Partner

Membership No. 013147

Place: Chandigarh

Date:18.05.2015

Sd/-

Whole Time Director

Vineet Gupta

(DIN-01256753)

Sd/-

V.P. & Company Secretary

VIPIN GUPTA

Sd/-

Managing Director

Pranav Gupta

(DIN-00914361)

Sd/-

Chief Financial Officer

SUSHIL KAPOOR

PARABOLIC DRUGS LTD & ITS SUBSIDIARIES
(CIN No. L24231CH1996PLC017755)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(Rs. in Millions)

PARTICULARS	As at 31 st March 2015	As at 31 st March 2014
CASH FLOW FROM OPERATING ACTIVITIES		
(INCLD. WC CHANGES)		
Profit/(Loss) before tax	(2501.49)	(2220.81)
Depreciation & amortization	240.28	188.77
Finance Expenses	989.93	836.99
R & D Expenses Written off	489.61	491.75
Misc Expenses Written Off	2.28	1.89
Total Operating Cash flow before WC Changes	(779.39)	(701.31)
Working Capital Changes		
Current Assets		
- Inventory	(521.41)	163.20
- Debtors	(510.90)	101.91
- Loans & Advances & Other Current Assets	(97.60)	(596.22)
Increase / (Decrease) in Current Assets	(1129.91)	(331.11)
Current Liabilities		
- Trade Payables	(872.19)	652.48
- Others Current Liabilities & Provisions	490.08	(241.73)
- Long Term Provisions	(2.88)	(2.83)
Increase / (Decrease) in Current Liabilities	(384.99)	407.92
Net Increase/(Decrease) in Working Capital	(744.92)	(739.03)
- Reversal of Income Tax	0.00	(269.77)
Total Cash inflow /(outflow) Flow from Operations including Working capital Changes (A)	(34.47)	307.49
CASH FLOW FROM INVESTMENT ACTIVITIES		
- (Purchase)/Sale of Fixed Assets(Net)	128.99	252.91
- Investment In Shares	2.00	0.00
- Dividend	0.00	0.00
- R&D Expenditure	28.05	47.03
Total Cash Inflow/(out Flow) from Investment Activities (B)	159.04	299.94
CASH FLOW FROM FINANCING ACTIVITIES		
- Share Capital/Share Premium	0.00	137.21
- Term Loans Additions / (Repayments)	285.56	1130.37
- Unsecured Loans/Deferred Creditors	3.14	(3.09)

(Rs. in Millions)

PARTICULARS	As at 31 st March 2015	As at 31 st March 2014
- Increase / (Decrease) in Working Capital Loans	866.08	(506.31)
- Finance Expenses	(989.93)	(836.99)
Total Cash inflow/(outflow) from Financing Activities (C)	164.85	(78.81)
Net cash inflow/(outflow) During the Year(A+B+C)	(28.66)	(71.26)
Cash & Cash Equivalents in the beginning of the year	60.63	131.90
Cash & Cash Equivalents at the end of the year	31.97	60.64

AUDITORS' REPORT:

Under reference to our report of even date.

For and On behalf of the Board

For S.K. BANSAL & CO.

Chartered Accountants

Firm Registration Number: 002222N

S.K. BANSAL

Partner

Membership No. 013147

Place: Chandigarh

Date:18.05.2015

Sd/-

Whole Time Director

Vineet Gupta

(DIN-01256753)

Sd/-

V.P. & Company Secretary

VIPIN GUPTA

Sd/-

Managing Director

Pranav Gupta

(DIN-00914361)

Sd/-

Chief Financial Officer

SUSHIL KAPOOR

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015**1. SHARE CAPITAL****(Rs. in Millions)**

PARTICULARS	FIGURES AS AT 31ST MARCH 2015	FIGURES AS AT 31ST MARCH 2014
AUTHORISED		
72000000 Equity Shares (Previous Year 72000000) of Rs. 10 each	720.00	720.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
61892014 Equity Shares (Previous Year 61892014) of Rs. 10 each fully paid up	618.92	618.92
TOTAL ISSUED, SUBSCRIBED & FULLY PAID UP SHARE CAPITAL	618.92	618.92

(A) RECONCILIATION OF NUMBER OF SHARES OUTSTANDING**EQUITY SHARES****(Rs./No. in Millions)**

PARTICULARS	31st March 2015		31st March 2014	
	Number	Amount(Rs)	Number	Amount(Rs)
Shares outstanding at the beginning of current reporting period	61.89	618.92	61.89	618.92
Shares Issued & Subscribed during the Period	-----	-----	-----	-----
Shares Bought Back	-----	-----	-----	-----
Shares outstanding at the end of current reporting period	61.89	618.92	61.89	618.92

(B) TERMS/ RIGHTS ATTACHED TO EQUITY SHARES

The Company has only One Class of Equity Shares having par value of Rs. 10 each. Each holder of Equity share is entitled to one vote per share with a right to receive per share dividend declared by the company. The company declares and pays dividend in Indian rupees. The Dividend proposed by Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of Equity shares held by the Shareholders.

(C) DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

PARTICULARS	31st March 2015		31st March 2014	
	Number	% Holding	Number	% Holding
M/s PNG Trading Pvt. Ltd.	14171836	22.90%	14171836	22.90%
M/s Parabolic Infrastructure Pvt. Ltd.	6385891	10.31%	6177543	9.98%
M/s BTS India Private Equity Fund Ltd.	5467484	8.83%	5467484	8.83%

(Rs. in Millions)

PARTICULARS	31st March 2015	31st March 2014
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2. RESERVE & SURPLUS

Profit and Loss Account		
At the beginning of the year	(752.24)	587.04
Add/(Less) : Net Profit/(Loss) for the Year	(3,804.66)	(1,338.01)
Less: Appropriations		
Share of minority loss	-	-
Addition on account of Dep. Adjustment as per schedule-2 of Co's Act 2013	3.34	-
At the end of the year	(4,553.56)	(750.97)
Capital Reserve		
At the beginning and at the end of the year	0.34	0.34
Capital Subsidy		
At the beginning and at the end of the year	3.00	3.00
Security Premium		
At the beginning and at the end of the year	1,631.18	1,631.18
Grand total of Reserve & Surplus	(2,919.04)	883.56

Note : - Out of total shares belonging to promoter and promoter's group , Shares in nos 22645045 (36.95%) of total share capital are encumbered.

3. LONG TERM BORROWINGS

Secured:		
Term Loans from Banks	5,308.01	5,022.45
Unsecured:		
Due to Others	301.77	302.57
Due to Directors	3.94	-
	5,613.72	5,325.02

Terms of borrowings are as under:

Term Loans from Banks are secured by way of 1st pari passu charge on all existing & future fixed assets of the company at all locations with equitable mortgage of land & building, 2nd pari passu charge on all the current assets of the Company and pari passu charge on the collateral properties of M/s Parabolic Infrastructure P Ltd, M/s PNG Trading P Ltd & also personally guaranteed by Mrs Rama Gupta, Mr. J.D.Gupta, Mr T.N Goel, Mr Pranav Gupta and Mr Vineet Gupta.

As on 31st March 2015 all the loan accounts from Banks / Financial Institutions are classified as NPA by the Banks except the Canara Bank, IDBI & ICICI Bank.

4. DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability (A)		
Related to Fixed assets	254.58	233.86
Deferred Tax Assets (B)		
Related to Accumulated Loss	9.19	1,291.64
TOTAL (A-B)	245.39	(1,057.79)

5. LONG TERM PROVISIONS

Provision for Employee Benefits-Gratuity	15.84	16.55
Provision for Employee Benefits-Leave Encashment	8.74	10.91
	24.58	27.46

(Rs. in Millions)

PARTICULARS	31st March 2015	31st March 2014
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6. SHORT TERM BORROWINGS

Secured:		
Working Capital Loans from Banks:		
-Cash Credit	3,554.54	2,981.71
-Buyer Credit	-	104.23
-LC Develoement	141.69	-
-Temporary overdraft from Banks	262.93	7.14
	3,959.16	3,093.08

Working Capital borrowings from Banks are secured by way of first paripassu charge on hypothecation of entire present & future current assets of the Company, Second paripassu charge on all fixed assets of the Company and paripassu charge on the collateral properties of M/s Parabolic Infrastructure P Ltd, M/s PNG Trading P Ltd & also personally guaranteed by Mrs Rama Gupta, Mr. J.D. Gupta , Mr T.N Goel, Mr. Pranav Gupta and Mr. Vineet Gupta.

7. TRADE PAYABLES

Sundry Creditors - Materials	905.67	1,770.14
Sundry Creditors - Expenses	48.55	62.00
Sundry Creditors - Capital Expenses	66.89	61.16
	1,021.11	1,893.30

8. OTHER CURRENT LIABILITIES

Current maturities of Long Term Debt	-	-
Share Application money due for refund	0.05	0.05
Cheques Payable	5.03	-
Advance from Customers	29.86	51.10
Statutory Liabilities	26.52	12.47
Other Expenses Payable	543.76	51.52
	605.23	115.15

9. FIXED ASSETS
(Rs. in Millions)

PARTICULARS		GROSS BLOCK					DEPRECIATION					NET BLOCK	
	USEFUL LIFE IN YEARS	AS ON 1-4-2014	ADDIT-ION DURING THE PERIOD (01.04.2014 - 30.09.14)	ADDIT-ION DURING THE PERIOD (01.10.2014- 31.03.2015)	DEDUCTION DURING THE YEAR	TOTAL AS ON 31.03.2015	AS ON 1-04-2014	PROVIDED DURING THE YEAR	ADJUSTMENT OF DEPRECIATION AS PER USEFUL LIVES	ASSETS SOLD/ WRITTEN BACK/ ADJUSTMENT	AS ON 31.03.2015	AS ON 31.03.2015	AS ON 31.03.2014
1. TANGIBLE ASSETS:													
Land & Site Development	-	28.47	9.94	0.01	-	38.42	-	-	-	-	-	38.42	28.47
Factory Building	30	767.27	1.32	177.05	-	945.64	86.47	25.82	-	-	112.30	833.34	680.80
Non Factory Building	60	6.50	-	-	-	6.50	1.18	0.11	-	-	1.29	5.21	5.32
Plant & Machinery	10	2,628.81	13.94	674.59	0.99	3,316.35	460.24	133.91	-	0.13	594.03	2,722.33	2,168.56
Office Equipment	5	12.54	0.04	0.04	-	12.62	2.88	5.86	0.00	-	8.73	3.89	9.66
Furniture & Fixture	10	134.62	-	0.00	0.12	134.50	12.36	34.18	0.00	0.02	46.52	87.98	122.25
TUBEWELL	5	6.04	-	-	-	6.04	0.44	3.79	-	-	4.23	1.81	5.60
Vehicles	6	30.90	-	-	3.61	27.29	14.91	6.72	1.55	2.01	18.07	9.22	15.99
Computers & Peripherals	3	14.05	0.43	0.01	0.26	14.22	10.74	4.10	1.56	0.15	13.12	1.11	3.31
Research & Development - Fixed Assets	-	347.49	2.80	1.19	-	351.48	83.26	20.99	0.09	-	104.17	247.32	264.23
TOTAL		3976.69	28.47	852.89	4.98	4853.07	672.50	235.18	3.21	2.32	902.45	3950.63	3304.19
2. INTANGIBLE ASSETS													
Computer Software	3	7.11	0.00	-	-	7.12	3.45	3.04	0.13	-	6.36	0.76	3.86
Patents		0.19	-	-	-	0.19	0.06	0.04	-	-	0.10	0.09	0.13
		7.30	0.00	0.00	0.00	7.31	3.51	3.07	0.13	0.00	6.46	0.85	3.79
3. CAPITAL WORK IN PROGRESS													
		822.73	26.09	10.14	785.95	73.02	3.06	1.72	-	-	4.78	68.24	819.67
TOTAL (1+2+3) :		4806.73	54.56	863.03	790.93	4933.40	679.07	240.27	3.34	2.32	913.68	4019.72	4127.65
PREVIOUS YEAR		4553.82	66.77	186.14	0.00	4806.73	488.68	190.39	0.00	0.00	679.07	4127.65	4065.14

NOTE:

- 1) All the Fixed Assets have been physically verified by the management as on 31st March, 2015.
- 2) During the Year, the depreciation has been provided on the basis of useful life of assets as prescribed under schedule- II of the companies Act, 2013.
- 3) Pursuant to the enactment of Companies Act 2013, the company has applied the useful lives as specified in Schedule II. Accordingly the unamortized carrying value is being depreciated /amortized over the revised/ remaining useful lives of assets.
- 4) The value of assets whose lives have not yet expired as on 1st April 2014 as per Schedule II of Companies act, 2013 and excess depreciated as per companies act, 1956 upto 31st March 2014 have been adjusted in fixed asset chart through Reserve & Surplus .

(Rs. in Millions)

PARTICULARS	31st March 2015	31st March 2014
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10. NON CURRENT INVESTMENTS

A. NON TRADE INVESTMENTS:		
Investment in equity instruments		
(1) Nimbuja Greenfield (Punjab) Ltd- Unquoted, Fully paid up 18750 Equity shares (PY 18750) of Rs. 10/- each	0.19	0.19
(2) Mohali Green Environment Private Ltd- Unquoted, Fully paid up 105000 Equity shares (PY 55000) of Rs. 10/- each	1.05	0.55
	1.24	0.74

11. OTHER NON CURRENT ASSETS

Other Non Current Assets		
-Preliminary Expenses	5.86	8.14
-Research & Development Expenses	906.98	1,368.55
	912.84	1,376.69

12. INVENTORIES

Raw Materials	117.95	170.13
Work in Process/ Semi Finished Goods	3,022.18	3,454.02
Finished Goods	14.76	51.29
Stores and Consumables	4.38	5.25
	3,159.27	3,680.69

Inventory has been valued as per inventory taken, valued and certified by the management on which we have relied upon.

13. TRADE RECEIVABLES

Unsecured, Considered Good)		
Outstanding for a period of:		
-More than six Months	721.18	793.61
-Less than six Months	261.23	699.70
Less: Provision for doubtful debts	-	-
	982.41	1,493.31

14. CASH & CASH EQUIVALENTS

Cash in hand and as imprest	1.15	4.39
Cheques in Hand	0.59	-
Balance with Banks		
- Current accounts	3.45	(1.64)
- Public issue refund account	0.05	0.06
- Fixed Deposit accounts	26.72	57.82
	31.96	60.63

(Rs. in Millions)

PARTICULARS	31st March 2015	31st March 2014
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15. SHORT TERM LOANS & ADVANCES

Loans and Advances to Related Parties	-	-
Loans and Advances to Employees	0.86	1.12
Security Deposits	14.14	14.35
Deposits/Balances with Statutory Authorities	195.99	218.22
Unexpired Expenses	2.60	3.66
Commercial Advances		
-For Raw materials/ Expenses	38.64	120.16
-For Capital Goods	22.05	24.04
	274.28	381.55

16. OTHER CURRENTS ASSETS

Interest accrued but not due on Fixed deposits	-	0.21
Advances Recoverable in cash or Kind or for value to be received	47.36	37.47
	47.36	37.68

17. REVENUE FROM OPERATIONS

Gross Revenue from sale of products	2,402.95	4,466.98
Other Operating Revenue	29.99	75.38
Less: Excise duty attributable to products sold	111.53	163.30
	2,321.41	4,379.06

18. OTHER INCOME

Interest Income	8.91	22.56
Other non-operating income	3.02	6.72
Applicable net loss on foreign currency transactions and translations	0.49	97.89
	12.42	127.17

19. COST OF MATERIALS CONSUMED

RAW MATERIAL		
Opening Stock	170.13	226.69
Purchases	2,038.05	3,844.53
Closing Stock	117.95	170.13
	2,090.23	3,901.09
STORES & SPAIRS-		
Opening Stock	5.25	4.33
Purchases	2.05	14.03
Closing Stock	4.38	5.25
	2.92	13.11
	2,093.15	3,914.20

(Rs. in Millions)

PARTICULARS	31st March 2015	31st March 2014
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20. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

Opening Stock:		
Finished Goods	51.28	60.79
Work in Process	3,454.02	3,225.68
	3,505.30	3,286.47
Closing Stock:		
Finished Goods	14.76	51.28
Work in Process	3,022.18	3,454.02
	3,036.94	3,505.30
	468.36	(218.83)

21. EMPLOYEE BENEFIT EXPENSES

Salary, Wages and other allowances	155.44	170.87
Staff and labour Welfare Expense	7.78	9.41
Contribution to Statutory Funds	11.36	12.05
	174.58	192.33

22. FINANCE COST

Interest expense	956.22	793.10
Other Borrowing cost	33.71	43.89
	989.93	836.99

23. DEPRECIATION & AMORTISATION EXPENSES

Depreciation	240.28	188.86
Miscellaneous Expenditure written off	2.28	1.89
Research and development expenditure written off	489.61	491.75
	732.17	682.50

(Rs. in Millions)

PARTICULARS	31st March 2015	31st March 2014
24. OTHER EXPENSES		
Water & Electricity charges	152.57	172.16
Repair & maintenance	-	
- Machinery	12.11	9.25
- Building	0.93	0.72
- Others	8.83	6.96
Job work charges	3.34	8.99
Generator set expenses	21.11	27.12
Lab expenses	10.39	7.24
Freight & other expenses (inward)	29.71	39.76
Hire charges (nitrogen tank)	0.73	0.61
Travelling & conveyance		
- Directors (including foreign travelling)	1.07	1.02
- Others (including foreign travelling)	12.40	15.42
Vehicle running & maintenance	1.73	1.39
Printing & stationery	2.03	2.80
Telephone expenses	2.22	2.72
Postage & telegram	1.91	2.72
Insurance expenses	5.07	14.19
Rate, fees & taxes	3.60	10.16
Legal & professional charges	5.88	7.62
Directors remuneration	(2.30)	18.67
Office expenses	10.92	7.42
Security charges	5.22	5.56
Auditors' remuneration	-	-
- Statutory auditor	0.55	0.54
- Internal auditor	0.18	0.22
- Out of pocket expense	-	0.01
Charity & donation	0.01	-
Director sitting fee	0.07	-
Office rent	2.51	4.06
Subscription fee	0.17	0.24
Testing charges	0.56	1.09
Newspaper, books & periodicals	0.01	0.01
General repair & maintenance	4.04	3.98
Profit / Loss on sale of fixed assets	1.00	-
Service charges	-	0.73
Insurance expenses (sales)	1.23	4.37
Freight & cartage outward	5.30	9.56
Clearing & forwarding (export)	23.11	37.00
Commission on sale	31.21	33.91
Business promotion	7.95	14.91
Balance Written Off	1.00	839.95
Exhibition & fair expenses	-	0.26
Rebate & discount	7.39	2.45
Miscellaneous expenses	1.38	4.04
	377.14	1,319.83

PARABOLIC DRUGS LIMITED AND ITS SUBSIDIARIES

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR YEAR ENDED 31st MARCH, 2015

25. SIGNIFICANT ACCOUNTING POLICIES:

a. ACCOUNTING CONVENTION

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 the Companies (Accounting Standard) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared on accrual basis and under the historical cost convention. The accounting policies have been consistently applied by the company unless otherwise stated.

b. PRINCIPLES OF CONSOLIDATION

i) The consolidated financial statement relate to Parabolic Drugs Limited (the 'Company') and its subsidiaries. The consolidated financial statements have been prepared on the following basis: -

The financial statement of the company and its subsidiaries have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transaction resulting in unrealized profit or losses.

The consolidated financial statements have been prepared using uniform accounting policies for like transaction and other event in similar circumstances and are presented to the extent possible in the same manner as in the company separate financial statements.

ii) The subsidiaries considered in the consolidated financial Statements are:-

Name of Company	Country Of Incorporation	% Age voting Power held as at 31.03.2015	% Age voting Power held as at 31.03.2014
Parabolic Research Labs Limited	India	100.00	98.99
Ziven Lifesciences Limited	India	100.00	92.00

c. OTHER SIGNIFICANT ACCOUNTING POLICIES

These are setout in the notes to the financial statements under 'Significant accounting policies and notes to accounts' of the financial statements of the Parabolic Drugs Limited and its subsidiaries.

PARABOLIC DRUGS LIMITED**25. Additional Notes to the Financial Statements:**

- (1) Debit or Credit Balances on whatever account are subject to confirmation/ reconciliation.
- (2) The work-in-process / semi – finished goods and by product etc. have been grouped as closing stock and the variation in stock has been worked out accordingly.
- (3) The amount less received from the parties against sales made to them has been charged to Rebate & Discount Account and vice-versa.
- (4) In the opinion of the Board of Directors, all current assets and loans and advances have a value on realization at least equal to the amount at which they are stated in the Balance Sheet. Adequate provisions have been made for all the known liabilities.
- (5) The Company has called for the information from its suppliers as regard to disclosure required under Micro, Small and Medium Enterprises Development Act, 2006. The replies from most of the suppliers in this regard are still awaited. Hence the information required to be given in accordance with section 22 of the said act is not ascertainable and not disclosed .
- (6) Commission on sales and rebate & discount are accounted for when accounts are finally settled with the agents, including conclusion of underlying sales contracts.
- (7) Stock of stores and consumables amounting to Rs. 4.38 mn comprises spares and others consumable items. The value as estimated and certified by the management has been considered.
- (8) Fixed Deposit with banks of Rs. 26.46 mn (Previous year Rs. 57.62 mn) are pledged as margin money with banks.
- (9) The Company has been approved U/s 35 (2AB) of the Income Tax Act, 1961 by the Prescribed Authority i.e. The Secretary, Department of Scientific and Industrial Research, Govt. of India, New Delhi for co-operation in In-house Research and Development facility at Derabassi and Barwala upto 31.03.2016 vide letter No. TU/IV-RD/2502/2013 dated 18th September, 2013. The total revenue expenditure incurred during the year on Research & Development (including Barwala Unit) amounted to Rs. 28.05 mn have been treated as deferred revenue expenditure and will be written off over the period of 5 years as per policy of the company followed in proceeding years.
- (10) Other Operating revenue in Note-17 of financial statements includes FPS License income amounting to Rs 15.40 mn represents Export Incentive under Foreign Trade Policy.
- (11) The Inventory valuing Rs 3153.83 mn comprises of raw material, stores & spares, packing material, stock of work in progress, semi finished goods including recovery stock and material at shop floor as physically verified as on 31st March 2015, valued and certified by the management has been considered.
- (12) Since the company has not sent any balance confirmation letters to Sundry parties (Including Debtors, Creditors, Advance to Suppliers and Advance from Customers) as on 31st March, 2015, the balances have been taken as per records of the company.
- (13) During the F.Y.2012-13 the company has made application for restructuring of debts under CDR Mechanism which has been approved and stands implemented, the cutoff date being 30th September 2012. The CDR Package broadly includes waiver of penal interest and liquidated damages from cutoff date till implementation of package , reschedulements of term loans , Funding of interest on term loan ,working capital, WCTL and rupee tied ECB loan for period of 2 years and pledge of 100% of Promoters's share during the currency of restructuring scheme i.e.37.92 % of the paid up capital of the company and corporate guarantee of group companies. As per CDR Package, the installment for various Term Loans ie WCTL,T/L, FITL and interest of various credit facilities were to start from October, 2014. However company has not been able to fulfill obligation towards repayment of installment & Interest as the case may be.
- (14) A sum of Rs.260 mn received by company as share application money from Promoters/ Promoters' Associates, to comply a critical condition to infuse an amount of Rs 260 mn in the form of Equity Share Capital of the Company, as stipulated under CDR package sanctioned to the Company pursuant to a scheme approved under the Corporate Debt Restructuring Framework of Reserve Bank of India .Now, the said amount of subscription money of Rs 260 mn has been received by the Company. The special resolution to this effect has been passed by the shareholders of the company by postal ballot on 31st January, 2014, however, the allotment of shares to the proposed allottees is pending awaiting the In-Principle approval of the Stock Exchanges required under the Listing Agreements. The said approval has been pending by stock exchanges due to non furnishing of an undertaking by the lending banks with whom the pre-preferential holdings of the proposed allottees are pledged, pursuant to the conditions of CDR.

- (15) The company has incurred losses of Rs 3793.20 mn (PY Rs 1317.34 mn) during the current year and the company has net current liabilities of Rs 1041.11 mn (PY net current assets OF Rs 594.24 mn) as on 31.03.2015. Further the company's accumulated losses have resulted in erosion of its entire net worth. The continuous losses have adversely affected the cash flows of the company.
- (16) Cheque payable as on 31st March 2015 amounting to Rs.3.99 mn shown under head "Other liabilities" Rs.0.81 mn of Canara bank cc a/c & Rs.3.18 mn of IDBI bank not cleared till date.
- (17) The Company has not been advised about interest by the banks pertaining to the Financial Year 2014-15 after the borrowal accounts of the Company, i.e., credit limit, working capital term loan, term loans and funded interest term loan accounts, became sub-standard. During the year the Company has accounted interest @ 10.50% pa basis, i.e., Rs.496.20 mn on these loan accounts during the year which have been classified as NPA.
- (18) During the Financial Year 2014-15 the Company has reversed Deferred Tax Asset (DTA) amounting to Rs. 1282.40 mn and charged the same to Statement of Profit & Loss as a below the Line entry. As per provisions of Accounting Standard-22, "Accounting for taxes on Income" the amount of DTA must be reviewed at each Balance sheet date, and DTA which cannot be realized on Balance Sheet date must not be carried forward. Since the management feels that the Company may not be able to earn substantial income in near future period, which may be able to absorb accumulated losses, the Company relying on concept of prudence and based on expert opinion, has reversed the entire amount of deferred tax hitherto carried forward as an asset and has not created any such asset during the year.
- (19) The Company's application to DGFT seeking extension of time for meeting its commitments of export obligations under its advance licenses are pending disposal.
- (20) During the year 2014-15, the company has paid Director remuneration to Shri Pranav Gupta & Shri Vineet Gupta at Rs 0.4 mn per month as per limits prescribed under Schedule-XIII of Companies act, 1956. Further in view of Circular issued by Ministry of Corporate affairs by Circular No. 07/2015 dated 10th April 2015 a managerial person may continue to receive remuneration for his remaining term in accordance with terms and conditions approved by company as per relevant provisions of Schedule XIII of earlier Act even if the part of his/her tenure falls after 1st April, 2014 which in case of this company is expiring on 30th August 2016.
- (21) Disclosure in accordance with accounting standard (AS 29) Provisions, Contingent Liabilities and Contingent Assets:

(Rs. in Millions)

Particulars	As at 31st March, 2014	Additions during the year	Amount paid/ reversed during the year	As at 31st March, 2015
Gratuity	16.55	4.24	4.95	15.84
Leave Encashment	10.91	2.61	4.78	8.74

- (22) 1. In order to comply with the requirement of Accounting Standard -22 'Accounting for Taxes on Income, the company has followed the deferred tax method of accounting. Consequently the company has accounted the deferred tax for the current period amounting to Rs. 1303.25 mn in the Statement of Profit & Loss.

2. Deferred Tax Asset/ Liability are attributable to the following items:

(Rs. in Millions)

Particulars	Deferred tax Asset/ (Liability) 31.3.2014	(Charge) / Credit	Deferred tax Asset/ (Liability) 31.3.2015
Deferred Tax(Liability)\Asset			
Difference between Tax and Book Written down value of Fixed Assets	(233.79)	(20.80)	(254.59)
Related to Accumulated Loss	1282.45	(1282.45)	0.00
Total	1048.66	(1303.25)	(254.59)

- (23) Fixed Assets possessed by PARABOLIC DRUGS LIMITED are treated as Corporate Assets and are not cash generating units as per Accounting Standard-28. In the opinion of Management, there is no impairment of fixed assets of the Company.

(24) **Earnings Per Share**

(Rs. in Millions)

Description	2014-2015	2013-2014
Profit/(Loss) for the year (Amount in Rs.)	(3,804.68)	(1,337.98)
Weighted average number of Ordinary shares outstanding (In Nos)	61.89	61.89
Add: Dilutive effect of potential ordinary shares (In Nos)	-	-
Weighted average number of Ordinary shares in computing diluted earningper share (In Nos)	61.89	61.89
Earnings per share on profit for the year (Face value Rs.10/- per share)		
- Basic	(61.47)	(21.62)
- Diluted	(61.47)	(21.62)

(25) **Employee Benefits:**

Consequent upon adoption of Accounting Standard on Employee Benefits" (As 15) (Revised 2005), as required by the Standard, the following disclosures are made :

(As valued and certified by Actuary)

(Rs. in Millions)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Obligation at period beginning (April1, 2014)	16.55	10.91
Current service Cost	2.73	1.62
Reconciliation of opening and closing balances of the present value	1.51	0.99
Actuarial (gain)/loss	(2.59)	(1.93)
Benefits paid	(2.36)	(2.85)
Obligation at the year end (March 31, 2015)	15.84	8.74
Changes in plan assets	N.A.	N.A.
Plan assets at period beginning, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain / (loss)	-	-
Contributions	-	-
Benefits paid	-	-
Plan assets at the year end, at fair value	Nil	Nil
Reconciliation of present value of the obligation and the fair value of plan assets		
Fair value of plan assets at the end of the year	Nil	Nil
Present value of the defined benefits obligation at the end of the year	15.84	8.74
Liability / (Asset) recognized in the Balance Sheet	15.84	8.74

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Cost for the Year		
Current Service Cost	2.73	1.62
Interest Cost	1.51	0.99
Expected return on plan assets	-	-
Actuarial (gain)/ loss	(2.59)	(1.93)
Net Cost recognized in the Profit and Loss Account	1.65	0.69
Assumption used to determine the benefit obligations:		
Interest rate	7.80%	7.80%
Estimated rate of return on plan assets	N.A.	N.A.
Expected rate of increase in salary	10.00%	10.00%
Actual return on plan assets	-	-

(26) Related Party Disclosures in accordance with the Accounting Standard-18 as notified by the Companies (Accounting Standard) Rules, 2006

Key Management Personnel with whom transactions have taken place during the Year

* 1. Shri Pranav Gupta	Managing Director
* 2. Shri Vineet Gupta	Whole Time Director

Relatives of Key Management Personnel with whom transactions have taken place during the Year

1. J.D Gupta (HUF)
* 2. Smt. Rama Gupta

Subsidiary with whom transactions have taken place during the Year

1. Ziven Life Sciences Limited
2. Parabolic Research Labs Limited

Associates with whom transactions have taken place during the Year

* 1. Parabolic Infrastructure Private Limited.
2. Mohali Green Environment Private Limited.

* Subscription money received from promoters towards discharge of their obligation to infuse funds in the company in the form of equity share capital, under the CDR package sanctioned to the company approved under the CDR frame work of RBI

RELATED PARTY TRANSACTIONS

Disclosure of transactions between the company and the Related parties during the year and the status of outstanding balances as on 31.03.2015

(Rs. in Millions)

Nature of Transactions (Excluding Reimbursements)	Subsidiary	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Remuneration to Key Management Personnel	0.00	0.00	9.60	0.00	9.60
	0.00	0.00	18.67	0.00	18.67

(Rs. in Millions)

Nature of Transactions (Excluding Reimbursements)	Subsidiary	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent Paid	0.00	0.00	0.00	0.33	0.33
	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.76</i>	<i>0.76</i>
Advances given	0.00	<i>0.00</i>	0.00	0.00	0.00
	<i>14.85</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>14.85</i>
Advances repaid	(20.75)	0.00	0.00	0.00	(20.75)
	<i>0.00</i>	<i>(0.99)</i>	<i>(1.00)</i>	<i>0.00</i>	<i>(1.99)</i>
Loan taken	0.00	0.00	1.53	0.00	1.53
	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Loan repaid	0.00	11.90	0.00	0.00	11.90
	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Share Application Money	0.00	0.00	0.00	0.00	0.00
	<i>0.00</i>	<i>34.48</i>	<i>102.73</i>	<i>0.00</i>	<i>137.21</i>
Sale of Goods	1.02	0.00	0.00	0.00	1.02
	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Investment in Equity Shares	1.50	0.50	0.00	0.00	2.00
	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Share Application Money given received back	0.17	0.00	0.00	0.00	0.17
	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Purchase of Land	0.00	0.00	9.47	0.00	9.47
	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Advance for land	0.00	0.00	0.00	0.00	0.00
	<i>0.00</i>	<i>25.00</i>	<i>0.00</i>	<i>0.00</i>	<i>25.00</i>
Balances as on 31st March, 2015					
Investments	62.00	1.05	0.00	0.00	63.05
	<i>60.67</i>	<i>0.55</i>	<i>0.00</i>	<i>0.00</i>	<i>61.22</i>
Loans & Advances (Asset)	23.49	0.00	0.00	0.00	23.49
	<i>44.24</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>44.24</i>
Loans (Liability)	22.10	289.77	1.53	0.00	313.40
	<i>22.10</i>	<i>301.67</i>	<i>0.00</i>	<i>0.00</i>	<i>323.77</i>
Sundry Creditor-Capital Goods	0.00	0.00	9.47	0.00	9.47
	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Expenses Payable	0.00	0.00	0.00	0.08	0.08
	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>

Note: Figures in Italics represents Previous Year's amount.

- (27) The following expenses incurred during the year as attributable to the fixed assets (including Capital Work in Progress) have been capitalized:

(Rs. in Millions)	
Particulars	Amount
Professional & Consultancy Charges	9.17
Bank Interest/ Lead Bank & operating MI Fee (SBI)	52.79
Power & Fuel	8.40
Others	0.02
Total	70.38

- (28) Additional information pursuant to the provision of Schedule-III of the Companies Act, 2013 [As certified by the Management and accepted by the Auditors]

a) Value of Imports during the year (C.I.F Basis)

(Rs. in Millions)		
Description	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Raw materials	1101.42	1826.87
Capital goods	0.00	0.53

b) Value of Raw Material, Spare Parts & Components Consumed

(Rs. in Millions)				
Description	For the year ended 31 st March, 2015		For the year ended 31 st March, 2014	
	Amount	Percentage of Total	Amount	Percentage of Total
<u>Raw materials consumed</u>				
Indigenous	985.05	47.21%	2,066.26	53.07%
Imported	1,101.42	52.79%	1,826.87	46.93%
<u>Stores & spares consumed</u>	-		-	
Indigenous	2.92	100.00%	13.11	100.00%
Imported	-	-	-	-
Total	2089.39		3906.24	

c) Expenditure in Foreign Currency

(Rs. in Millions)		
Description	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Salary	0.00	0.65
Consultancy expenses	0.00	0.17
Travelling expenses	1.33	1.98
Commission on sales	24.03	25.35
Fee & Taxes	1.03	9.65

d) **Earnings in Foreign Currency**

(Rs. in Millions)

Description	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Export of Goods (F.O.B)	1115.56	2038.19

e) **Dividend remittance in foreign currency**

(Rs. in Millions)

Description	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Amount of Dividend	NIL	NIL

(29) **Contingent Liabilities**(a) **Foreign Letter of Credit/Inland Letter of Credit/Bank guarantee issued by Bankers:**

(Rs. in Millions)

Description	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Letter of Credit (Foreign/ Inland) *	56.16	892.83
Bank Guarantees	27.11	25.50

* Out of above material valuing Rs. 48.99 mn (Previous year Rs 810.85 mn) has been received by 31.03.2015 and credited to respective Creditor Account.

- (b) In respect of Income Tax matters pending before appellate authorities/CIT (Appeals) which company expects to succeed, based on decisions of Tribunals/ Courts. There is contingent liability amounting to Rs 79.52 mn.
- (c) In respect of Service Tax matters pending before appellate authorities/Commissioner (Appeals) which company expects to succeed, based on decisions of Tribunals/ Courts. There is contingent liability amounting to Rs 3.48 mn.
- (d) In respect of Excise Duty matters pending before appellate authorities/Commissioner (Appeals) which company expects to succeed, based on decisions of Tribunals/ Courts. There is contingent liability amounting to Rs 676.15 mn.
- (e) In respect of Legal cases against the company, there is contingent liability amounting to Rs 9.55 mn.

(30) **Segment Reporting:**

There is not more than one reportable segment. Hence information as per AS-17 is not required to be disclosed.

Form AOC-1

(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 (Millions))

Sl. No.	Particulars	Details	
1.	Name of the subsidiary	Parabolic Research Labs Limited	Ziven Lifesciences Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
4.	Share capital	49.50	12.50
5.	Reserves & surplus	(27.48)	(51.92)
6.	Total assets	22.21	22.29
7.	Total Liabilities	0.19	61.72
8.	Investments	-	-
9.	Turnover	-	3.61
10.	Profit before taxation	(0.61)	(10.89)
11.	Provision for taxation	-	-
12.	Profit after taxation	(0.61)	(10.82)
13.	Proposed Dividend	-	-
14.	% of shareholding	100%	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations Parabolic Research Labs Limited
- Names of subsidiaries which have been liquidated or sold during the year. NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	PNG Trading Private Limited
Latest audited Balance Sheet Date	31.03.2014
Shares of Associate/Joint Ventures held by the company on the year end	
No.	14171836
Amount of Investment in Associates/Joint Venture	-
Extend of Holding%	22.90
Description of how there is significant influence	Due to (%age) of Share Capital
Reason why the associate/joint venture is not consolidated	It is a separate entity
Net worth attributable to shareholding as per latest audited Balance Sheet	-
Profit/Loss for the year	Not yet available
Considered in Consolidation	N.A.
Not Considered in Consolidation	N.A.

- Names of associates or joint ventures which are yet to commence operations. NIL
- Names of associates or joint ventures which have been liquidated or sold during the year. NIL

NOTES

[illegible]

NOTES

[illegible]



PARABOLIC DRUGS LTD.

CIN: L24231CH1996PLC017755

www.parabolicdrugs.com