

Building on opportunities to enhance value



JBCPL, one of India's leading pharmaceutical companies, manufactures & markets a diverse range of pharmaceutical formulations, herbal remedies and APIs. JBCPL exports to many countries worldwide with a strong presence in Russia, Ukraine, CIS countries and South Africa. The Company continues to invest in growing its share in the regulated markets in USA, Europe and Australia. JBCPL has a strong R & D and regulatory set-up for development of new drug delivery system and formulation, filing of DMFs and ANDAs. Its State-of-the-Art manufacturing facilities are approved by health authorities of regulated markets.

Forward Looking Statements

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 performance / results based on the management's plan and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'project', '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 realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

Contents

2	Chairman's Statement
4	Domestic Formulations
6	Formulations Exports
11	Financial Highlights
12	Board of Directors
13	Corporate Information
14	Directors' Report
21	Management Discussion & Analysis
23	Report on Corporate Governance
31	Auditors' Report
34	Balance Sheet
35	Profit & Loss Statement
36	Cash Flow Statement
37	Notes
59	Auditors' Report on Consolidated Accounts
60	Consolidated Accounts
84	Ten Year Financial Summary



The progression of J. B. Chemicals & Pharmaceuticals Limited has been on its ability to identify opportunities early, both in terms of market and products, and successfully build on these opportunities to deliver value.

In the field of healthcare, transforming opportunities to deliver success mandates preparation to provide quality products. Over the years, we have continually invested in the facilities, products and people, to ensure that we have the right platform in place to embrace each opportunity that come by and create a value-driven entity.

During the year, we continued with our tradition of singularly dedicating ourselves in the pursuit of growth. We have consolidated our strengths in the Indian market while making investments to build the products and people power and increase our foothold in the exports markets, with intent to reach new milestones.

The rapidly changing healthcare environment and competition creates an ever challenging and dynamic business situation. With our business model well-validated, the stage is set for building on newer opportunities and enhancing value for our customers and each of our stakeholders.

Chairman's Statement



Mr. J. B. Mody
Chairman & Managing Director

R&D division of your company continues to play an important role in the company's growth. R&D is currently focussed on the new formulations development for ANDAs filings.

PERFORMANCE

The year 2012-13 witnessed a reasonably good performance; however, the financial performance for the year 2012-13 is strictly not comparable with the previous year's performance as the company sold its Russia-CIS OTC business in the previous year. I would say that the business performance during 2012-13 was certainly satisfactory.

During 2012-13, the total income was ₹ 842 crores which rose by 18%. The profit before exceptional item and tax at ₹ 108 crores registered growth of 122%, while the profit after tax was ₹ 85 crores. During the year, the consolidated income at ₹ 894 crores was 8% higher than the previous year, while the consolidated profit after tax stood at ₹ 80 crores.

I shall now touch upon the company's main businesses, their performance and our plans moving forward.

DOMESTIC MARKET

With sales of ₹ 305 crores, the domestic formulations business grew by 10% during 2012-13.

The domestic formulations business is one of the key business areas for us which we believe will drive growth and create value in coming years. The future outlook for the industry and growth expectations remains positive. The per capita consumption of drugs is on increase due to spurt in chronic diseases coupled with increasing health awareness, increase in per capita income and improved healthcare access. Your company has devised a strategy to participate in the potential growth that this market segment offers. In the immediate future, the company plans to further consolidate and strengthen its business with focus on enhanced penetration in Tier II cities and rural market, new product launches in potential therapeutic groups and increase in productivity. Accordingly, the company continues to invest in products, people and processes to facilitate the growth objective. Your company has focused on active promotion of products in cardiac, antacid, pain management, anti-infective and anti-septic segments and has been successful in creating growing brands. The continued emphasis has always been to build brands for value creation.

Your company's niche product portfolio with brands such as Metrogyl, Rantac and Nocardia, endeavour to differentiate in the crowded market place and systematic and scientific product promotion, I believe, will help exploit opportunities offered by the growing domestic market.

EXPORTS

During the year, the exports of formulations and related services amounted to ₹ 413 crores.

The exports to Rest of the World markets (other than Russia-CIS) at ₹ 221 crores continued to perform with growth of 36% in Rupee terms and 22% in US \$ terms. This business has become sizeable and offers good growth prospects. I would like to highlight that sales in US market continued to be robust and achieved growth of 44% over the previous year. Besides U.S., business in markets such as Australia, South Africa, Asian and Middle-East countries also performed well. In terms of opportunities, ANDA products, site variation products, lozenges and other OTC products achieved growth.

The company has enhanced its focus on the US market and has started investing in new ANDAs. To establish a sustainable revenue stream, the company has placed focus on niche generics and branded generics products in this market segment. The company's investment in manufacturing infrastructure of international standards for various pharmaceutical preparations, some of which is approved by health authorities such as US FDA, MHRA UK, TGA Australia, MCC South Africa and MOH Ukraine establish our quality credentials in this space.

The remaining business in Russia-CIS region achieved sales of ₹ 100 crores during the year. Post sale of OTC business in this region, the company needs to invest in new infrastructure to create platform for future growth. In view of the company's long presence in the region and strong brand equity enjoyed by it, the company has decided to continue to invest in this market till achievement of sizeable business in the region. The company also plans to invest in new products to enhance potential of the product portfolio such that it is able to provide good growth in sales and profits. This business is expected to take some more time to help regain position earlier enjoyed in this region.

Our South African joint venture namely, Biotech Laboratories (Pty.) Ltd. ("Biotech") performed well in last financial year. I am happy to say that it is now a dividend paying company. The acquisition of over 50 product dossiers as well as the veterinary business sometime back is expected to add to the growth of Biotech this year. South Africa is a potential market and we are exploring opportunities to further grow in the region.

The supply arrangement with Cilag GmbH International, which acquired our Russia-CIS OTC business in 2011-12, has been functioning smoothly. In fact, both the parties regard each other as a good partner and expect to grow the existing business.

API BUSINESS

The API business, which was scaled down sometime back, has been regaining momentum. The total API sales at ₹ 62 crores registered growth of 56%. The company has been evaluating plans to add few more products in this business both for captive consumption as well as for sale.

RESEARCH & DEVELOPMENT (R&D)

R&D division of your company continues to play an important role in the company's growth. R&D is currently focussed on the new formulations development for ANDAs filings, development of new drug delivery systems and development of new formulations. Our R&D has also successfully developed various products for site variation projects. I have no hesitation to add that R&D activities will continue to remain in the forefront for driving future growth.

CHALLENGES AHEAD

Having shared my optimism, I consider it necessary to inform you that each of the company's business faces a set of growth challenges-increasing competition in generic business and consequent pressure on price, regulatory requirement becoming increasingly stringent resulting in increased investment and higher time for product approvals, increasing span of price control in domestic and Russian market, increasing input and operating cost, to name a few. We are quite hopeful to meet these challenges and create and enhance value for our shareholders.

CASH ASSETS

You may ask what we plan to do with the cash surplus. I wish to reiterate that it will be used for growth of pharmaceutical business of the company. Until then, it will remain invested in safe instruments.

STAKEHOLDERS' SUPPORT

I take this opportunity to thank members of the medical profession, trade, institutions, government & semi-government hospitals, customers and shareholders for your continued trust and support. On behalf of the management of JBCPL, I would also like to thank all the employees of the company for their deep commitment to achieving the company's objectives.



J.B. Mody
Chairman & Managing Director

Domestic Formulations



Mr. Shirish B. Mody
Whole time director (Marketing)

- During 2012-13, the domestic formulations business continued to grow with net sales of ₹ 305 crores. The strategy to gradually reduce dependence on legacy brands and grow sales and establish new brands in other therapeutic segments has been yielding good results year after year. The focussed marketing initiatives have contributed to building growing brands in cardiac, antacid, pain management and anti-peptic ulcerant segments.



- The company is ranked 36th in the Industry (ORG-IMS) with the company's 5 brands viz. Rantac (anti-peptic ulcerant), Rantac D (anti-peptic ulcerant), Metrogyl (amoebicides), Nor-Metrogyl (anti-diarrhoeal) and Nicardia Retard (calcium channel blocker) featuring among top 300 brands sold unitwise.



- During the current year with aim to harness potential of the company's product basket, the company plans to further consolidate its operations with focus on enhanced penetration in tier II cities and rural market, new product launches and increase in productivity. The company would continue to pursue systematically designed product promotion initiatives such as increased coverage of doctors by medical representatives, continuous medical education programmes and disease awareness camps.
- The focus products group is expected to be growth driver during 2013-14. While on the other hand, the company is also looking for newer opportunities and options to expand foothold in the domestic formulations business and make it more profitable.
- Anti-infectives, cardiovascular, pain management and gastro intestinal are currently the fastest growing therapeutic segments in Indian market, in all of which the company has a presence.

- The increasing fund allocation by the government for public health and an increasing investment by the private sector in hospitals make the institutional business more potential than before. The company, with several injectable products in its portfolio, has enhanced its focus on institutional business.



- During 2012-13, the company launched a product in dermatological, anti-infective and antacid segment. The company plans to launch new products selectively during 2013-14 to further strengthen the product portfolio.
- The increase in per capita consumption of drugs due to spurt in chronic diseases coupled with increase in literacy rate, increase in per capita income, improved health care access and increasing health awareness are expected to continue to aid growth opportunity in domestic formulations business. As successful penetration in rural market will accelerate next level of growth, the company has increased its focus on this segment and will expand



Mr. Pranabh Mody
President & Whole time director
(Operations)

its field force for this purpose at appropriate time. The company believes that with its well established brands in injectable segment and other established brands, it will be able to boost its presence in rural market.

- The company recognises the important role played by field force in growth of domestic formulations business. The company has concentrated on enhancing productivity to realise potential of people and products. The company has accordingly enhanced thrust on training and development and also put in place attractive bonus schemes to achieve the objective.
- The company believes that the domestic formulations business has good growth prospects. However, the intense competition, slow nature of prescription generation, increasing input cost for some contrast media products due to volatility in foreign exchange rate, attrition in field force, etc. pose growth challenges in this business segment. The company has put in place plans and is also in the process of developing alternatives to grow the business and make it more profitable.
- This business witnessed all round improvement in working capital management. The stringent initiatives taken are expected to result in further improvement.

Formulations Exports



Mr. Dinesh B. Mody
Whole time director (Administration)

- The exports to the Rest of the World markets (other than Russia-CIS region) continued its growth momentum. With sales at ₹ 221 crores, these exports achieved growth of 36% in Rupee terms and 22% in terms of US \$ over the previous year. All business activities in this business fared well. The sales of ANDA products at US \$ 10 million achieved growth of 44% in US \$ terms over the

previous year. In view of this success, the company has increased its outlay in new ANDAs in partnership with its present business associate. This initiative is expected to generate good sales in times to come as it takes long time for ANDA approval. The site transfer, OTC and Lozenges sales activities in this business segment too achieved good growth.

- ANDAs, contract manufacturing in tablets, lozenges & injectables, branded generics, lozenges and contrast media products remain the focus area, while in terms of market, the company's focus is on US, South Africa, UK, Canada, Australia and several semi-regulated markets. The company has placed high focus on site transfer activities for multinationals and growth of niche branded generics as it provides attractive and stable revenue stream. The company's state-of-the-art manufacturing facilities with approvals of US FDA, UK MHRA, EU GMP,



Mr. Jay Mehta
*Sr. Vice President -
Global Business (Russia & CIS)*



Mr. Shekhar Nadkarni
Our US Business Partner





TGA Australia, MCC South Africa and MOH Ukraine give company the needed platform to succeed in this initiative.

- The company also plans to develop OTC products portfolio in this business segment as it offers high margins and involves lower time in regulatory clearances.
- This business segment has challenges such as increased competition that exerts pressure on margins and rapidly changing regulatory environment that has resulted in longer gestation in product approvals.
- Biotech Laboratories (Pty.) Ltd., a South African marketing and distribution company in which your company holds 49% equity stake, has been performing well. For the year ended 2012, it registered 17% growth in its income and 5% growth in its profit after tax. The acquisition of product dossiers and veterinary business sometime back is expected to start adding to growth this year onwards.
- Post sale of Russia-CIS OTC business to Cilag GmbH international ('Cilag'), the company continues to manufacture and supply those OTC products to Cilag. This business is expected to grow further in coming



Mr. Nirav Mody
Sr. Vice President – Strategic
Marketing and Business Development

years as well as this relationship is also expected to bring in other business opportunities for the company.

- The remaining business in Russia-CIS achieved sales of ₹ 100 crores against sales of ₹ 55 crores in the previous year. The company plans to invest in necessary business infrastructure in Russia-CIS region till the company achieves sizeable business. Though increasing span of price control in Russia, new regulatory requirements and competition in this market pose a challenge, the company has placed higher emphasis on this market due to its long presence in the region.



Mr. Shad Mapetla, Chairman & CEO of Biotech Laboratories (Pty.) Ltd. (third from left in front row) with company's Senior Management Team



Mr. Bharat P. Mehta
*Whole time director
(Planning & Development)*

	Health Authority	Facility Approved
1	US FDA	Tablets, APIs
2	MHRA, UK	Tablets, Lozenges
3	EU GMP	Tablets, API
4	MCC, South Africa	Tablets, Injections, Lozenges
5	TGA, Australia	Tablets, Lozenges
6	PIC/S (MOH, Ukraine)	Tablets, Lozenges, Injections, Liquid

State-of-the-art Formulations manufacturing facility at Panoli, Gujarat



State-of-the-art US FDA approved API facility at Panoli, Gujarat



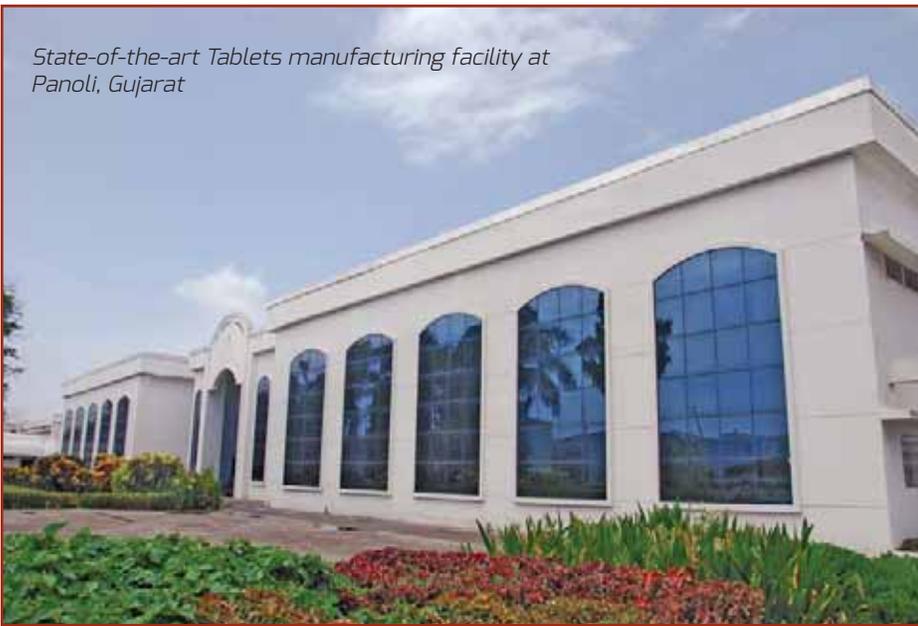


Mr. Kamlesh L. Udani
Executive Director
(Technical & Production)

State-of-the-art Tablets and Lozenges manufacturing facility at Kadaiya, Daman



State-of-the-art Tablets manufacturing facility at Panoli, Gujarat



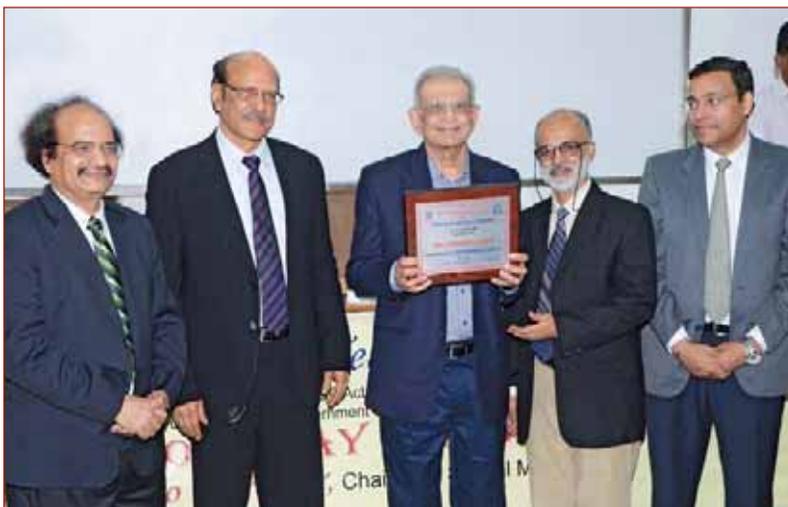


.....a Matter of honour.....!!!

Mr. Shirish B. Mody, Whole time director (Marketing) due to his high degree of integrity, commitment and professionalism in the area of Pharmaceuticals was felicitated by the Institute of Chemical Technology (formerly known as UDCT) and was conferred "Distinguished Alumnus Technology Day Award 2013" at Mumbai.

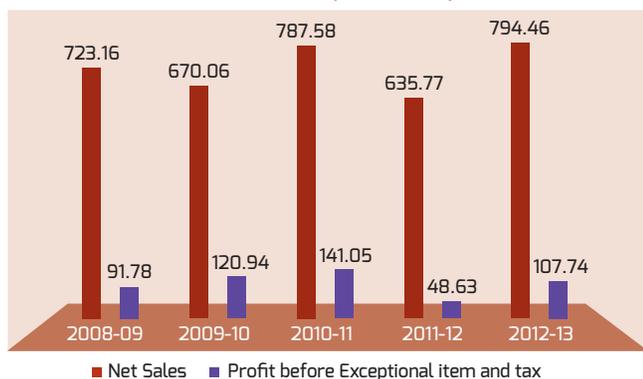


Mr. Shirish B. Mody (first from left) being felicitated by Prof. G.D. Yadav, Vice Chancellor and Mr. Prataprao Pawar (second & third from left)

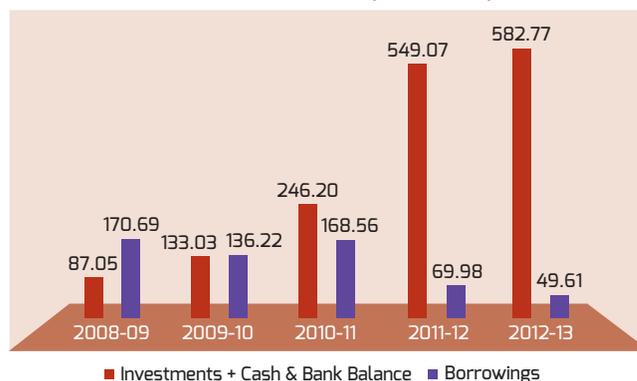


Financial Highlights

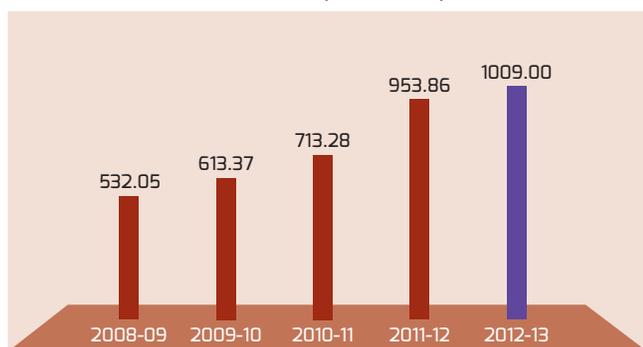
NET SALES & PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (₹ in crores)



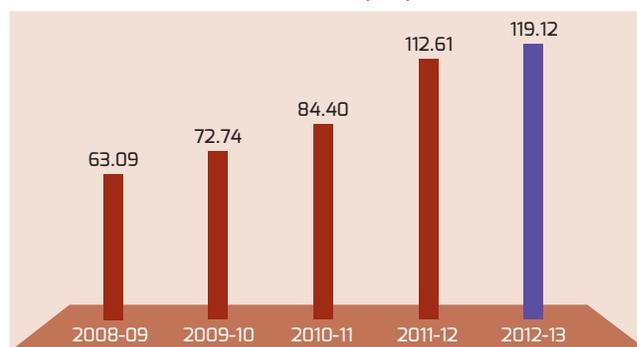
INVESTMENTS + CASH & BANK BALANCE/ BORROWINGS (₹ in crores)



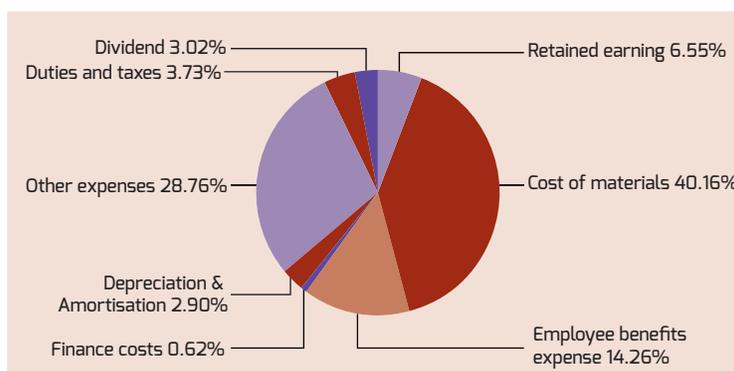
NET WORTH (₹ in crores)



BOOK VALUE (in ₹)



DISTRIBUTION OF REVENUE 2012-13



Board of Directors



Jyotindra B. Mody
Chairman & Managing Director



Dinesh B. Mody
Whole time director (Administration)



Shirish B. Mody
Whole time director (Marketing)



Bansidhar S. Mehta



Durga Dass Chopra



Bharat P. Mehta
Whole time director (Planning & Development)



Pranabh Mody
President & Whole time director (Operations)



Rajiv C. Mody



Kamlesh L. Udani
Executive Director (Technical & Production)



Dr. Satyanarain Agarwala



Sanjay Asher (Alternate to Mr. Jashvantrai B. Joshi)



Dr. Niranjn N. Maniar



Mahesh K. Shroff



Jashvantrai B. Joshi

CORPORATE INFORMATION

AUDIT COMMITTEE

Bansi S. Mehta (Chairman)
 Dinesh B. Mody
 Durga Dass Chopra
 Mahesh K. Shroff
 Dr. Niranjana N. Maniar
 Dr. Satyanarain Agarwala

COMPANY SECRETARY

M. C. Mehta

BANKERS

Bank of India
 BNP Paribas
 Standard Chartered Bank

AUDITORS

J. K. Shah & Co.
 Chartered Accountants
 Mumbai

COST AUDITORS

N. I. Mehta & Co.
 Mumbai

REGISTERED OFFICE

'Neelam Centre', 'B' Wing,
 4th Floor, Hind Cycle Road,
 Worli, Mumbai 400 030.
 Tel No. (022) 3045 1200/500
 Fax No. (022) 2493 0534

BUSINESS MANAGEMENT TEAM

Mr. Jyotindra B. Mody, Managing director
 Mr. Dinesh B. Mody, Whole time director (Administration)
 Mr. Shirish B. Mody, Whole time director (Marketing)
 Mr. Pranabh Mody, President & Whole time director (Operations)
 Mr. P. K. Singh, President - Global Business
 Mr. Nirav Mody, Sr. Vice President - Strategic Marketing & Business Development
 Mr. Jay Mehta, Sr. Vice President - Global Business (Russia & CIS)
 Mr. Sandeep Nasa, Head of Moscow Representative Office
 Mr. Anupam Mehta, Sr. Vice President - Materials
 Mr. Savya Sachi, Director - Marketing & Sales
 Mr. B. K. Dhar, General Manager - API (B.U.)
 Mr. Mitesh Kothari, General Manager - Diagnostic
 Mr. Bhavesh Joshi, Sr. General Manager - Finance & Accounts

CORE TECHNICAL TEAM

Mr. Bharat P. Mehta, Whole time director (Planning & Development)
 Mr. Kamlesh Udani, Executive director (Technical & Production)
 Dr. Milind Joshi, President - Regulatory Affairs
 Mr. Parmeshwar Bang, Vice President - Works
 Mr. M. K. Karve, Quality Controller - Corporate QA
 Mr. V. G. Pansuriya, Vice President - Research & Development

REGISTRARS & SHARE TRANSFER AGENT

Datamatics Financial Services Ltd.
 Plot No. B-5, Part-B,
 Cross Lane, M.I.D.C., Andheri (East),
 Mumbai 400 093.
 Tel No. (022) 66712151-56
 Fax No.(022) 2832 0382

DIRECTORS' REPORT

Your directors are pleased to present the thirty seventh report and audited statement of accounts of the company for the year ended on March 31, 2013.

1. FINANCIAL RESULTS

The following is the summary of financial performance of the company during the year under review as well as appropriation of profits.

	(₹ in lakhs)	
	2012-13	2011-12
Revenue from Operations (Net)	81,642.25	68,642.13
Other Income	2,596.07	2,851.19
Total Income	84,238.32	71,493.32
Profit before finance cost and depreciation	13,738.23	9,270.99
Less: Finance cost	524.18	2,177.69
Less: Depreciation & Amortisation expense	2,439.58	2,230.40
Profit before extraordinary item and tax	10,774.47	4,862.90
Exceptional Item: Income on sale of Russia-CIS OTC business (Net)	-	76,059.34
Provision for tax:		
Current Tax	2,170.00	16,550.00
MAT Credit	(431.18)	(109.77)
Deferred tax	541.80	212.07
Profit for the period after tax	8,493.85	64,269.94
Balance brought forward from previous year	39,871.45	23,893.10
Amount available for appropriation	48,365.30	88,163.04
Appropriations:		
Special interim dividend	-	33,881.92
Tax on special interim dividend	-	5,496.49
Final dividend	-	848.53
Tax on final dividend	-	137.66
Proposed dividend	2,541.22	-
Tax on proposed dividend	431.88	-
Transfer to General Reserve	849.39	6,426.99
Transfer to Contingency Reserve	-	1,500.00
Balance carried forward to balance sheet	44,542.81	39,871.45
Total	48,365.30	88,163.04

2. DIVIDEND

Your directors recommend a dividend of ₹ 3 (₹ 41 including special dividend of ₹ 40 per equity share in the previous year) per equity share of face value of ₹ 2 for the year 2012-13. This would absorb ₹ 29.73 crores including dividend distribution tax.

3. OPERATIONS

The financial performance for the current year is strictly not comparable with that of the previous year due to sale of

Russia-CIS OTC business undertaking during the previous year. During the year, the net income from operations at ₹ 816.42 crores was 18.94% higher over the previous year, while the total income for the year at ₹ 842.38 crores was 17.83% higher against ₹ 714.93 crores (excludes exceptional income) in the previous year. The profit before tax and profit after tax for the year stood at ₹ 107.74 crores and ₹ 84.94 crores respectively.

The domestic formulations business achieved growth in line with the industry growth, while the focus products continued to achieve encouraging growth. During the current year, the company aims for improved performance based on harnessing potential of the existing products, penetration in rural markets and improving productivity of field personnel coupled with selective new products launches. The exports to Rest of the world markets achieved good growth of 22% in terms of billing currency. In this business, the company has placed enhanced focus on US market in view of encouraging sales in the last two years. Besides this market, the company's focus markets include South Africa, UK, Canada, Australia and semi-regulated markets. The Rx business in Russia-CIS too fared well. The company is, however, in the process of investing in this region for future growth. The sales of bulk drugs achieved growth of 56%.

As the members may be aware, the company has received from Cilag GmbH International ("Cilag") a notice of claims under business Sale and Purchase Agreement dated May 23, 2011 and Supply Agreement dated May 23, 2012 for estimated amount of US\$ 33.30 million (which coincides with the amount held in the escrow account) and US\$ 5 million respectively. The company has contested these claims. In the spirit of overall business, the company and Cilag are in discussion to resolve the differences.

4. RESPONSIBILITY STATEMENT

The directors confirm:

- (i) that in the preparation of the annual accounts for the year under review, the applicable accounting standards have been followed;
- (ii) that they have selected appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year 2012-13 and of profit of the company for that year;
- (iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (iv) that they have prepared the annual accounts for the year ended on March 31, 2013 on a going concern basis.

DIRECTORS' REPORT (CONTD.)

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

The particulars as required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure A to this report.

6. PARTICULARS OF EMPLOYEES

The particulars of employees of the company, in terms of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended are given in Annexure B to this report.

7. SUBSIDIARY COMPANIES

The accounts, report of the directors and auditors and other statement(s) as set out in section 212 of the Companies Act, 1956, in respect of the company's subsidiaries viz. OOO Unique Pharmaceutical Laboratories, J. B. Healthcare Pvt. Ltd., J. B. Chemicals & Pharmaceuticals Private Limited and LLC Unique Pharmaceutical Laboratories are not attached pursuant to the general exemption granted by the Central Government pursuant to general circular No.2/2011 dated February 8, 2011. The particulars of performance of the subsidiaries for and its financial position as on March 2013 is given in consolidated balance sheet as required in terms of the said general exemption. The members are informed that annual accounts of the said subsidiaries and the related detailed information will be made available on request. The accounts of the said subsidiaries are also open for inspection by the members at the registered office of the company.

8. EMPLOYEE STOCK OPTION PLAN

The disclosures in respect of the company's Employee Stock Option Plan, as required under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are set out in Annexure C to this report.

9. CORPORATE GOVERNANCE

A certificate from auditors of the company on compliance of conditions of corporate governance is annexed to this report. The management discussion and analysis report and compliance report on corporate governance as required by clause 49 of the listing agreement form part of this annual report.

10. PUBLIC DEPOSITS

During the year under review, the company repaid deposits of ₹ 351.83 lakhs. As on the year end, total unmaturred deposits stood at ₹ 1209.44 lakhs, while deposits amounting to ₹ 0.55 lakhs remained unclaimed.

11. HEALTH AND SAFETY

The company continues to accord high priority to health and safety of employees at all manufacturing locations. During the year under review, the company conducted safety training programmes with the help of Industries Association for increasing disaster preparedness awareness among all employees at the plants. Training programmes and mock drills for safety awareness were also conducted for all employees at the plants.

12. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Mr. Rajiv C. Mody, Mr. Pranabh Mody and Dr. Niranjan N. Maniar retire by rotation at the ensuing annual general meeting. They, being eligible, have offered themselves for re-appointment.

Subsequent to the year end, Dr. Rajen D. Shah resigned as a director of the company. Your board has placed on record appreciation of contributions made by Dr. Rajen Shah during his tenure as a director of the company.

13. AUDITORS

M/s J.K. Shah & Co., Chartered Accountants, auditors of the company, hold office until the conclusion of the ensuing annual general meeting. M/s J.K. Shah & Co., being eligible, have offered themselves for re-appointment and have confirmed that their appointment, if made, would be within the limit prescribed under section 224 (1B) of the Companies Act, 1956.

14. COST AUDITORS

Subject to approval of the central government, the board of directors has appointed N. I. Mehta & Co., Cost Accountants, as cost auditors, to audit the cost accounts for pharmaceutical activities for the year ending on March 31, 2014.

The cost audit report in respect of pharmaceutical activities of the company for the financial year ended on March 31, 2012 was filed with the Central Government on February 6, 2013, which was within the extended date for filing fixed under General Circular No.2/2013 dated 31-1-2013.

15. APPRECIATION

Your directors record their sincere gratitude to the banks for their assistance and shareholders, business associates, medical professionals and customers for their continued support and faith in the company and to employees of UNIQUE FAMILY for their valuable services and commitment.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 24, 2013

J. B. Mody
Chairman & Managing Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY:**(a) Energy conservation measures taken during the year:**

During the year, efforts to optimise energy conservation continued by monitoring and improving manufacturing processes, equipments and devices used at the manufacturing locations. The various energy conservation measures taken during the year include replacement of screw chiller in place of vapour absorption chiller, replacement of auto labelling machine with high speed auto labelling machine and efficient use of air handling unit and cooling temperature range on all storage areas.

(b) Proposals being implemented for reduction of consumption of energy:

The proposals being considered for energy conservation include discontinuation of gas based power plant and meeting the power requirement instead by efficient bulk purchase thereof from open market.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods:

The energy conservation measures undertaken during the year has helped reduce the power & fuel cost by about ₹ 2.50 crores. This has contributed in controlling the cost of power and fuel and has thereby contributed in controlling the cost of production.

(d) Total energy consumption and energy consumption per unit as per Form A:

A	Power & Fuel Consumption	Current Year	Previous Year
1	Electricity		
(a)	Purchased		
	Units (in 000 KWHs)	26,526.81	17,682.28
	Total amount (₹ in lakhs)	1,714.67	1,063.36
	Rate / Unit (₹)	6.46	6.01
(b)	Own Generation		
(i)	Through Diesel Generator (Unit in '000)	1,159.10	1,127.28
	Units per litre of diesel oil (Kwh/Ltr.)	2.83	2.95
	Total amount (₹ in lakhs)	195.77	169.63
	Cost per unit (₹)	16.89	15.05
(ii)	Gas used for power generation		
	Gas (Units in '000)	4,382.20	6,704.53
	Units per gas (M3)	3.00	3.51
	Total amount (₹ in lakhs)	465.53	493.52
	Average per unit (₹)	10.62	7.36
2	Furnace Oil		
	Quantity (kilo litres)	682.93	565.73
	Total amount (₹ in lacs)	405.94	314.28
	Average Rate (₹ / kilo litre)	59,440.92	55,553.55

3	Gas used for manufacturing		
	Gas; Quantity (SM3)	3,428.94	3,650.27
	Total Cost (₹ in lakhs)	1,046.87	854.73
	Average Rate per 1000 SM3 (₹)	30,530.42	23,415.56

B Consumption per unit of production		Std. if any	Current year
Products, Unit	Electricity	From the records and other books maintained by the company, in accordance with the provisions of the Companies Act, 1956, the company is not in a position to give the information required as per this format.	
	Furnace Oil		
	Coal		
	Others		

B. TECHNOLOGY ABSORPTION:**Research and Development (R&D)****1 Specific areas in which R & D has been carried out by the company**

- R & D has been working on many ANDAs for filing with US FDA as well as other regulatory markets like Europe, Africa, Russia and Australia.
- Development of novel oral drug delivery system for antispasmodic formulation.
- Development of anti-cholinergic extended release tablets in osmotically released formulation.
- Development of skeletal muscle relaxant tablets, diuretic tablets, antifungal tablets, anti-hypertensive capsules, NSAID capsules and NSAID topical gel.
- Development of anti-anginal formulations and Cholesterol reducing formulations for Asian market.
- Improvement of its existing products, cost reduction and process improvement.
- API: R&D is in process of developing new methods to reduce cost and make the existing processes more eco-friendly. The efforts are aimed at developing zero effluent manufacturing facilities. Another area of work is to have import substitution and to be self sufficient.
- Analytical processes for all the above were developed and validated.

2 Benefits derived as a result of above R & D

- ANDA submissions for several products.
- Technology transfer of validation/commercial batches has been completed successfully.
- Improvement in technology has resulted in minimization of environmental hazards.
- Process simplification and improvement for API done and technology process transferred for commercial production.
- Cost reduction in formulations manufacture.
- Successful implementation of site variation projects.

ANNEXURE 'A' TO THE DIRECTORS' REPORT (CONTD..)

3 Future plan of action

- (a) To continue development of drugs for filing ANDAs.
- (b) Process development and commercialization of new APIs.
- (c) Pharmaceutical research and development of dosage forms.
- (d) Development of green technology for manufacture of APIs.

4 Expenditure on R & D

	(₹ in lakhs)
(a) Capital	99.48
(b) Recurring	1,489.65
(c) Total	1,589.13
(d) Total R & D expenditure as a percentage of total turnover	2.00%

Technology absorption, adaptation and innovation

1 Efforts, in brief, made towards technology absorption, adaptation and innovation:

- (a) Development of patent non-infringing formulations and new drug delivery systems.
- (b) Development of indigenous technology.
- (c) Developed technology for product tested in pilot plant and transferred for commercial production.

2 Benefits derived as a result of the above efforts

- (a) Expansion of product line to cater to growing domestic and export market.
- (b) Development of indigenous technology significantly improved productivity, quality and reduced the cost of production.
- (c) Availability of products for other regulatory markets due to improvement in quality.

(d) Continuous development and upgradation of technology reduced the environmental burden thus making process eco-friendly.

(e) Import substitution.

3 Information with respect to imported technology

The requirement to furnish specified information on imported technology is not applicable as the company has not imported any technology during the last five financial years.

C FOREIGN EXCHANGE EARNINGS AND OUTGO:

(a) Activities related to exports, initiative taken to increase exports, development of new export markets for products and services and export plans:

The company's thrust is to increase the exports. The various initiatives taken to increase exports and development of export market include aggressive promotion of prescription and OTC products, applications for registration of new products with regulatory authorities, development of new alliances for site variation manufacturing projects, participation in international meets of the industry, development of new products with export potential, filing of ANDAs and development of new customers for product development services. The company plans to increase exports through various new initiatives.

(b) Total foreign exchange used and earned:

During the year under review, the company earned foreign exchange amounting to ₹ 47,546.71 lakhs, while the outgo in foreign exchange amounted to ₹ 11,797.53 lakhs.

For and on behalf of the Board of Directors

Place : Mumbai

Date : May 24, 2013

J. B. Mody

Chairman & Managing Director

ANNEXURE 'B' TO THE DIRECTORS' REPORT

Information as per section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the directors' report for the year ended on March 31, 2013.

(a) Name & age (years) (b) Designation/nature of duties (c) Gross remuneration received (₹) (d) Qualification(s) & experience (years) (e) Date of commencement of employment (f) Last employment & Post held

(a) Joshi M.D. (Dr.) (49) (b) President-Global Regulatory Management (c) 78,45,157 (d) M.Sc. Ph.D. (27) (e) 07.12.1989 (f) Adonis Labs Pvt. Ltd.-Executive-Quality Assurance (a) Mehta B.P. (65) (b) Whole time director (Planning & Development) (c) 1,20,77,157 (d) B.Sc. (42) (e) 01.01.1977 (f) Unique Pharma Labs.-Production Manager (a) Mehta J.B. (35) (b) Senior Vice President-(International Division) (c) 88,27,028 (d) B.Sc.(Chem. Engg.) (8) (e) 01.10.2004 (f) Allergan Pharmaceuticals-Research Project-In charge (a) Mody D.B. (77) (b) Whole time director (Administration) (c) 3,60,36,178 (d) Exp. in Admn. (58) (e) 01.01.1977 (f) J.B. Chemicals & Pharmaceuticals Pvt. Ltd.-Whole time director (Administration) (a) Mody J.B. (84) (b) Managing Director (c) 3,60,36,124 (d) Inter Sc. (62) (e) 01.01.1977 (f) J.B. Chemicals & Pharmaceuticals Pvt. Ltd.-Managing Director (a) Mody N.S. (32) (b) Senior Vice President- Strategic Marketing & Business Development (c) 88,25,386 (d) B.Sc. in Business Admn. (8) (e) 13.07.2004 (f) Rodman & Renshaw-Equity Research Analyst (a) Mody P.D. (50) (b) President & Whole time director (Operations) (c) 1,21,11,096 (d) B.Pharm., M.B.A. (USA) (26) (e) 25.06.1987 (f) First employment (a) Mody S.B. (72) (b) Whole time director (Marketing) (c) 3,60,36,199 (d) B.Sc. (Tech.) (53) (e) 01.01.1977 (f) J.B. Chemicals & Pharmaceuticals Pvt. Ltd.- Director-Technical (a) Singh P.K. (48) (b) President (Global Business) (c) 65,76,585 (d) M.Pharm (26) (e) 01.12.2001 (f) Coral Laboratories-General Manager (International Division) (a) Udani K.L. (59) (b) Executive Director (Technical & Production) (c) 71,95,610 (d) B.E. (Elect.), M.B.A. (33) (e) 01.02.2001 (f) Unique Pharmaceutical Laboratories Ltd.-Managing Director

Notes: (1) The nature of employment of the above employees is contractual in nature. The other terms and conditions of each of the above are as per the contract/letter of appointment and rules of the company. (2) Mr. J.B. Mody, Mr. D.B. Mody and Mr. S.B. Mody are related to each other as brothers. Mr. P.D. Mody is son of Mr. D. B. Mody. Mr. N.S. Mody is son of Mr. S. B. Mody. Mr. B.P. Mehta is son-in-law of Mr. J.B. Mody and Mr. J.B. Mehta is son of Mr. B.P. Mehta and grand-son of Mr. J.B. Mody.

For and on behalf of the Board of Directors

Place : Mumbai

Date : May 24, 2013

J. B. Mody

Chairman & Managing Director

ANNEXURE 'C' TO THE DIRECTORS' REPORT

Disclosure pursuant to the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as on March 31, 2013.

The information pertaining to options granted under the Employee Stock Options Scheme formulated pursuant to the special resolution passed by the shareholders on March 18, 2004 is as under:

		Year of Grant		
		2004	2005	2006
(a)	Options granted	4,75,000	5,63,240	5,47,000
(b)	Options vested	33,000	98,875	2,04,700
(c)	Options exercised	2,67,300	1,78,875	66,125
(d)	The total number of shares arising as a result of exercise of option	2,67,300	1,78,875	66,125
(e)	Options lapsed	1,74,700	2,85,490	2,76,175
(f)	Money realized by exercise of options (₹)	1,68,39,900	1,50,25,500	62,81,875
(g)	Total number of options in force	33,000	98,875	2,04,700
(h)	Weighted-average exercise price of options whose			
	(a) Exercise price equals market price	₹ 63	-	-
	(b) Exercise price is greater than market price	-	-	₹ 95
	(c) Exercise price is less than market price	-	₹ 84	-
	Weighted-average fair value of options whose			
	(a) Exercise price equals market price	₹ 20	-	-
	(b) Exercise price is greater than market price	-	-	₹ 26
	(c) Exercise price is less than market price	-	₹ 35	-
(i)	The pricing formula	An amount equal to ninety five percent of the average daily closing price of the shares of the company quoted on National Stock Exchange of India Ltd. during the period of twelve weeks preceding the date of grant.		
(j)	Variation of terms of options	There has been no variation in the terms of options.		
(k)	Employee wise details of options granted	<p>(i) The options granted to senior managerial person are as under. The number in bracket represents the total number of options granted. Dr. M.D. Joshi (34,000), Mr. P.K. Singh (33,000), Mr. A.P. Mehta (34,000), Mr. Ashok Patel (34,000) and Mr. Madhav K. Karve (23,000).</p> <p>(ii) No employee has received a grant in any one year of option amounting to 5% or more of option granted during that year.</p> <p>(iii) No employee has been granted options equal to or exceeding 1% of the issued capital of the company in any year.</p>		
(l)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with [Accounting Standard (AS) 20 'Earnings Per Share']	₹ 10.03.		
(m)	Difference in employee compensation cost, calculated using intrinsic value of options and fair value of options. Its impact on profits and EPS.	Not Applicable as employee compensation cost has been fully amortized in the previous years.		

ANNEXURE 'C' TO THE DIRECTORS' REPORT (CONTD..)

		Year of Grant		
		2004	2005	2006
(n)	A description of the method and significant assumptions used to estimate the fair values of options.	<p>As there was no further grant of option during the year 2012-13, the fair value estimated in the previous year is considered for calculating the impact on earnings per share. A description of significant assumption used during the previous year to estimate the fair value of the options using the Black Scholes Option Pricing model including relevant weighted average information is as under:</p> <p>(i) risk- free interest rate : 6.85%</p> <p>(ii) expected life (years) : 5</p> <p>(iii) expected volatility : 36.96%</p> <p>(iv) expected dividends : 3.19</p> <p>(v) the price of the underlying share in market at the time of option grant : Grant - 2004 – ₹ 63 Grant - 2005 – ₹ 95.20 Grant - 2006 – ₹ 88.85</p>		

For and on behalf of the Board of Directors

Place: Mumbai
Date : May 24, 2013

J. B. Mody
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY DEVELOPMENTS

The domestic formulations industry at sales of over ₹ 61,000 crores, for 12 months period ended March 2013, grew at 10% (ORG IMS). The growth of Indian formulations industry continues to remain robust and volumes and new introductions from existing molecules remained key contributors to growth. The recent ruling on patentability by the Supreme Court in Glivec's case has provided much needed clarity on patentability under the Indian law and would help growth of generics business in the long run.

Clearly with a view to participate in growth potential of domestic pharmaceutical market, the market continues to show intense competition with increased number of brands and new combination being launched in the market. This has put pressure on prices and calls for product differentiation and innovative strategies for growth.

OPPORTUNITIES & THREATS

Domestic Business:

The domestic formulations industry has been consistently growing well for last several years. The future outlook for the industry and growth expectations remains positive. The per capita consumption of drugs is on increase due to spurt in chronic diseases coupled with increase in literacy rate, increase in per capita income, improved health care access, increasing market penetration and increasing health awareness. All these are expected to provide growth opportunity in coming years. The brand building, new products introductions, product awareness programmes, price revisions and penetration in Tier II and rural markets will remain growth enablers. For the company, the domestic formulations business is a thrust area. In view of good long term growth prospects offered by the domestic industry and the company's strengths in this business, the company is well poised to take advantage of the growing market.

The overall growth of the domestic formulations business during the year was in line with the industry growth, however, the focus products in Cardiac, Quinoliones, Antacid, NSAID, Dermatology and Iron supplement segment registered higher growth. The company's growth strategy includes focusing on growing therapeutic segments like anti-infectives, cardiovasculars, pain management and gastrointestinal, new product introductions, deeper penetration in rural market and increased focus on hospital business accompanied by CME programmes for doctors and special marketing campaigns. During the year, the company also launched products in dermatological and anti-infective segment. Despite the challenges before the company to grow the domestic formulation business and further as the sales in this business essentially depend on prescription generation which is a slow process, the company is quite hopeful of growing the business in this segment.

The company has already created good brands like Rantac (Anti-peptic ulcerant), Nicardia (Cardiology), Metrogyl (Amoebicides), etc. and otherwise enjoys strong brand equity in trade and medical fraternity. The sustained brand building efforts in Cardiac, Antacid,

Quinoliones and Pain management segments have met with good success.

Your company's contrast media division performed well with growth of 15%. The company plans to enhance its focus on government tender business in view of significant spends planned under various healthcare schemes. The company is evaluating backward integration in this segment to offset pressure on margins posed by increasing prices of imported raw materials and depreciation of Rupee.

The rising costs on one hand and price control on the other remain a concern.

International business:

The wide geographical presence in international market, State-of-the-art manufacturing facilities with approval from health authorities such as US FDA, UK MHRA, TGA Australia, MCC South Africa, MOH-Ukraine, etc. and wide range of products across injectables, solids and semi-solids along with strong regulatory and R&D backup present a good business opportunity and offers good growth outlook.

The company's exports to Rest of the world countries stood at US\$ 41 million. The exports to US continued to do well. All other focus markets in this business segment too performed well. The company has increased its focus on US business and accordingly filed 3 ANDAs during the year and plans 6 more submissions during the current year. Besides ANDAs, the company's focus is on contract manufacturing in tablets-lozenges-injectables, branded generics products, lozenges and contrast media products. While in terms of market, the company's focus is on USA, South Africa, UK, Canada, Australia and semi-regulated markets. The company has placed high focus on the contract manufacturing business to build long term stable revenue stream.

Biotech Laboratories (Pty.) Ltd., a South African marketing and distribution company in which your company holds 49% equity stake, has been performing well. For the year ended 2012, it registered 17% growth in its income and 5% growth in its profit after tax.

As regards Russia-CIS remaining business, the company is in the process of ramping up its operations in this region post sale of OTC business in this region. The company continues to invest in this market to scale up the business.

The company does not perceive any major concern in the international business.

SEGMENT WISE PERFORMANCE

The company is engaged in one segment viz. pharmaceuticals. During the year under review, all business units achieved good growth.

The domestic formulations business at ₹ 304.70 crores achieved growth of 10%. The focus brands in this business, however, showed

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD..)

a very strong growth. In this business, the contrast media division achieved growth of 15%. Harnessing the potential of existing products basket, penetration into existing and new markets and focus on increase in productivity are all expected to help achieve good growth in the current year.

The exports to Rest of the world countries at ₹ 220.68 crores grew by 36% in Rupee terms, while it achieved growth of 22% in US Dollar terms. Besides US market which generated highest sales, the markets like Africa, South Africa, South East Asia, Latin America, Middle East and Australia continued to fare well. The ANDA products, site variation projects, OTC products and Lozenges products in this business fared well.

The sales of products in Russia-CIS markets at ₹ 100.50 crores registered growth of 81% over the previous year. However, change in regulatory requirements and increasing cost of operations present challenge for growth. The company will continue to invest in this market to meet the challenges and achieve potential offered by the Russia-CIS market.

The sales of active pharmaceutical ingredients at ₹ 62.26 crores registered growth of 56%.

OUTLOOK

In view of good business outlook both in domestic and international market as discussed above, the company's manufacturing infrastructure of international standard, strong products portfolio with growth brands, strong marketing capability and strong balance sheet present good outlook for the company's business.

RISKS AND CONCERNS

Your company does not perceive any risks or concerns other than those that are common to the industry such as regulatory risks, exchange risk and other commercial and business related risks.

INTERNAL CONTROL SYSTEMS

Your company has an adequate system of internal controls, which ensures that its assets are protected from loss and unauthorized use as well as business affairs are carried out in accordance with established procedures. These systems of internal controls also ensure that transactions are carried out based on authority and are recorded and reported in line with generally accepted accounting principles. The company also has a system of regular internal audit carried out by competent professional retained by the company. The internal audit programme is approved by the audit committee, and findings of the internal auditor are placed before the audit committee at regular interval. The company's use of SAP as ERP platform and various function specific software also help in exercise of timely controls.

FINANCIAL PERFORMANCE

The net revenue from operations stood at ₹ 816.42 crores as against ₹ 686.42 crores in the previous year, while total revenue for the year stood at ₹ 842.38 crores against ₹ 714.93 crores in the previous year (excluding Exceptional income).

The finance cost at ₹ 5.24 crores was lower due to better working capital management. The profit before tax (before exceptional item) for the year at ₹ 107.74 crores was 121.56% higher compared to profit of ₹ 48.62 crores at the same level last year. The financial performance for the year 2012-13 is strictly not comparable with the previous year as the previous year's revenue included results of operations of Russia-CIS OTC business upto July 13, 2011 and income on sale thereof thereafter.

The earning per share for the year was ₹ 10.03 per equity share of face value of ₹ 2 each.

HUMAN RESOURCE

The relationship with employees and workers continued to be cordial at all levels. As on March 2013, employees strength in India was 2425.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The company's philosophy on code of governance is aimed at assisting the management and the board of directors in efficient conduct of the business and in meeting its obligations to all stakeholders, and is guided by the principles of transparency, fairness, accountability and integrity. These practices are intended to achieve balance among enhancement of stakeholder value, achievement of financial objective and corporate social responsibility.

2. BOARD OF DIRECTORS

The strength of the board of directors of the company as on the year end was fourteen. Six directors, including Mr. Jyotindra B. Mody, Chairman & Managing Director, are executive directors,

while eight directors are non-executive, of which seven are independent directors. After the year end, Dr. Rajen D. Shah has resigned from the board of directors of the company w.e.f. April 15, 2013.

7 meetings of the board of directors were held during the year ended on March 31, 2013. These meetings were held on April 18, 2012, May 23, 2012, August 6, 2012, October 11, 2012, November 1, 2012, February 5, 2013 and March 28, 2013.

The information on composition and category of directors as well as attendance of each director at the meeting of the board of directors held during the year ended on March 31, 2013, last annual general meeting and their directorships/ committee membership in other public companies as of the year end is as under:

Name of director	Category	No. of board meetings attended	Attendance at last AGM	No. of other director-ship(s)	Other committee position	
					Member	Chairman
Mr. Jyotindra B. Mody	Executive (Promoter)	7	Yes	4	–	–
Mr. Dinesh B. Mody	Executive (Promoter)	7	Yes	3	–	–
Mr. Shirish B. Mody	Executive (Promoter)	6	Yes	3	–	–
Mr. Bharat P. Mehta	Executive (Promoter Group)	5	Yes	2	–	–
Mr. Pranabh Mody	Executive (Promoter Group)	7	Yes	3	1	–
Mr. Kamlesh L. Udani	Executive	3	Yes	2	–	–
Dr. Rajen D. Shah (Resigned w.e.f. 15/04/2013)	Non-Executive (Promoter Group)	6	Yes	3	–	–
Mr. Bansidhar S. Mehta	Non-Executive & Independent	7	Yes	14	5	4
Mr. Durga Dass Chopra	Non-Executive & Independent	7	Yes	–	–	–
Dr. Satyanarain Agarwala	Non-Executive & Independent	7	Yes	1	–	–
Dr. Niranjana N. Maniar	Non-Executive & Independent	7	Yes	–	–	–
Mr. Mahesh K. Shroff	Non-Executive & Independent	7	Yes	–	–	–
Mr. Rajiv C. Mody	Non-Executive & Independent	–	No	3	1	–
Mr. Jashvantra B. Joshi	Non-Executive & Independent	–	No	–	–	–
Mr. Sanjay K. Asher (Alternate to Mr. Jashvantra B. Joshi)	Non-Executive & Independent	3	No	15	6	4

Notes:

- (1) The directorships exclude alternate directorships, directorships of private limited companies, bodies corporate incorporated outside India and those held in associations.
- (2) The committee positions pertain to position held on Audit Committee and Shareholders'/Investors Grievance Committee of public limited companies.

CORPORATE GOVERNANCE REPORT (CONTD..)

3. AUDIT COMMITTEE

The terms of reference of the audit committee are those prescribed under clause 49 of the listing agreement as well as under section 292A of the Companies Act, 1956.

The composition of the audit committee complies with the requirement laid down in clause 49 of the listing agreement. Mr. Bansidhar S. Mehta, Chartered Accountant, is the Chairman of the audit committee, while Mr. D.D. Chopra, Mr. Dinesh B. Mody, Dr. S. Agarwala, Mr. Mahesh K. Shroff and Dr. N.N. Maniar are the other members of the audit committee. M.C. Mehta, Company Secretary, acts as secretary to the audit committee.

4 meetings of the committee were held during the year ended on March 31, 2013. These meetings were held on May 23, 2012, August 6, 2012, November 1, 2012 and February 5, 2013. The information with regard to attendance of the members is as under:

Name	Position held	Category	No. of meetings attended
Mr. Bansidhar S. Mehta	Chairman	Non-executive & independent director	4
Mr. Durga Dass Chopra	Member	Non-executive & independent director	4
Mr. Dinesh B. Mody	Member	Executive director (Promoter)	4
Dr. Satyanarain Agarwala	Member	Non-executive & independent director	4
Mr. Mahesh K. Shroff	Member	Non-executive & independent director	4
Dr. Niranjana N. Maniar	Member	Non-executive & independent director	4

The Chairman & Managing Director, President & Whole time director (Operations), finance head, statutory auditor and internal auditor have been regular invitees to the audit committee meetings.

4. REMUNERATION COMMITTEE AND DETAILS OF REMUNERATION

The company has set up a Remuneration Committee, which comprises of three independent directors namely Mr. Mahesh K. Shroff, Chairman, Mr. D. D. Chopra and Dr. Niranjana N. Maniar. No meeting of remuneration committee was held during the year as no need thereof arose during the year. The terms of reference of the committee are to decide the remuneration of the executive directors.

(i) Remuneration and shareholding of Non-executive directors

The non-executive directors at present are only paid sitting fees for attending meetings of the board and committee(s) thereof. Keeping in view industry practices being the criteria relied upon by the board, the board unanimously decides the amount of sitting fees to be paid from time to time, based on the power conferred by the Articles of Association of the company. The sitting fee presently fixed does not require prior approval of the shareholders. The information on amount of sitting fees paid to the non-executive directors for attending meetings of the board and committee(s) thereof held during the year ended on March 31, 2013 and the number of equity shares held by them in the company as of March 31, 2013 is as under:

Name	Sitting Fees (₹)	No. of shares held
Mr. Bansidhar S. Mehta	2,60,000	11,700
Mr. Durga Dass Chopra	2,80,000	3,07,930
Dr. Satyanarain Agarwala	2,60,000	1,500
Dr. Niranjana N. Maniar	2,20,000	15,000
Mr. Mahesh K. Shroff	2,40,000	57,505
Dr. Rajen D. Shah (Resigned w.e.f. 15/04/2013)	1,20,000	10,000
Mr. Sanjay K. Asher	60,000	—

During the year under report, the non-executive directors neither had any other pecuniary relationship nor entered into any other transaction *vis-à-vis* the company. None of the non-executive directors, other than as stated above, hold any shares in the company.

CORPORATE GOVERNANCE REPORT (CONTD..)

(ii) Remuneration of Executive directors

The remuneration paid to the executive directors of the company for the year ended on March 31, 2013 summarized under major elements is as under:

(₹ in lakhs)

Name	Salary	Allowances & Perquisites	Retiral benefits	Total
Mr. Jyotindra B. Mody	143.00	178.75	38.61	360.36
Mr. Dinesh B. Mody	143.00	178.75	38.61	360.36
Mr. Shirish B. Mody	143.00	178.75	38.61	360.36
Mr. Bharat P. Mehta	57.26	48.05	15.46	120.77
Mr. Pranabh Mody	52.04	54.68	14.39	121.11
Mr. Kamlesh L. Udani	32.07	29.99	9.90	71.96

Notes:

- All the above remuneration components are fixed in nature.
- As per the company's Employee Stock Option Scheme, a director in employment of the company is not eligible to receive options under the Scheme.
- The appointment of each executive director is for a period of five years from the respective date of appointment.
- The company has entered into contract with each executive director setting out terms and conditions of appointment, which contract can be terminated by either party by giving three months notice to the other. The contract so entered into does not provide for payment of severance fees.

5. SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE

The Shareholders/Investors Grievance committee comprises of Mr. Mahesh K. Shroff, Chairman, Mr. Durga Dass Chopra, Mr. Jyotindra B. Mody and Mr. Dinesh B. Mody. M. C. Mehta, Company Secretary, acts as secretary to the committee, and is the compliance officer.

The complaints received from the investors are being regularly attended to and are believed to be resolved to their satisfaction. The status of the investors' complaints is reviewed by the Investors Grievance Committee generally on quarterly basis. During the year ended on March 31, 2013, the company received 21 investor complaints, all of which have been attended to before the end of the year, and believed to have been resolved to the satisfaction of the investors.

The board of directors, in order to expedite share transfers, has delegated the power of share transfer to committee of directors, which meets regularly to consider and approve transfer of shares in physical form. During the year ended on March 31, 2013, the company received 35 share transfer requests for transfer of 45,605 shares held in physical form. All these share transfers have been timely processed. No valid share transfer request received during the year was pending as on the year end.

6. GENERAL BODY MEETINGS

The information relating to the location and time of last three annual general meetings and the special resolutions passed thereat is as under:

Year	Location	Date	Time	Whether any special resolution passed
09-10	Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai - 400 020.	July 23, 2010	3.00 p.m.	Yes. Six special resolutions passed.
10-11	Patkar Hall, New Marine Lines, Mumbai - 400 020.	July 25, 2011	3.00 p.m.	Yes. Three special resolutions passed.
11-12	Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai - 400 020.	July 30, 2012	3.30 p.m.	No.

The company has neither passed any special resolution through postal ballot during 2012-13 nor at present proposes to pass any special resolution through postal ballot during the current year.

7. DISCLOSURES

- The company has not entered into any materially significant related party transactions with its promoters, directors or management or their relatives etc. that may have potential conflict with the interest of the company at large.

CORPORATE GOVERNANCE REPORT (CONTD..)

- To the best of the company's knowledge, there has been no incidence of non-compliance with requirement of stock exchange, SEBI or other statutory authority, on matters relating to capital markets during last three years. During last three years, no penalty or stricture has been imposed on the company by the stock exchanges, SEBI or any statutory authority on any matter related to capital market.
- The board of directors has laid down the code of conduct for directors and senior management personnel including all functional heads, which they are bound to observe in the course of conduct of business of the company. This code of conduct has been posted on the website of the company. Each director of the company and senior management personnel including all functional heads, to whom the code has been made applicable, have affirmed their compliance with the code. A declaration by Mr. Jyotindra B. Mody, Chairman & Managing Director, to this effect forms part of this report.
- The company has not established formal whistle blower policy mechanism. However, the audit committee does not deny access to any personnel of the company.
- Mr. Jyotindra Mody, Mr. Dinesh Mody and Mr. Shirish Mody are related to each other as brothers. Mr. Bharat Mehta is related to Mr. Jyotindra Mody as son-in-law. Mr. Pranabh Mody is son of Mr. Dinesh Mody. Dr. Rajen D. Shah is related to Mr. Shirish Mody as son-in-law.
- The company is in compliance with all the mandatory requirements of clause 49 of the listing agreement. The status on adoption of non-mandatory requirement is set out in this report.

8. MEANS OF COMMUNICATION

The quarterly results are generally published in Business Standard and Sakal, and also displayed on the company's website www.jbcpl.com. The official news releases are also displayed on the company's website. During the year, the company has not made any presentation to analysts.

9. GENERAL SHAREHOLDER INFORMATION

AGM: Date, Time and Venue	August 14, 2013 at 3.30 p.m. at Rama Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.
Date of Book Closure	August 3, 2013 to August 14, 2013 (both days inclusive).
Dividend Payment Date	August 23, 2013.
Financial year	April to March.
Listing on Stock Exchanges	-Bombay Stock Exchange Limited -National Stock Exchange of India Limited The company has paid the annual listing fees for the period 1 st April, 2013 to 31 st March, 2014 to both the stock exchanges.
Stock Code	BSE: 506943 NSE: JBCHEPHARM
ISIN	The ISIN no. for dematerialization of the company's shares with NSDL and CDSL is INE572A01028.
Market Price Data	Annexure A.
Performance in comparison to BSE Sensex	Annexure B.
Registrar and Share Transfer Agents	Datamatics Financial Services Ltd. Plot No. B-5, Part B, Cross Lane, M.I.D.C., Andheri (E), Mumbai - 400 093. Tel. No.: (022) 66712151 - 56 Fax No.: (022) 28320382 Email: corpequity@dfssl.com
Share Transfer System	The share transfer committee comprising of four members of the board meets regularly to consider and approve transfer of shares.
Distribution of Shareholding as on 31-03-2013.	Annexure C.
Shareholding pattern	Annexure D.
Dematerialization of shares	Annexure E.
Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity.	The company has not issued any GDRs/ADRs/warrants or any other convertible instrument.

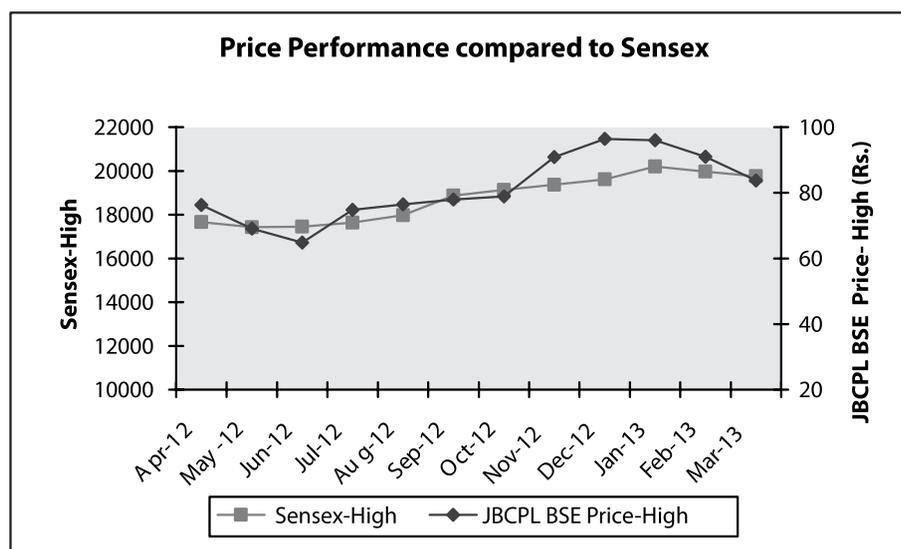
CORPORATE GOVERNANCE REPORT (CONTD..)

Plant Locations	<ul style="list-style-type: none"> - Plot No. 215 to 219, 304 to 310 and 4 & 5, Phase IV, GIDC Industrial Area, Panoli 394 116, Gujarat. - Plot No.128/1, 128/1/1, 128/2, 129/1 & 129/B1, GIDC Industrial Area, Ankleshwar 393 002, Gujarat. - Survey No. 101/2 & 102/1, Daman Industrial Estate, Airport Road, Kadaiya, Daman 396 210.
Address for correspondence	<p>Neelam Centre, 'B' Wing, 4th Floor, Hind Cycle Road, Worli, Mumbai - 400 030. Tel. No. (022) 3045 1200/500 Fax No. (022) 2493 0534 / 2493 9633 E-mail: secretarial@jbcpl.com The investors may register their grievance on investorelations@jbcpl.com, an exclusive e-mail ID for registration of complaints by the investors.</p>

Annexure A

The high and low prices of the company's equity shares (of face value of ₹ 2 each) on Bombay Stock Exchange Limited (BSE) and on National Stock Exchange of India Limited (NSE) during each month in the financial year 2012-13 were as under.

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2012	76.30	62.00	76.00	55.85
May, 2012	69.05	59.00	69.90	59.85
June, 2012	64.80	60.05	65.00	59.40
July, 2012	74.85	63.00	74.80	63.15
August, 2012	76.50	64.10	76.60	65.00
September, 2012	77.95	64.30	78.75	65.15
October, 2012	78.85	67.20	78.85	67.50
November, 2012	90.90	69.05	90.90	68.50
December, 2012	96.40	70.95	96.40	83.00
January, 2013	96.00	83.00	95.70	83.50
February, 2013	91.00	79.55	91.00	80.00
March, 2013	83.75	70.30	84.00	71.00

Annexure B

CORPORATE GOVERNANCE REPORT (CONTD..)

Annexure C

Distribution of shareholding as on March 31, 2013 is as under.

Range of equity shares held	No. of holders	% of shareholders	No. of equity shares held	% of capital
Upto 500	26,902	77.70	42,83,924	5.06
501 – 1000	3,221	9.30	26,92,725	3.18
1001 – 2000	2,284	6.60	35,87,094	4.23
2001 – 3000	1,015	2.93	26,16,856	3.09
3001 – 4000	336	0.97	12,01,592	1.42
4001 – 5000	255	0.74	12,06,609	1.42
5001 – 10000	322	0.93	23,11,299	2.73
10001 – 50000	223	0.64	43,56,827	5.14
50001 and above	65	0.19	6,24,50,374	73.73
Total	34,623	100.00	8,47,07,300	100.00

Annexure D

Shareholding pattern as on March 31, 2013 is as under.

Category	No. of shares	% holding
Promoters & Promoters Group	4,73,26,197	55.87
Other Directors & their relatives	4,69,315	0.55
Mutual Funds, Banks & Insurance Companies	20,49,297	2.42
Foreign Institutional Investors/OCB	16,77,248	1.98
NRIs	11,11,238	1.31
Domestic companies	26,98,433	3.18
Resident individuals	2,93,75,572	34.69
Total	8,47,07,300	100.00

Annexure E

The position as to dematerialization of shares as on March 31, 2013 is as under.

Category	No. of shares	% of shares	No. of Shareholders	% of Shareholders
Electronic Form	8,28,50,834	97.81	33,066	95.50
Physical Form	18,56,466	2.19	1,557	4.50
Total	8,47,07,300	100.00	34,623	100.00

Non-Mandatory Requirements

- **The Board**

The chairman of the company is executive and hence the provision with regard to maintenance of chairman's office as contained in the non-mandatory requirement is not relevant. All independent directors significantly contribute to the deliberation of the board and direction of the company irrespective of duration of their tenure. The non-mandatory condition that independent directors may have a tenure not exceeding, in the aggregate, a period of nine years, on the board of a company will be considered when deemed fit by the board of the company. The board takes into account qualification and experience of independent director, which would be of use to the company and which would enable him to contribute to the company in his capacity as independent director.

- **Remuneration Committee**

The company has set up Remuneration Committee comprising of three independent directors, which determines remuneration payable to the executive directors of the company.

CORPORATE GOVERNANCE REPORT (CONTD..)

- **Shareholders rights**

The half yearly financial results are published in the news papers as mentioned above as well as posted on the company's website. The significant events, if any, too are posted on the company's website. In view of this, the same is not separately sent to the shareholders.

- **Training and Evaluation**

The training of board members and evaluation of performance of non-executive directors as envisaged under clause 49 of the listing agreement will be considered as and when such need arises.

- **Whistle Blower Policy**

The company at present has not established formal whistle blower policy mechanism. However, the management and audit committee do not deny access to any employee.

DECLARATION

I hereby declare that the directors and senior management personnel including all functional heads of the company have affirmed compliance with the code of conduct, for the year ended on March 31, 2013.

For and on behalf of the board of directors

Place : Mumbai
Date : May 24, 2013

J. B. Mody
Chairman & Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

J. B. Chemicals & Pharmaceuticals Ltd.

We have examined the compliance of conditions of corporate governance by J. B. Chemicals & Pharmaceuticals Ltd., for the year ended on 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions 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, 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 to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **J. K. SHAH & CO.**
Chartered Accountants
Firm Registration No.: 109606W

Place : Mumbai
Date : May 24, 2013

J. K. SHAH
Partner
M. No. 3662

INDEPENDENT AUDITORS' REPORT

**To,
The Members of
J. B. CHEMICALS & PHARMACEUTICALS LIMITED**

Report on Financial Statements

We have audited the accompanying financial statements of J. B. CHEMICALS & PHARMACEUTICALS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon 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:

- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Matters

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representation received from the directors, as on 31st March, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **J. K. Shah & Co.**
Chartered Accountants
Firm Registration No : 109606W

Place : Mumbai
Date : May 24, 2013.

J. K. Shah
Partner
Membership No: 3662

ANNEXURE TO THE AUDITORS' REPORT

**To,
The Members of
J. B. CHEMICALS & PHARMACEUTICALS LIMITED
for the period ended 31st March, 2013**

- 1) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) These fixed assets have been physically verified by the management at regular interval considering the size of the company and nature of assets. No material discrepancies have been noticed on such verification.
- c) No disposal of a substantial part of fixed assets of the company has taken place during the year.
- 2) a) As explained to us, the inventories were physically verified by the management at reasonable intervals during the year.
- b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion and according to the information and explanation given to us, the company has maintained proper records of its inventories and the discrepancies noticed on physical verification between physical stock and the book records were not material and have been adequately dealt with in the books of account.
- 3) a) According to information and explanation given to us, the company has, during the year, not granted any loan secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4 (iii) (a), (b), (c) and (d) of the Order, are not applicable.
- b) According to information and explanation given to us, the company had, taken unsecured loans from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The year end balance is Rs. 105.00 Lacs and the maximum amount involved at any time during the year is Rs. 150.00 Lacs. The rate of interest and other terms and conditions are not prima-facie prejudicial to the interest of the company. The payment of principal amount and interest are also regular.
- 4) The company has adequate internal control procedure commensurate with the size of the company and nature of its business with regard to purchase of inventories and fixed assets and for sale of goods and services. We have not come across any major weakness in internal control.
- 5) a) To the best of our knowledge and belief, and according to information and explanation given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.
- b) The transaction of purchase of goods and material and sale of goods, material and services, made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Act and exceeding the value of rupees five lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanation given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Act and rules framed thereunder, with regard to the deposits accepted from the public.
- 7) The company has appointed a firm of Chartered Accountants to carry out its internal audit function. In our opinion, the internal audit system is commensurate with the size of the company and nature of its business.
- 8) We have broadly reviewed the books of account maintained by the company, pursuant to the rules made by the Central Government for the maintenance of cost records, under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have generally been maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- 9) a) According to the records of the company, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities. According to the information and explanation given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2013 for a period of more than six months from the day they became payable.
- b) According to information and explanation given to us, details of disputed Sales Tax demand aggregating that have not been deposited on account of disputes are given below:

Name of Statute	Nature of Dues	Amount (Rs. In lacs)	Period to which amount relates	Forum where dispute pending
The UP Sales Tax Act	Sales Tax	0.25	1992-1993	Supreme Court of India
The Kerala VAT Rules, 2005.	VAT Tax	5.59	2009-2010	VAT Appellate Tribunal
Central Excise Act, 1944	Excise Duty Penalty	8.07 8.07	May 2001 Nov 2001	CESTAT

ANNEXURE TO THE AUDITOR'S REPORT (CONTD..)

- 10) The company has no accumulated losses and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- 11) The company has not defaulted in repayment of dues to any Banks.
- 12) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- 13) The provisions of any Special Statue applicable to Chit Funds, Nidhis or Mutual Benefit Funds / Societies are not applicable to the company.
- 14) The company is not dealing in or trading in shares, securities, debentures, or other investments and hence, requirement of paragraph 4(xiv) are not applicable to the company.
- 15) According to the information and explanation given to us, the company has not given any guarantee for loans taken by the others from the Banks and Financial Institutions.
- 16) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purpose for which they have been obtained.
- 17) According to the Cash Flow Statement and other records examined by us and on the basis of information and explanation given to us, on an overall basis, funds raised on Short Term basis have, prima facie, not been used during the year for Long Term investment.
- 18) During the year, the company has not issued and allotted any shares to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956.
- 19) Since the company does not have any debentures, the question of creation of securities for debentures does not arise.
- 20) Since the company has not raised money by Public Issue, clause (xx) of the Order is not applicable.
- 21) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

For **J. K. Shah & Co.**
Chartered Accountants
Firm Registration No : 109606W

J. K. Shah
Partner
Membership No: 3662

Place : Mumbai
Date : May 24, 2013.

BALANCE SHEET AS AT MARCH 31, 2013

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2013		As at March 31, 2012	
EQUITY AND LIABILITIES					
Shareholders' funds					
(a) Share capital	2	1,694.15	100,900.18	1,694.15	95,386.32
(b) Reserves and surplus	3	99,206.03		93,692.17	
Non-current liabilities					
(a) Long-term borrowings	4	724.26	3,744.57	1,152.17	3,634.70
(b) Deferred tax liabilities (Net)	5	2,197.49		1,655.69	
(c) Long-term provisions	6	822.82		826.84	
Current liabilities					
(a) Short-term borrowings	7	3,677.35	22,637.66	5,522.65	18,250.69
(b) Trade payables	8	5,176.14		3,353.77	
(c) Other current liabilities	9	9,840.87		7,669.74	
(d) Short-term provisions	10	3,943.30		1,704.53	
TOTAL				127,282.41	
ASSETS					
Non-current assets					
(a) Fixed assets			35,243.79		33,137.80
(i) Tangible assets	11	29,249.48		24,020.73	
(ii) Intangible assets	11	187.16		80.25	
(iii) Capital work-in-progress		472.98		3,891.83	
(iv) Realisable value of Impaired Assets		7.72		7.72	
(b) Non-current investments	12	3,897.98	3,878.98		
(c) Long-term loans and advances	13	1,428.47	1,258.29		
(d) Other non-current assets	14	–	–		
Current assets					
(a) Current investments	15	39,467.80	92,038.62	29,892.18	84,133.91
(b) Inventories	16	8,988.92		9,079.85	
(c) Trade receivables	17	19,464.31		13,120.82	
(d) Cash and cash equivalents	18	14,910.99		21,136.24	
(e) Short-term loans and advances	19	9,206.60		10,904.82	
TOTAL			127,282.41		117,271.71
Significant Accounting Policies and Notes on Financial Statements	1 to 50				

As per our report of even date

For J. K. Shah & Co.

Chartered Accountants
Firm Registration No. 109606W

J. K. Shah

Partner
Membership No. 3662

Place : Mumbai

Date : May 24, 2013

For and on behalf of the Board of Directors

J. B. Mody

Chairman & Managing Director

S. B. Mody

Whole time director (Marketing)

Place : Mumbai

Date : May 24, 2013

D. B. Mody

Whole time director
(Administration)

M. C. Mehta

Company Secretary

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2013

(₹ in lakhs)

Particulars	Note No.	2012-2013	2011-2012
Income:			
Revenue from Operations	20	82,676.46	69,380.63
Less: Excise Duty		1,034.21	738.50
Revenue from Operations (Net)		81,642.25	68,642.13
Other income	21	2,596.07	2,851.19
Total Revenue		84,238.32	71,493.32
Expenses:			
Cost of materials consumed	22	26,190.38	20,320.53
Purchases of stock-in-trade		7,155.17	6,999.76
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	480.97	(547.18)
Employee benefits expense	24	12,012.87	10,131.32
Finance costs	25	524.18	2,177.69
Depreciation and amortization expense	11	2,439.58	2,230.40
Other expenses	26	24,660.70	25,317.90
Total Expenses		73,463.85	66,630.42
Profit Before Exceptional and Extraordinary Item and Tax		10,774.47	4,862.90
Exceptional Item : Profit on sale of OTC Business Undertaking in Russia - CIS Countries		-	76,059.34
Profit Before Tax		10,774.47	80,922.24
Tax expense:			
(1) Current tax		2,170.00	16,550.00
Less: Mat Credit Entitlement		434.00	-
Net Current Tax		1,736.00	16,550.00
(2) Deferred tax		541.80	212.07
(3) MAT Credit of earlier years		2.82	(109.77)
Profit for the Year		8,493.85	64,269.94
Earning per equity share			
(1) Basic		10.03	75.95
(2) Diluted		10.03	75.95
Significant Accounting Policies and Notes on Financial Statements	1 to 50		

As per our report of even date

For J. K. Shah & Co.
Chartered Accountants
Firm Registration No. 109606W

J. K. Shah
Partner
Membership No. 3662

Place : Mumbai
Date : May 24, 2013

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

S. B. Mody
Whole time director (Marketing)

Place : Mumbai
Date : May 24, 2013

D. B. Mody
Whole time director
(Administration)

M. C. Mehta
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2013

(₹ in lakhs)

Particulars	2012-2013		2011-2012	
A. Cash Flow from Operating Activities				
Net Profit before Tax and Extraordinary items		10,774.47		80,922.24
Adjustment For :				
Depreciation	2,439.58		2,230.40	
Foreign Exchange Fluctuation (Net)	(768.83)		1,815.87	
Interest Paid	408.03		1,253.80	
(Profit)/ Loss on Sale/Discard of Assets (Net)	2.72		(97.21)	
(Profit)/ Loss on Sale of Investments (Net)	(2,294.42)		(180.52)	
Bad Debts	-		213.26	
Interest Received	(214.48)		(826.41)	
Dividend Received	(246.65)		(4,243.63)	
Reversal of Deferred Employee Compensation	(6.89)		(5.12)	
Loss of Investment on winding up of subsidiary	-		191.35	
Provision for doubtful debts	84.65		-	
Provision for diminution in value of investment	-		(0.40)	
		(596.29)		351.39
Operating Profit Before Working Capital Changes		10,178.18		81,273.63
Adjustment For:				
Trade and Other Receivables	(4,092.07)		17,866.25	
Inventories	90.93		(901.63)	
Trade Payable	4,067.70		3,292.92	
		66.56		20,257.54
Cash Generated From Operations		10,244.74		101,531.17
Direct Taxes Paid (net)		(2,156.84)		(16,451.41)
Net Cash from Operating Activities		8,087.90		85,079.76
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(4,599.17)		(8,002.13)	
Sale of Fixed Assets	240.06		762.85	
Purchase of Investment	(60,200.23)		(1,71,755.03)	
Sale of Investment	52,900.02		1,50,302.28	
Interest Received	239.35		862.28	
Dividend Received	246.65		4,243.63	
Net Cash used in Investing Activities		(11,173.32)		(23,586.12)
C. Cash Flow from Financing Activities				
Proceeds from issue of /shares under ESOP (including Securities Premium)	-		157.83	
Proceeds/(Repayment) from/of Short Term Borrowing (Net)	(1,700.06)		(8,739.32)	
Proceeds/(Repayment) from/of Long Term Borrowing (Net)	(19.78)		(1,508.63)	
Interest Paid	(421.39)		(1,341.38)	
Dividend Paid (Including Dividend Distribution Tax)	(998.60)		(41,217.67)	
Net Cash Used in Financing Activities		(3,139.83)		(52,649.17)
Net Increase in Cash and Cash Equivalents		(6,225.25)		8,844.47
Cash And Cash Equivalents as at 01.04.12	21,136.24		12,291.77	
Cash And Cash Equivalents as at 31.03.13 (Refer Note No.2)	14,910.99	(6,225.25)	21,136.24	8,844.47

Notes :

- The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on "Cash Flow Statement".
- It includes ₹ 13,757.75 lakhs (Previous year ₹ 16,282.72 lakhs) deposited in Escrow account in terms of Escrow agreement dated 14th July, 2011, entered into with Cilag GmbH International in relation to sale of Russia - CIS OTC business undertaking.
- Balance with banks include ₹ 70.50 lakhs (Previous year Nil) being deposits under lien.
- Previous year's figures are re-grouped / re-classified wherever necessary in order to conform to current years' groupings and classifications.

As per our report of even date

For J. K. Shah & Co.
Chartered Accountants
Firm Registration No. 109606W

J. K. Shah
Partner
Membership No. 3662

Place : Mumbai
Date : May 24, 2013

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

S. B. Mody
Whole time director (Marketing)

Place : Mumbai
Date : May 24, 2013

D. B. Mody
Whole time director
(Administration)

M. C. Mehta
Company Secretary

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of accounting

The Financial statements are prepared on mercantile basis under the historical cost convention in accordance with the generally accepted accounting principles in India, Accounting Standards notified under sub-section (3C) of section 211 of the Companies Act, 1956 and the other relevant provisions of the Companies Act, 1956.

1.2. Revenue recognition

All revenue and expenses are accounted for on accrual basis. Revenue is recognized when no significant uncertainties exist in relation to the amount of eventual receipt.

1.3. Fixed assets

Fixed Assets are stated at cost of acquisition and includes other direct / indirect and incidental expenses incurred to put them into use but excludes CENVAT availed on such assets. Whenever the cost of the fixed asset is met under the specific contract by third party, the same is reduced from the cost of the respective fixed asset.

All indirect expenses incurred during project implementation and on trial run are treated as incidental expenditure during construction and capitalized.

1.4. Depreciation

Depreciation is provided on Straight Line Method at the rates and on the basis specified in Schedule XIV to the Companies Act, 1956. Premium paid for leasehold land is amortized over the lease period.

1.5. Intangibles

Intangible assets are stated at costs less accumulated amortization.

Intangible assets are amortized over a period of 3 years.

1.6. Impairment of assets

Where there is an indication that an asset is impaired, the recoverable amount, if any, is estimated and the impairment loss is recognized to the extent carrying amount exceeds recoverable amount.

1.7. Provisions and contingencies

The company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or present obligation that probably will not require an outflow

of resources or where reliable estimate of the amount of the obligation cannot be made.

1.8. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined on the basis of Moving Weighted Average method. The cost of work in progress (other than those lying at third party manufacturing site which is valued at material cost) and finished goods comprise direct material, direct labour, other direct cost and related production overheads.

Stores are written off in the year of purchase.

1.9. Investments

Investments, which are Long Term in nature, are stated at cost of acquisition with provision where necessary for diminution, other than temporary, in the value of investments. Current investments are carried at lower of cost and quoted/fair price, computed category wise.

1.10. Employee benefit

1.10.1 Short Term Employee Benefits

Short term employee benefits are recognized in the period during which the services have been rendered.

1.10.2 Long Term Employee Benefits:

a. Provident Fund, Family pension Fund & Employees' State Insurance Scheme:

As per the Employees Provident Funds and Miscellaneous Provisions Act, 1952 all employees of the company are entitled to receive benefits under the provident fund & family pension fund which is a defined contribution plan. These contributions are made to the fund administrated and managed by Government of India. In addition, some employees of the company are covered under Employees' State Insurance Scheme Act 1948, which are also defined contribution schemes recognized and administrated by Government of India.

The company's contributions to these schemes are recognized as expense in profit and loss account during the period in which the employee renders the related service. The company has no further obligation under these plans beyond its monthly contributions.

b. Superannuation Plan:

Some employees of the company are entitled to superannuation, a defined contribution plan which is administrated through Life Insurance Corporation of India ("LIC"). Superannuation benefits are recognized in the Profit and loss account.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 (CONTD..)

c. Leave Encashment:

The company provides for the liability at year end on account of unavailed earned leave as per the actuarial valuation.

d. Gratuity:

The company provides for gratuity obligations through a Defined benefits Retirement plan ('the Gratuity Plan') covering all employees. The present value of the obligation under such Defined benefits plan is determined based on actuarial valuation using the Project Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up final obligation. The obligation is measured at the present value of the estimated cash flows. The discount rate used for determining the present value of the defined obligation under defined benefit plan, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized in profit and loss account as and when determined.

The company makes annual contribution to LIC for the gratuity plan in respect of all the employees.

1.11. Foreign currency transaction

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities at the balance sheet date are translated at the exchange rate prevailing on the date of balance sheet. Exchange rate differences resulting from foreign exchange transactions settled during the period including year-end translation of assets and liabilities are recognized in the Profit and loss account.

In case of forward exchange contracts or any other financial instruments that is in substance a forward exchange contract to hedge the foreign currency risk which is on account of firm commitment and/or is a highly probable forecast transaction, the premium or discount arising at the inception of the contract is amortized as expense or income over the life of contract.

Gain/Loss on settlement of transaction arising on cancellation or renewal of such a forward exchange contract is recognized as income or expense for the period.

1.12. Leases

Leases wherein a significant portion of the risks and reward of ownership are retained by the lessor are classified as Operating Leases. Lease rentals in respect of such leases are charged to the Profit and loss account.

1.13. Research and development

Revenue expenditure on Research and Development is charged to the profits of the year in which it is incurred.

Capital expenditure on Research and Development is treated as Fixed Assets.

1.14. Borrowing cost

Borrowing Costs directly attributed to the acquisition of fixed assets are capitalized as a part of the cost of asset upto the date the asset is put to use. Other Borrowing Costs are charged to the profit and loss account in the year in which they are incurred.

1.15. Income tax

- a. Tax expenses comprise of current and deferred tax.
- b. Provision for current income tax is made on the basis of relevant provisions of the Income Tax Act, 1961 as applicable to the financial year.
- c. Deferred Tax is recognized subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- d. Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period.

1.16. Employee stock option plan

The accounting value of stock options representing the excess of the market price over the exercise price of the shares granted under "Employees Stock Option Scheme" of the company, is amortized on straight line basis over the vesting period as "deferred Employees Compensation" in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

2. SHARE CAPITAL

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
Authorised :		
10,00,00,000 (Previous year 10,00,00,000) Equity Shares of ₹ 2/- each	2,000.00	2,000.00
Issued, Subscribed & Paid up :		
8,47,07,300 (Previous year 8,47,07,300) Equity Shares of ₹ 2/- each fully paid	1,694.15	1,694.15
Total	1,694.15	1,694.15

2.1 Reconciliation of the shares outstanding and amount of Share Capital

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	(₹ in lakhs)	Number	(₹ in lakhs)
Shares outstanding at the beginning of the year	8,47,07,300	1,694.15	8,45,16,825	1,690.34
Shares Issued during the year pursuant to Employees Stock Options Scheme	-	-	190,475	3.81
Shares outstanding at the end of the year	8,47,07,300	1,694.15	8,47,07,300	1,694.15

2.2 The company has only one class of issued shares having par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share.

2.3 Details of Shareholders holding more than 5% shares.

Name of Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jyotindra Mody Holdings Pvt. Ltd.	74,66,242	8.81	63,11,325	7.45
Dinesh Mody Securities Pvt. Ltd.	70,55,326	8.33	59,00,410	6.97
Shirish B. Mody Investments Pvt. Ltd.	65,30,601	7.71	53,75,685	6.35
Ansuya Mody Securities Pvt. Ltd.	72,34,882	8.54	60,79,965	7.18
Kumud Mody Securities Pvt. Ltd.	71,81,232	8.48	60,26,315	7.11
Bharati S. Mody Investments Pvt. Ltd.	78,73,987	9.30	67,19,070	7.93
Unique Pharmaceutical Laboratories Ltd.	-	-	44,82,390	5.29
Ashish Dhawan	77,73,672	9.18	77,61,262	9.16

2.4 Shares reserved for issue under ESOP

In the year 2004, the company has instituted the Employees Stock Option Scheme, under which 25,00,000 equity shares of ₹ 2 each have been reserved. Under the Scheme, the options are granted at an amount equal to ninety five percent of the average daily closing price of the shares of the company's share quoted on National Stock Exchange of India Ltd. during the period of twelve weeks preceding the date of grant. These options vest in four equal instalments and subject to other provisions of the Scheme, are exercisable within a period of five years from the respective date of vesting.

The activity in the said ESOP Scheme during the last two years was as under:

Particulars	As at March 31, 2013	As at March 31, 2012
Options outstanding at the beginning of the period	5,20,925	7,90,525
Less: Exercised	-	1,90,475
Lapsed	1,84,350	791,25
Options outstanding at the end of the period	3,36,575	5,20,925

On exercise of options during the year, the company received aggregate exercise price of ₹ Nil (Previous year ₹157.83 lakhs).

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

3. RESERVES & SURPLUS

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
a. Capital Reserves (transferred from amalgamating company) :		
Investment allowance Reserve (utilised)	34.86	34.86
Capital Reserve	63.53	63.53
Cash Subsidy	1.98	1.98
	100.37	100.37
b. Capital Reserve	4.21	4.21
c. Cash Subsidy	85.66	85.66
d. Contingency Reserve :		
Opening Balance	2,020.00	520.00
Add: Transfer from Statement of Profit & Loss	–	1,500.00
Closing Balance	2,020.00	2,020.00
e. Securities Premium Reserve :		
Opening Balance	4,845.60	4,681.83
Add : Securities premium credited on shares issued under ESOP	–	163.77
Closing Balance	4,845.60	4,845.60
f. Share Options Outstanding Account:		
Opening Balance	17.96	32.83
Less: Amortised during the year	6.89	14.87
Closing Balance	11.07	17.96
g. General Reserve :		
Opening Balance	46,746.92	40,319.93
Add: Transfer from Statement of Profit & Loss	849.39	6,426.99
Closing Balance	47,596.31	46,746.92
h. Surplus in the statement of Profit & Loss :		
Opening balance	39,871.45	23,893.10
Add : Profit for the year	8,493.85	64,269.94
Less : Interim Dividend	–	33,881.92
Tax on Interim Dividend	–	5,496.49
Final Dividend	–	848.53
Tax on Final Dividend	–	137.66
Proposed Dividend	2,541.22	–
Tax on Proposed Dividend	431.88	–
Transfer to Contingency Reserve	–	1,500.00
Transfer to General Reserve	849.39	6,426.99
Closing Balance	44,542.81	39,871.45
Total	99,206.03	93,692.17

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

4. LONG TERM BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
Secured		
Term loans		
– Vehicle loans from banks	21.76	40.27
	21.76	40.27
Unsecured		
Fixed Deposit from Public & Shareholders	702.50	1,071.90
Inter Corporate Deposit	–	40.00
	702.50	1,111.90
Total	724.26	1,152.17

Terms of Repayment

4. 1 Vehicle loans are secured by hypothecation of vehicles and same is repayable in sixty equivated monthly instalments inclusive of interest on reducing balance.
4. 2 i) Maturity profile and rate of interest of fixed deposit from public and shareholders are as set out below:

(₹ in lakhs)

Rate of Interest	Maturity Profile	
	2014-2015	2015-2016
9%	0.05	–
10%	539.89	162.56

- ii) Fixed Deposit amount includes ₹ 462.46 lakhs (Previous year ₹ 805.40 lakhs) from related parties (refer note no. 36).

5. DEFERRED TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
Deferred Tax Assets		
Retirement Benefits	357.88	312.99
Others	92.29	93.58
Total	450.17	406.57
Deferred Tax Liability		
Depreciation	2,647.66	2,062.26
	2,647.66	2,062.26
Total	2,197.49	1,655.69

6. LONG TERM PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for Employee Benefits		
Gratuity	654.85	686.10
Leave Encashment	167.97	140.74
Total	822.82	826.84

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

7. SHORT TERM BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
Secured		
Working Capital Loans from Banks #		
(a) Foreign currency loans	2,715.00	2,600.00
(b) Rupee Loans	608.80	–
	3,323.80	2,600.00
Unsecured		
(a) Foreign currency loans from Bank	–	1,469.60
(b) Interest free advance from Directors	1.50	1.50
(c) Deposit from Distributors / Customers	247.05	247.05
(d) Inter Corporate Deposits from related parties	105.00	1,204.50
	353.55	2,922.65
Total	3,677.35	5,522.65

Working capital borrowings from the banks are secured by first charge on pari passu basis by way of hypothecation of company's current assets both present and future and by way of joint equitable mortgage of company's immovable properties situated at Thane and Belapur in the state of Maharashtra, Ankleshwar & Panoli (except for movable fixed assets located at plot no. 4, GIDC Phase IV, Panoli, Gujarat) in the state of Gujarat and Daman in the Union Territory of Daman.

8. TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
Payable to Micro, Small and Medium Enterprises	174.47	101.25
Payable to Others	5,001.67	3,252.52
Total	5,176.14	3,353.77

8.1 The details of amount outstanding to Micro, Small and Medium Enterprise based on available information with the company is as under:

Particulars	As at March 31, 2013	As at March 31, 2012
(a) The Principal amount and the interest due thereon remaining unpaid to suppliers		
(i) Principal	–	–
(ii) Interest due thereon	–	–
(b) (i) The delayed payments of principal amount paid beyond the appointed date during the entire accounting year *	1,056.31	792.63
(ii) Interest actually paid under section 16 of the Micro, Small and Medium Enterprise Development Act, 2006	–	–
(c) (i) Normal interest accrued during the year, for all the delayed payments, as per the agreed terms	21.17	13.72
(ii) Normal interest payable for the period of delay in making payments as per agreed terms	21.17	13.72
(d) (i) Total interest accrued during the year	21.17	13.72
(ii) Total interest accrued during the year and remaining unpaid	21.17	13.72

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

* The delayed payment has been computed having regard to specified credit period of 45 days under MSME Act. However, there is no delay in terms of agreed credit terms with these suppliers.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

9. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
(a) <u>Current maturities of long-term debt</u>		
Vehicle Loan (Refer Note No. 4.1)	11.81	13.08
Sales Tax Deferral	-	16.34
Fixed Deposit from Public & Shareholders #	506.94	292.36
Inter Corporate Deposit	40.00	-
(b) Interest accrued but not due on borrowings	101.35	114.71
(c) Unclaimed Dividends @	163.20	177.31
(d) Unclaimed Matured Deposits @	0.55	0.65
(e) Advance from Customers	117.98	187.76
(f) Other Payable	7,306.20	6,164.45
(g) Creditors for capital expenditure	1,434.48	702.98
(h) Outstanding Purchase Consideration (Undischarged liabilities of vendors)	0.10	0.10
(i) Bank overdrawn as per books	158.26	-
Total	9,840.87	7,669.74

Fixed Deposit amount includes ₹ 308.40 lakhs (Previous year ₹ 82.96 lakhs) from related parties (refer note no. 36).

@ There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

10. SHORT TERM PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Provision for employee benefits		
Gratuity	858.11	617.96
Leave Encashment	112.09	102.08
(b) Others		
Proposed Dividend	2,541.22	847.07
Tax on Proposed Dividend	431.88	137.42
Total	3,943.30	1,704.53

11. TANGIBLE AND INTANGIBLE ASSETS

(₹ in lakhs)

Sr. No.	Fixed Assets	Gross Block			Accumulated Depreciation				Net Block		
		As at 1 st April 2012	Additions	Disposals	As at 31 st March 2013	As at 1 st April 2012	Depreciation charge for the year	On disposals	As at 31 st March 2013	As at 31 st March 2013	As at 31 st March 2012
A	Tangible Assets:										
	Land (Freehold)	59.34	-	-	59.34	-	-	-	-	59.34	59.34
	Land (Leasehold)	830.16	-	-	830.16	70.17	8.07	-	78.24	751.92	759.99
	Factory Buildings	9,655.16	959.64	-	10,614.80	2,687.83	335.88	-	3,023.71	7,591.09	6,967.33
	Other Buildings (Note 1)	672.01	-	10.82	661.19	143.80	10.93	3.58	151.15	510.04	528.21
	Plant & Equipment	24,365.47	5,961.55	198.20	30,128.82	11,515.74	1,588.86	18.05	13,086.55	17,042.27	12,849.73
	Furniture & Fixtures	1,096.22	45.95	-	1,142.17	622.24	52.69	-	674.93	467.24	473.98
	Vehicles	1,096.68	230.03	206.98	1,119.73	474.47	101.16	155.18	420.45	699.28	622.21
	Office Equipment	1,674.09	138.48	5.77	1,806.80	1,150.17	139.89	2.18	1,287.88	518.92	523.92
	Airconditioners	2,174.98	523.37	-	2,698.35	938.96	150.01	-	1,088.97	1,609.38	1,236.02
	Total	41,624.11	7,859.02	421.77	49,061.36	17,603.38	2,387.49	178.99	19,811.88	29,249.48	24,020.73
B	Intangible Assets:										
	Trade Marks	3.67	-	-	3.67	1.28	1.22	-	2.50	1.17	2.39
	Computer Software	478.07	159.00	-	637.07	400.21	50.87	-	451.08	185.99	77.86
	Total	481.74	159.00	-	640.74	401.49	52.09	-	453.58	187.16	80.25
	Grand Total	42,105.85	8,018.02	421.77	49,702.10	18,004.87	2,439.58	178.99	20,265.46	29,436.64	24,100.98
	Previous year's Total	38,676.23	4,477.18	1,047.56	42,105.85	16,156.69	2,230.40	382.22	18,004.87	24,100.98	22,519.54

Notes :

- Value of buildings includes a sum of Rs.3000/- being the cost of shares in the societies.
- No depreciation has been claimed on assets to the extent of CENVAT claimed.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

12. NON CURRENT INVESTMENTS

(Long Term Investment) (At Cost)

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
A Trade Investments		
Equity Shares		
<u>Unquoted :</u>		
<u>In Subsidiary Companies :</u>		
Investment in OOO Unique Pharmaceutical Laboratories, Russia (No. of shares are not denominated as per Law of Russian Federation)	1,250.30	1,250.30
52,16,100 (Previous year 52,16,100) Ordinary shares of US \$ 1 each of J. B. Healthcare Pvt. Ltd., Jersey	2,322.30	2,322.30
13,986 (Previous year 8,993) Ordinary shares of US \$ 1 each of J. B. Chemicals & Pharmaceuticals Private Limited, Singapore	7.06	4.28
Investment in LLC Unique Pharmaceutical Laboratories, Ukraine (No. of shares are not denominated as per Law of Ukraine)	19.01	2.49
<u>In Other Companies :</u>		
5,866 (Previous year 5,866) Equity Shares of ₹ 10/- each of Bharuch Enviro Infrastructure Ltd.	0.59	0.59
6,12,032 (Previous year 6,12,032) Equity Shares of ₹ 10/- each of Narmada Clean Tech Ltd.	61.20	61.20
Total (A)	3,660.46	3,641.16
B Other Investments		
<u>(a) Equity Shares (Unquoted):</u>		
<u>In Other Companies :</u>		
8,036 (Previous year 8,036) Equity Shares of ₹ 10/- each of J B Life Science Overseas Ltd.	0.80	0.80
20,000 (Previous year 20,000) Equity Shares of Enviro Technology Ltd. of ₹ 10/- each	2.00	2.00
60,000 (Previous year 60,000) Equity Shares of Panoli Enviro Technology Ltd. of ₹ 10/- each	6.00	6.00
20,00,000 (Previous year 20,00,000) Equity Shares of ₹ 10/- each of Asian Heart Institute & Research Centre Pvt. Ltd.	200.00	200.00
2,40,000 (Previous year 2,40,000) Equity Shares of ₹ 10/- each of Raptim Research Ltd.	24.00	24.00
50,000 (Previous year 50,000) Equity Shares of ₹ 10/- each of Ankleshwar Research & Analytical Infrastructure Ltd.	5.00	5.00
<u>(b) Government Securities:</u>		
National Saving Certificates (Pledged with Government Authorities)	0.51	0.61
<u>(c) Debentures and Bonds (Unquoted):</u>		
126 (Previous year 126) Units of ₹ 10/- each of Unit Trust of India	0.01	0.01
Nil (Previous year 2,000) Bonds of Rural Electrification Corporation of ₹ 10/- each	-	0.20
Total (B)	238.32	238.62
Total (A + B)	3,898.78	3,879.78
Less : Provision for diminution in the value of Investments	0.80	0.80
Total	3,897.98	3,878.98

Particulars	As at March 31, 2013	As at March 31, 2012
Aggregate amount of quoted investments	-	-
Market Value of quoted investments	-	-
Aggregate amount of unquoted investments	3,898.78	3,879.78
Aggregate amount of provision for diminution in the value of investments	0.80	0.80

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

13. LONG TERM LOANS & ADVANCES

(Unsecured, Considered good)

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
a) Capital Advances	816.41	561.64
b) Security Deposits	482.94	555.85
c) Other loans and advances		
Advances to Employees @	118.79	130.56
Other Advances	10.33	10.24
Total	1,428.47	1,258.29

@ Advance to employees includes loan to a director ₹ Nil (Previous year ₹ 3.30 lakhs).

14. OTHER NON CURRENT ASSET

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
Trade Receivables		
Unsecured Considered Doubtful	10.04	-
Less: Provision for Doubtful Debts	10.04	-
Total	-	-

15. CURRENT INVESTMENTS

(At lower of cost or market value)

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Investments in Mutual Funds		
Unquoted :		
Nil (Previous year 20,000,000.00) Units of ₹ 10 each of DSP Black Rock FMP-Series 7-12M-Growth-Maturity Date - 30.08.2012	-	2,000.00
33,031,167.395 (Previous year 11,718,112.87) Units of ₹ 10 each of Birla Sun Life Dynamic Bond Fund-Retail-Growth	6,000.00	2,000.00
10,983,201.841 (Previous year 22,162,715.01) Units of ₹ 10 each of IDFC-SSIF-Short term-Plan-C-Growth	1,291.29	2,600.00
Nil (Previous year 52,700,691.00) Units of ₹ 10 each of HDFC FMP 13M September 2011-Growth	-	5,270.07
Nil (Previous year 28,639,353.00) Units of ₹ 10 each of ICICI Prudential MP Series 59-1 Year Plan D Cumulative	-	2,863.94
Nil (Previous year 17,000,000.00) Units of ₹ 10 each of DSP Black Rock FMP-Series 10-12M-Growth-Maturity Date - 20.09.2012	-	1,700.00
Nil (Previous year 15,000,000.00) Units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series DL Growth	-	1,500.00
Nil (Previous year 15,000,000.00) Units of ₹ 10 each of DSP Black Rock FMP-Series 12-12M-Growth-Maturity Date - 24.09.2012	-	1,500.00
Nil (Previous year 15,000,000.00) Units of ₹ 10 each of ICICI Prudential MP Series 59-1 Year Plan E Cumulative	-	1,500.00
Nil (Previous year 24,000,000.00) Units of ₹10 each of Birla Sun Life Fixed Term Plan Series DN Growth	-	2,400.00
Nil (Previous year 30,358,411.406) Units of ₹ 10 each of IDFC Money Manager Fund-Investment Growth Plan-Institutional Plan B	-	5,000.00

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
Nil (Previous year 10,465,113.452) Units of ₹ 10 each of IDFC Money Manager Fund-Treasury C-Growth Plan-Super Institutional Plan	–	1,332.04
Nil (Previous year 110,729.05) Units of ₹ 100 each of Birla Sun Life Savings Fund Institutional -Growth	–	226.13
6,600,000 (Previous year Nil) Units of ₹ 10 each of HDFC FMP 370D May 2012 (3)	660.00	–
14,121,939.474 (Previous year Nil) Units of ₹ 10 each of HDFC High Interest Fund Short Term Plan - Growth	3,051.37	–
13,021,055.072 (Previous year Nil) Units of ₹ 10 each of ICICI Prudential Short Term Plan - Growth	3,000.00	–
10,277,332.185 (Previous year Nil) Units of ₹ 10 each of Birla Sun life Short Term Fund-Growth	4,267.00	–
10,000,000 (Previous year Nil) Units of ₹ 10 each of ICICI Prudential FMP Series 64-367 D Plan L-Growth	1,000.00	–
10,000,000 (Previous year Nil) Units of ₹ 10 each of DSP BlackRock FMP Series 68-12m Growth	1,000.00	–
20,476,362.088 (Previous year Nil) Units of ₹ 10 each of HDFC Short Term Opportunities Fund-Growth	2,500.00	–
5,924,874.237 (Previous year Nil) Units of ₹ 10 each of HDFC Floating Rate Fund Income Fund Short Term Plan-Growth	1,160.97	–
22,556,303.552 (Previous year Nil) Units of ₹ 10 each of IDFC Dynamic Bond Fund-Plan B-Growth	3,000.00	–
32,030,365.63 (Previous year Nil) Units of ₹ 10 each of ICICI Prudential Dynamic Bond Fund-Growth	4,000.00	–
15,000,000 (Previous year Nil) Units of ₹ 10 each of HDFC FMP 371D October 2012 (1)	1,500.00	–
114,459.300 (Previous year Nil) Units of ₹ 10 each of DSP Black Rock strategic bond-Institutional Plan-Growth	1,500.00	–
5,000,000 (Previous year Nil) Units of ₹ 10 each of DSP Black Rock FMP Series 81 12 M-Growth	500.00	–
122,748.477 (Previous year Nil) Units of ₹ 10 each of DSP Black Rock Liquidity Fund-Growth	2,037.17	–
5,000,000 (Previous year Nil) Units of ₹ 10 each of DSP Black Rock Series 13 15 M-Growth	500.00	–
5,000,000 (Previous year Nil) Units of ₹ 10 each of DSP Black Rock Series 84 12 M-Growth	500.00	–
5,000,000 (Previous year Nil) Units of ₹ 10 each of DSP Black Rock Series 87 12 M-Growth	500.00	–
15,000,000 (Previous year Nil) units of ₹ 10 each of IDFC Fixed Term Plan Series 13-Growth	1,500.00	–
Total	39,467.80	29,892.18
Aggregate amount of unquoted investments	39,467.80	29,892.18

16. INVENTORIES

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
Raw materials (stock-in-transit ₹ 3.46, Previous year ₹ 1.77)	2,689.37	2,363.47
Packing Materials	1,461.16	1,409.45
Work-in-progress	962.76	752.27
Finished goods (stock-in-transit ₹ 121.94, Previous year ₹ 50.69)	2,957.43	3,281.91
Stock-in-trade	889.66	1,256.64
Fuel	28.54	16.11
Total	8,988.92	9,079.85

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

17. TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
Outstanding for a period exceeding six months		
Considered Good	784.79	914.27
Considered Doubtful	74.61	-
	859.40	914.27
Less: Provision for Doubtful Debts	74.61	-
	784.79	914.27
Others	18,679.52	12,206.55
Total	19,464.31	13,120.82

18. CASH & CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
a. Balances with banks #	14,557.06	17,705.63
b. Fixed Deposit with banks @	336.20	3372.64
c. Cheques on hand	0.70	37.65
d. Cash on hand	16.45	19.75
e. Post Office Saving Account	0.58	0.57
Total	14,910.99	21,136.24

Includes Unclaimed dividend of ₹ 163.20 lakhs (Previous year ₹ 177.31 lakhs).

Includes ₹ 13,757.75 lakhs (Previous year ₹ 16,282.72 lakhs) deposited in Escrow account in terms of escrow agreement dated 14th July, 2011 entered into with Cilag GmbH International in relation to sale of Russia - CIS OTC business undertaking and worldwide transfer of three trade marks viz. Doktor Mom, Rinza and Fitovit.

@ Fixed Deposit of ₹ 70.50 lakhs (Previous year ₹ 181.00 lakhs) was held as security deposit against Bank Guarantee.

19. SHORT TERM LOANS & ADVANCE

(Unsecured, considered good)

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
a. <u>Loan to Subsidiary Companies</u>		
J. B. Healthcare Pvt. Ltd., Jersey	-	21.02
J. B. Chemicals & Pharmaceuticals Pvt. Ltd., Singapore	11.51	11.51
	11.51	32.53
b. <u>Others</u>		
Advances to Suppliers	237.22	476.75
Advances to Employees #	66.71	56.80
Other Advances @	7,611.42	9,424.00
Taxes Paid (Net of Provisions)	747.01	165.10
MAT Credit Entitlements	515.19	708.30
Balance with Excise Authorities	2.80	1.73
Accrued interest on Deposits and others	14.74	39.61
	9,195.09	10,872.29
Total	9,206.60	10,904.82

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

It includes loan amount due from director ₹ 3.30 lakhs (Previous year ₹ 8.40 lakhs).

@ Includes security deposit of ₹ 4.02 lakhs (Previous year ₹ 4.02 lakhs) given to companies in which directors are interested and ₹ 83.37 lakhs (Previous year ₹ 83.37 lakhs) given to related parties against lease of premises.

20. REVENUE FROM OPERATIONS

(₹ in lakhs)		
Particulars	2012-2013	2011-2012
Sales of Products :		
Sale of Pharmaceutical Products	78,829.87	62,840.86
Export of Service	745.40	-
Add: Exchange Rate Difference	904.99	1,475.12
	80,480.26	64,315.98
Other Operating Revenues :		
Manufacturing Charges	23.32	10.30
Export Incentives	1,499.37	1,965.37
Dividend From subsidiary company	159.48	2,496.98
Sale of Scrap	392.98	360.04
Insurance Claims	42.28	61.48
Others	78.77	170.48
	2,196.20	5,064.65
Total	82,676.46	69,380.63

21. OTHER INCOME

(₹ in lakhs)		
Particulars	2012-2013	2011-2012
Interest Income		
- Bank Deposit	106.94	789.51
- Interest from Debtors	3.23	2.26
- Others	104.31	34.64
Dividend From Current Investment	46.78	1,746.39
Dividend From Long Term Investment	40.39	0.26
Income on sale / redemption of investments (Net)	2,294.42	180.52
Profit on sale of assets (Net)	-	97.21
Provision for diminution in value of investments written back	-	0.40
Total	2,596.07	2,851.19

22. COST OF MATERIALS CONSUMED

(₹ in lakhs)		
Particulars	2012-2013	2011-2012
Opening Inventories	3,772.92	3,421.30
Purchases	26,567.99	20,672.15
	30,340.91	24,093.45
Less: Closing Inventories	4,150.53	3,772.92
Total	26,190.38	20,320.53

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	(₹ in lakhs)	
	2012-2013	2011-2012
Inventories at the beginning		
Finished Goods	3,281.91	3,251.01
Work-in-process	752.27	821.21
Stock in Trade	1,256.64	671.42
	5,290.82	4,743.64
Less: Inventories at the end		
Finished Goods	2,957.43	3,281.91
Work-in-process	962.76	752.27
Stock in Trade	889.66	1,256.64
	4,809.85	5,290.82
Total	480.97	(547.18)

24. EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ in lakhs)	
	2012-2013	2011-2012
Salaries and Other Benefits	10,588.11	8,885.14
Contribution to Provident Fund and Other Funds	887.16	828.64
Employee Compensation Expense	(6.89)	(5.12)
Gratuity	323.26	214.38
Staff Welfare	221.23	208.28
Total	12,012.87	10,131.32

25. FINANCE COST

Particulars	(₹ in lakhs)	
	2012-2013	2011-2012
Interest Expenses :		
Interest on Working capital borrowings	222.92	773.39
Interest on Fixed Loans	138.14	168.56
Interest on External Commercial Borrowing	-	39.87
	361.06	981.82
Other Borrowing Cost :		
Loan Processing Charges	17.26	27.06
Guarantee Charges	31.25	22.00
Others	21.17	13.72
Applicable net loss on foreign currency transactions and translations	93.44	1,133.09
Total	524.18	2,177.69

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

26. OTHER EXPENSES

Particulars	₹ in lakhs	
	2012-2013	2011-2012
Manufacturing charges	848.31	925.44
Stores and spares	588.46	435.72
Power and fuel	3,974.77	2,988.50
Excise duty	306.10	367.25
Compensation rent	452.21	513.32
Rates and taxes	124.20	154.99
Insurance	195.94	165.91
Freight and transport charges	3,487.81	2,932.73
Repairs to :		
- Building	195.86	198.63
- Machinery	491.24	354.67
- Others	537.78	425.81
Loss on sale/discard of assets (Net)	2.72	-
Sales promotion and publicity	3,786.28	4,521.48
Selling commission	1,762.25	1,388.08
Travelling and conveyance	1,739.99	1,816.08
Directors' fees	14.40	11.65
Royalty	12.68	17.31
Payment to Auditors		
- Audit fees	27.00	24.00
- Tax Audit fees	9.00	7.50
- Other Taxation and Certification matters	13.00	9.50
Donations	66.50	41.73
Exchange difference others (Net)	914.14	3,054.90
Bad debts	-	213.26
Provision for doubtful debts	84.65	-
Loss on winding up of Subsidiary	-	191.35
Miscellaneous expenses	5,025.41	4,558.09
Total	24,660.70	25,317.90

27. The contingent liabilities not provided for:

- 27.1 Letter of Credit opened by banks ₹ 2,942.63 lakhs (Previous year ₹ 845.70 lakhs).
- 27.2 Guarantee issued by the bank on behalf of the company ₹ 1,450.54 lakhs (Previous year ₹ 1,426.82 lakhs).
- 27.3 Central Excise Demand / show cause notice of ₹ 183.39 lakhs (Previous year ₹ 485.39 lakhs).
- 27.4 Sales Tax Demand of ₹ 7.95 lakhs (Previous year ₹ 22.13 lakhs) being disputed in appeal. (Against which the company has made pre-deposit of ₹ 2.11 lakhs).
- 27.5 Corporate guarantee provided for the benefit of the subsidiary company ₹ Nil (Previous year ₹ 2,388.47 lakhs).
- 27.6 The company had purchased fixed assets under the "Export Promotion Capital Goods Scheme" (EPCG) in year 2011-2012 that has resulted in saving of duty of ₹ 349.92 lakhs. As per the terms of the license granted under the scheme, the company has undertaken to achieve export commitment of ₹ 2,099 lakhs over the export obligation period of 6 years, which expires on 2nd November, 2017. In the event of company being unable to execute its export obligations by this period, the company shall be liable to pay custom duty for unfulfilled export obligation along with interest after expiry of the export obligation period. In fact, the company has already fulfilled export obligation to the extent of 45% in percentage terms within the first year itself.
- 27.7 The company has received from Cilag GmbH International ("Cilag") a notice of claims under business Sale and Purchase Agreement dated May 23, 2011 and Supply Agreement dated May 23, 2011 for estimated amount of US\$ 33.30 million (which appears to coincide with the amount held in the escrow account) and US\$ 5 million respectively. The company has contested these claims. The parties are in discussion to resolve the differences. The amount in this regard is not fairly ascertainable.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

28. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 607.31 lakhs (Previous year ₹ 435.37 lakhs)
29. Travelling expenses of field personnel include expenses on stationery and printing, conveyance, postage, miscellaneous expenses, etc.
30. Adjustment relating to previous year amounted to ₹ Nil (Net Debit) {Previous year ₹ 10.10 lakhs (Net Debit)}. The same has been debited/credited under respective heads of accounts.
31. The Pharmaceutical Division of Unique Pharmaceutical Laboratories Ltd. (UPLL) which was acquired by the company on a going concern basis, has received demand notices from Dept. of Chemicals & Fertilizers, Govt. of India, New Delhi demanding a sum of ₹ 461.47 lakhs in respect of the bulk drug Metronidazole and a further sum of ₹ 591.05 lakhs in respect of the bulk drug Oxyphenbutazone. These amounts were claimed on hypothetical basis in 1996, under para 7(2) of DPCO 79 read with para 14 of DPCO 87 and para 12 of DPCO 95, long after repeal of DPCO 79 and DPCO 87 and gains allegedly notionally made by it by procuring the bulk drugs at alleged lower cost. UPLL has filed review petition against each of these claims disputing the jurisdiction, power and legal or rational basis for making such demands, particularly in view of the repeal of DPCO 79 and DPCO 87. The company has filed writ petitions bearing No. 446 of 2008 in respect of demand for Oxyphenbutazone & writ petition No. 2623 of 2007 in respect of demand for Metronidazole in Bombay High Court. These writ petitions have been admitted and the Hon'ble High Court has restrained the Government from adopting coercive steps to recover the amount till the disposal of the writ petition on the company furnishing security as per the Orders. The company has already furnished the bank guarantee as security. As per the legal advice received by the company, there is no liability and accordingly no provision is being made in the accounts for these claims and demands.
32. Details of Research & Development expenditure incurred during the year at the following R&D Centers:

(₹ in lakhs)

Particulars	Thane		Panoli-API		Panoli-formulation & development	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Revenue Expenditure:						
Staff Cost	457.21	409.71	6.64	12.12	86.07	65.52
Power & Fuel	52.04	51.76	-	-	-	-
Travelling & Conveyance	18.67	17.64	-	-	-	-
R & D Raw Materials	361.68	395.07	0.11	-	0.20	1.15
Product Registration & Other Fees	3.76	-	-	-	-	-
Clinical Trial & Bio-equivalence Studies	82.56	324.39	-	-	-	-
Laboratory Expenses	44.21	52.02	0.42	0.09	78.42	52.17
Others	270.60	102.05	0.30	0.27	7.55	5.70
Fees	15.97	7.37	-	-	-	-
Repairs & Maintenance - Bldg.	2.80	27.28	-	-	0.44	0.77
Total Revenue Expenditure	1309.50	1387.29	7.47	12.48	172.68	125.31
Capital Expenditure:						
Buildings	-	-	-	-	-	2.51
Plant & Machinery	36.47	-	-	-	0.87	3.09
Electrical Equipments	12.43	-	-	-	-	-
R & D Equipments	27.47	1.99	0.80	-	1.98	-
Laboratory Equipments	11.21	27.64	-	-	4.11	-
EDP Equipments	2.03	0.24	-	-	0.76	1.21
Office Equipments	0.79	0.29	-	-	-	-
Furniture & Fixtures	-	-	-	-	0.26	-
Air Conditioners	0.30	2.60	-	-	-	-
Total Capital Expenditure	90.71	32.76	0.80	-	7.97	6.81
Total	1400.20	1420.05	8.27	12.48	180.65	132.12

- 1) R&D Centre set up at 101/2 & 102/1, Daman Industrial Estate, Airport Road, Village Kadaiya, Nani Daman (U.T.) on 1st October 2011, has received recognition from Department of Scientific and Industrial Research, Technology Bhavan, New Mehrauli Road, New Delhi from 25th April 2012. However no expenses has been incurred during the year.
- 2) During the year no expenses have been incurred at R&D center set up at Plot No.128/1, GIDC Industrial Area, Ankleshwar.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

33. The amount of excise duty disclosed as deduction from turnover is the excise duty for the year, except the excise duty related to the difference between the closing stock and opening stock and excise duty paid but not recovered, which has been disclosed in the (increase)/decrease in stock and other expenses respectively. (Increase)/decrease in stocks include excise duty on finished goods (net) ₹ 11.70 lakhs (Previous year ₹ 8.18 lakhs).

34. EMPLOYEE BENEFITS:

The disclosures as required as per the revised AS 15 are as under:

a) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Employer's Contribution to Provident Fund & Family Pension Fund	736.57	717.73
Employer's Contribution to Superannuation Fund	128.52	92.30
Employer's Contribution to Employees' State Insurance Scheme	22.07	18.61

b) Defined Benefit Plan

Reconciliation of opening and closing balances of Defined Benefit obligation:

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Defined Benefit obligation at the beginning of the year	2,102.52	1,972.89
Current Service Cost	95.51	93.82
Interest Cost	178.72	165.01
Actuarial (gain)/loss	140.14	3.86
Benefits Paid	(112.26)	(133.06)
Defined Benefit obligation at year end	2,404.63	2,102.52

Reconciliation of opening and closing balances of fair value of plan assets:

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Fair value of plan assets at the beginning of the year	798.46	740.29
Expected return on plan assets	68.67	65.33
Actuarial gain/(loss)	22.44	(17.02)
Employer contribution	86.16	142.92
Benefits Paid	(84.06)	(133.06)
Fair value of plan assets at the end of the year	891.67	798.46

Actual Return on Plan assets:

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Expected return on plan assets	68.67	65.33
Actuarial gain/(loss) on plan assets	22.44	(17.02)
Actual return on plan assets	91.11	48.31

Reconciliation of fair value of plan assets and benefit obligations:

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Fair value of assets as at 31 st March	891.67	798.46
Present value of obligation as at 31 st March	2,404.63	2,102.52
Amount recognised in Balance Sheet	1,512.96	1,304.06

Expense recognised during the year (Under the head "Employee Cost"-Refer Note 24):

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Current Service Cost	95.51	93.82
Interest Cost	178.71	165.01
Expected return on Plan Assets	(68.67)	(65.33)
Actuarial (gain)/loss	117.71	20.88
Expense Recognised in Profit and Loss Account	323.26	214.38

Expected employers contribution for the next year is ₹ 100.73 lakhs (Previous year ₹ 85.18 lakhs).

Investment details:

The company made annual contributions to the LIC of an amount advised by the LIC. The company was not informed by LIC of the investments made or the break-down of plan assets by investment type.

Actuarial Assumptions:

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Discount Rate (per annum)	8.25%	8.50%
Expected Rate of Return on Plan Assets (per annum)	8.70%	8.60%
Salary Escalation (per annum)	4.00%	4.00%

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

Net asset/liability recognized in the Balance Sheet (including experience adjustment impact):

(₹ in lakhs)

Gratuity	2013	2012	2011	2010	2009
Defined benefit obligation	2,404.63	2,102.52	1,972.89	1,772.55	1,512.60
Plan assets	891.67	798.46	740.29	691.46	587.54
Deficit / (Surplus)	1,512.96	1,304.06	1,232.60	1,081.09	925.06
Experience adjustments on plan liabilities	119.51	117.92	164.64	117.03	67.41
Experience adjustments on plan assets	22.44	(17.02)	(14.58)	19.17	(3.77)

35. SEGMENT REPORTING:

The company has one segment of activity namely 'Pharmaceuticals'.

36. RELATED PARTY DISCLOSURE

Related party disclosure as required by AS – 18, 'Related Party Disclosures' notified by the Companies (Accounting Standard) Rules, 2006 are given below:

Names and Relationships of the Related Parties:

- | | |
|---|---|
| <p>i) Subsidiary Companies:</p> <p>a. OOO Unique Pharmaceutical Laboratories.</p> <p>b. J. B. Healthcare Pvt. Ltd.</p> <p>c. J. B. Chemicals & Pharmaceuticals Pvt. Ltd.</p> <p>d. LLC Unique Pharmaceutical Laboratories.</p> <p>ii) Associate Concerns / Trusts / Companies / Joint Venture:</p> <p>a. Mody Trading Company</p> <p>b. Mody Brothers</p> <p>c. Jyotindra Family Trust</p> <p>d. Dinesh Family Trust</p> <p>e. Shirish Family Trust</p> <p>f. Biotech Laboratories (Pty.) Ltd.</p> <p>g. Jyotindra Mody Holdings Pvt. Ltd.</p> <p>h. Ansuya Mody Securities Pvt. Ltd.</p> <p>i. Dinesh Mody Securities Pvt. Ltd.</p> <p>j. Kumud Mody Securities Pvt. Ltd.</p> <p>k. Shirish B. Mody Investments Pvt. Ltd.</p> <p>l. Bharati S. Mody Investments Pvt. Ltd.</p> <p>m. J. B. Mody Enterprises Pvt. Ltd.</p> <p>n. Ansuya Mody Enterprises Pvt. Ltd.</p> <p>o. Dinesh Mody Ventures Pvt. Ltd.</p> <p>p. Kumud Mody Ventures Pvt. Ltd.</p> <p>q. Shirish Mody Enterprises Pvt. Ltd.</p> | <p>r. Bharati Mody Ventures Pvt. Ltd.</p> <p>s. Synit Drugs Pvt. Ltd.</p> <p>t. Unique Pharmaceutical Laboratories Ltd.</p> <p>u. Ifunik Pharmaceuticals Ltd.</p> <p>v. Namplas Chemicals Pvt. Ltd.</p> <p>w. Raptim Research Ltd.</p> <p>x. Gemma Jewellery Pvt. Ltd.</p> <p>y. Lekar Pharma Ltd.</p> <p>iii) Key Management Personnel:</p> <p>a. Shri Jyotindra B. Mody</p> <p>b. Shri Dinesh B. Mody</p> <p>c. Shri Shirish B. Mody</p> <p>iv) Relative of Key Management Personnel:</p> <p>a. Mr. Pranabh D. Mody</p> <p>b. Mrs. Kumud D. Mody</p> <p>c. Mrs. Bharati S. Mody</p> <p>d. Mrs. Pallavi B. Mehta</p> <p>e. Mrs. Purvi U. Asher</p> <p>f. Mrs. Priti R. Shah</p> <p>g. Mr. Nirav S. Mody</p> <p>h. Mrs. K. V. Gosalia</p> <p>i. D. B. Mody HUF</p> <p>j. S. B. Mody HUF</p> |
|---|---|

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

Transactions with the Related parties during the year :

(₹ in lakhs)

Transaction with Related Parties	Subsidiary Companies	Associate Concern / Trust/ Joint Venture	Key Management Personnel	Relative of Key Management Personnel
Income				
Sale of Material / Goods / Others (Net of Discount)	3,648.99 (4,262.50)	2,218.53 (1,557.29)	- (-)	- (-)
Receipt of Manufacturing charges	- (-)	22.92 (10.30)	- (-)	- (-)
Dividend Income	159.48 (2496.98)	- (-)	- (-)	- (-)
Expenditure				
Purchase of stock in trade	- (-)	3,509.68 (3,380.83)	- (-)	- (-)
Processing Charges	- (-)	150.36 (155.06)	- (-)	- (-)
Bio-Equivalence Study	- (-)	60.63 (16.55)	- (-)	- (-)
Rent	- (-)	273.83 (269.81)	- (-)	73.56 (72.27)
Sales promotion and publicity	1,457.90 (101.68)	10.00 (-)	- (-)	- (-)
Reimbursement of Expenses	- (-)	15.41 (-)	- (-)	- (-)
Royalty	- (-)	14.16 (13.72)	- (-)	- (-)
Employee Benefit Expense	- (-)	- (-)	115.83 (40.95)	24.87 (25.80)
Remuneration	- (-)	- (-)	965.25 (338.80)	184.27 (173.40)
Interest on Deposits	- (-)	88.38 (155.53)	11.10 (10.90)	78.09 (111.31)
Others				
Equity Contribution	19.30 (12.67)	- (-)	- (-)	- (-)
Refund of Equity Contribution on winding up of subsidiary	- (72.90)	- (-)	- (-)	- (-)
Loan to Subsidiary	- (0.25)	- (-)	- (-)	- (-)
O/S Payables as on March 31, 2013	- (-)	123.41 (1,206.27)	128.88 (81.66)	718.07 (881.80)
O/S Receivables as on March 31, 2013	2,129.71 (1,071.77)	744.62 (629.88)	- (-)	25.28 (25.28)

Disclosure in respect of Material Related Party Transactions during the year:

1. Material / Goods sold to OOO Unique Pharmaceutical Laboratories, Moscow, ₹ 3,648.99 lakhs (Previous year ₹ 4,261.80 lakhs), Biotech Laboratories (Pty.) Ltd. ₹ 1,882.14 lakhs (Previous year ₹ 1,161.76 lakhs).
2. Manufacturing charges received from Lekar Pharma Ltd. ₹ 22.92 lakhs (Previous year ₹ 10.30 lakhs).
3. Dividend received from J. B. Healthcare Pvt. Ltd. ₹ 159.48 lakhs (Previous year ₹ Nil) and from OOO Unique Pharmaceutical Laboratories ₹ Nil (Previous year ₹ 2,496.98 lakhs).

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

4. Purchases from Lekar Pharma Ltd. ₹ 3,507.87 lakhs (Previous year ₹ 3,366.38 lakhs).
5. Processing charges paid to Namplas Chemicals Pvt. Ltd. ₹ 150.36 lakhs (Previous year ₹ 155.06 lakhs).
6. Bio-equivalence study charges paid to Raptim Research Ltd. ₹ 60.63 lakhs (Previous year ₹ 16.55 lakhs).
7. Rent paid to Jyotindra Family Trust ₹ 116.40 lakhs (Previous year ₹ 114.45 lakhs), Dinesh Family Trust ₹ 59.07 lakhs (Previous year ₹ 58.14 lakhs), Shirish Family Trust ₹ 70.34 lakhs (Previous year ₹ 69.20 lakhs), D. B. Mody HUF ₹ 36.71 lakhs (Previous year ₹ 36.06 lakhs), S. B. Mody HUF ₹ 36.85 lakhs (Previous year ₹ 36.21 lakhs).
8. Sales promotion expense to OOO Unique Pharmaceutical Laboratories, ₹ 1,457.90 lakhs (Previous year ₹ 101.68 lakhs).
9. Reimbursement of Expense to Biotech Laboratories (Pty.) Ltd. ₹ 15.41 lakhs (Previous year ₹ Nil).
10. Royalty paid to Unique Pharmaceutical Laboratories Ltd. ₹ 14.16 lakhs (Previous year ₹ 12.66 lakhs).
11. Employee benefit expense paid to Shri Jyotindra B. Mody ₹ 38.61 lakhs (Previous year ₹ 13.65 lakhs), Shri Dinesh B. Mody ₹ 38.61 lakhs (Previous year ₹ 13.65 lakhs), Shri Shrish B. Mody ₹ 38.61 lakhs (Previous year ₹ 13.65 lakhs), Shri Pranabh D. Mody ₹ 14.39 lakhs (Previous year ₹ 16.37 lakhs).
12. Remuneration paid to Shri Jyotindra B. Mody ₹ 321.75 lakhs (Previous year ₹ 113.05 lakhs), Shri Dinesh B. Mody ₹ 321.75 lakhs (Previous year ₹ 112.80 lakhs) and Shri Shirish B. Mody ₹ 321.75 lakhs (Previous year ₹ 112.95 lakhs).
13. Interest on deposit paid to Jyotindra Mody Holdings Pvt. Ltd. ₹ 18.88 lakhs (Previous year ₹ 23.92 lakhs), Bharati S. Mody Investments Pvt. Ltd. ₹ 27.26 lakhs (Previous year ₹ 41.50 lakhs), D. B. Mody HUF ₹ 30.60 lakhs (Previous year ₹ 44.40 lakhs).
14. Equity Contribution made to J. B. Healthcare Pvt. Ltd., Jersey ₹ Nil (Previous year ₹ 6.35 lakhs), J. B. Chemicals & Pharmaceuticals Pvt. Ltd., Singapore ₹ 2.78 lakhs (Previous year ₹ 3.83 lakhs), LLC Unique Pharmaceutical Laboratories, Ukraine ₹ 16.52 lakhs (Previous year ₹ 2.49 lakhs).
15. Refund of equity contribution received from Unique Pharmaceutical Laboratories SRL, Romania ₹ Nil (Previous year ₹ 72.90 lakhs).
16. Amount payable as on March 31, 2013 to Jyotindra Mody Holdings Pvt. Ltd. ₹ Nil (Previous year ₹ 230.00 lakhs), Ansuya Mody Securities Pvt. Ltd. ₹ Nil (Previous Year ₹ 205.00 lakhs), Bharati S Mody Investments Pvt. Ltd. ₹ Nil (Previous Year ₹ 332.00 lakhs), Synit Drugs Pvt. Ltd. ₹ 40.00 lakhs (Previous year ₹ 50.00 lakhs), Unique Pharmaceutical Laboratories Ltd. ₹ Nil (Previous year ₹ 150.00 lakhs), Ifiunik Pharmaceuticals Ltd. ₹ 65.00 lakhs (Previous year ₹ 10.00 lakhs), Namplas Chemicals Pvt. Ltd. ₹ 15.97 lakhs (Previous year ₹ Nil), Raptim Research Ltd. ₹ 2.43 lakhs (Previous year ₹ Nil), Shri Jyotindra B. Mody ₹ 103.09 lakhs (Previous year ₹ 58.20 lakhs), Shri Dinesh B. Mody ₹ 25.29 lakhs (Previous year ₹ 22.96 lakhs), Shri Pranabh D. Mody ₹ 98.48 lakhs (Previous year ₹ 170.44 lakhs), Mrs. Kumud D. Mody ₹ 61.77 lakhs (Previous year ₹ 57.37 lakhs), Mrs. Bharati S. Mody ₹ 37.28 lakhs (Previous year ₹ 25.86 lakhs), Mrs. Purvi Asher ₹ 2.44 lakhs (Previous year ₹ 2.30 lakhs), Mrs. Deepali A. Jasani ₹ 116.10 lakhs (Previous year ₹ 104.62 lakhs), Mr. Nirav S. Mody ₹ Nil (Previous year ₹ 90.25 lakhs), Mrs K.V.Gosalia ₹ 29.10 lakhs (Previous year ₹ 29.10 lakhs), D. B. Mody HUF ₹ 306.00 lakhs (Previous year ₹ 306.00 lakhs), S. B. Mody HUF ₹ 66.90 lakhs (Previous year ₹ 60.61 lakhs).
17. Amount receivable as on March 31, 2013 from OOO Unique Pharmaceutical Laboratories, ₹ 2118.20 lakhs (Previous year ₹ 1140.93 lakhs), J. B. Chemicals & Pharmaceuticals Pvt. Ltd., Singapore ₹ 11.51 lakhs (Previous year ₹ 11.51 lakhs), Jyotindra Family Trust ₹ 21.13 lakhs (Previous year ₹ 21.13 lakhs), Dinesh Family Trust ₹ 8.49 lakhs (Previous year ₹ 8.49 lakhs), Shirish Family Trust ₹ 8.49 lakhs (Previous year ₹ 8.49 lakhs), Jyotindra Mody Holdings Pvt. Ltd. ₹ 1.34 lakhs (Previous year ₹ 1.34 lakhs), Dinesh Mody Securities Pvt. Ltd. ₹ 1.34 lakhs (Previous year ₹ 1.34 lakhs), Shirish B. Mody Investments Pvt. Ltd. ₹ 1.34 lakhs (Previous year ₹ 1.34 lakhs), Biotech Laboratories (Pty.) Ltd. ₹ 598.93 lakhs (Previous year ₹ 563.69 lakhs), Lekar Pharma Ltd. ₹ 103.58 lakhs (Previous year ₹ 24.08 lakhs), D. B. Mody HUF ₹ 12.64 lakhs (Previous year ₹ 12.64 lakhs), S. B. Mody HUF ₹ 12.64 lakhs (Previous year ₹ 12.64 lakhs).
37. Disclosures as required by Accounting Standard 19, "Leases", notified under sub-section (3C) of Section 211 of the Companies Act, 1956, are given below:
 - i. The company has taken certain residential and office premises on operating lease / leave and license agreements having non cancellable/ not non-cancellable (range between 11 months and 3 years are renewable by mutual consent on mutually agreeable terms).
 - ii. Lease payment in respect of non cancellable lease amounts to ₹ 38.41 lakhs (Previous year ₹ 79.31 lakhs) is included under the head Compensation Rent in Note "26".

The minimum future lease rentals payable in respect of non-cancellable lease are as follows:

(₹ in lakhs)

Particulars	2012-13	2011-12
Not later than one year	44.89	59.75
Later than one year but not later than five years	44.05	15.09
Later than five years	-	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

38. EARNING PER SHARE:

Earning Per Share (EPS) is calculated in accordance with Accounting Standard –20 as under:

Particulars	2012-13	2011-12
Net Profit attributable to Equity Shareholders (₹ in lakhs)	8,493.85	64,269.94
Weighted Average No. of Equity shares (Nos)		
Basic	8,47,07,300	8,46,19,953
<u>Effect of Dilutive equity shares equivalent</u>		
Stock Options outstanding	7,456	6,746
Diluted	8,47,14,756	8,46,26,698
Nominal value of equity shares (₹)	2.00	2.00
<u>Earning per share (₹)</u>		
Basic	10.03	75.95
Diluted	10.03	75.95

39. FINANCIAL AND DERIVATIVE INSTRUMENTS**a) Derivative Instruments:**

The company has entered into forward contract to offset foreign currency risks arising from the amounts denominated in currencies other than the Indian rupee. The counter party to such forward contract is a bank. These contracts are entered into to hedge the foreign currency risks. Details of forward contracts outstanding as at the year end:

Currency	Exposure to buy/sell	As at March 31, 2013		As at March 31, 2012	
		Foreign Currency	(₹ in lakhs)	Foreign Currency	(₹ in lakhs)
USD	Sell	30,965,958.33	17,545.49	50,000,000	25,654.38
EURO	Sell	–	–	950,556	645.52

b) Foreign currency exposure at the year end not hedged by derivative instruments.

Particulars	As at March 31, 2013		As at March 31, 2012	
	Foreign Currency	(₹ in lakhs)	Foreign Currency	(₹ in lakhs)
Receivable against export of goods:				
Euro	2,813,207.42	1,955.46	901,291.22	612.07
AUD	987,314.05	557.83	703,644.37	372.51
GBP	172,769.00	141.84	80,475.80	65.60
Payable against secured loans:				
US Dollars	5,000,000.00	2,715.00	8,000,000.00	4,069.60
Payable against Import of goods & services :				
US Dollars	562,646.77	305.52	669,068.21	340.35
ZAR	–	–	26,692.00	1.77

40. Loans and advances in the nature of loans given to subsidiaries :

(₹ in lakhs)

Name of the Company	Nature of Relation	Nature of Transaction	As at March 31, 2013	Maximum Balance during the year
J. B. Healthcare Pvt. Ltd.	Subsidiary	Advance	–	21.02
J. B. Chemicals & Pharmaceuticals Pvt. Ltd., Singapore	Subsidiary	Advance	11.51	11.51

41. Ministry of Corporate Affairs, Govt. of India, vide General Circular No. 2 and 3 dated 08-02-2011 and 21-02-2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

42. DETAILS OF PURCHASES IN RESPECT OF GOODS TRADED.

(₹ in lakhs)

Particulars	2012-13	2011-12
Ointments	1,098.53	1,066.44
Liquids	1,201.68	1,352.14
Capsules	76.74	201.00
Tablets	3,041.07	2,644.85
Powder	9.98	39.84
Ampoules	1,209.46	1,365.19
Others	517.72	330.30
Total	7,155.18	6,999.76

43. DETAILS OF FINISHED GOODS MANUFACTURED AND TRADED

(₹ in lakhs)

Particulars	Sales	Opening Stock	Closing Stock
Manufacturing Goods			
Ointments	3,430.31 (3,244.50)	120.11 (21.58)	15.59 (120.11)
Liquids	5,101.14 (4,650.08)	393.95 (314.67)	371.27 (393.95)
Capsules	879.58 (822.24)	45.48 (24.65)	29.69 (45.48)
Tablets	36,770.29 (29,365.24)	1,550.40 (1,826.72)	1,292.78 (1,550.40)
Powder	1,949.91 (1,479.81)	8.33 (102.75)	50.76 (8.33)
Ampoules	13,736.79 (10,376.95)	818.82 (758.32)	872.26 (818.82)
API	6,233.93 (4,019.53)	344.83 (202.32)	325.08 (344.83)
Total	68,101.94 (53,958.35)	3,281.91 (3,251.01)	2,957.43 (3,281.91)
Traded Goods			
Ointments	1,280.02 (1,221.88)	46.26 (3.65)	4.58 (46.26)
Liquids	1,415.41 (1,373.94)	170.33 (5.56)	66.27 (170.33)
Capsules	123.66 (308.59)	62.95 (46.76)	31.84 (62.95)
Tablets	5,315.36 (3,588.61)	719.83 (499.43)	622.97 (719.83)
Powder	37.92 (43.75)	23.36 (8.97)	11.37 (23.36)
Ampoules	1,912.26 (1,961.16)	233.92 (87.74)	152.63 (233.92)
Others	643.31 (384.57)	- (19.29)	- (-)
Total	10,727.93 (8,882.51)	1256.64 (671.42)	889.66 (1256.64)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

44. Value of consumption of directly imported and indigenously obtained raw materials, packing materials and the percentage of each to the total.

Particulars	₹ in lakhs	Percentage
Directly Imported	4,258.47 (3,256.08)	16.26 (16.02)
Indigenously obtained	21,931.91 (17,064.45)	83.74 (83.98)
Total	26,190.38 (20,320.53)	100.00 (100.00)

45. VALUE OF DIRECT IMPORTS (C.I.F. Value)

Particulars	₹ in lakhs
Raw Materials & Packing Materials	5,105.26 (3,247.70)
Component Stores & Spare parts	165.69 (33.14)
Capital	692.66 (3,124.33)
Others	4.56 (-)
Total	5,968.17 (6,405.17)

49. Figures of previous year have been re-grouped, re-arranged and recast, wherever considered necessary.
50. Figures in brackets indicate corresponding figures of Previous year.

As per our report of even date

For J. K. Shah & Co.
Chartered Accountants
Firm Registration No. 109606W

J. K. Shah
Partner
Membership No. 3662

Place : Mumbai
Date : May 24, 2013

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

S. B. Mody
Whole time director (Marketing)

Place : Mumbai
Date : May 24, 2013

D. B. Mody
Whole time director
(Administration)

M. C. Mehta
Company Secretary

46. EARNINGS IN FOREIGN EXCHANGE

Particulars	₹ in lakhs
Export of Goods (At F.O.B)	46,641.83 (33,081.19)
Export of Service	745.40 (-)
Dividend	159.48 (2496.98)

47. EXPENDITURE IN FOREIGN CURRENCY

Particulars	₹ in lakhs
Legal & Professional Fees	188.38 (85.92)
Interest	- (35.21)
Other Expenditure	5,640.98 (8,328.38)

48. AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

Particulars	2012-13	2011-12
Number of Non-Resident Shareholders	4	4
Dividend (₹ in lakhs)	4.11	172.54
Number of Shares	410812	410812

Dividend to remaining 472 Non-Resident shareholders is paid in India.

INDEPENDENT AUDITORS' REPORT

To,

The Board of Directors of

J. B. CHEMICALS & PHARMACEUTICALS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of J. B. CHEMICALS & PHARMACEUTICALS LIMITED ("the Company"), its Subsidiaries and Joint Ventures, (collectively referred as "JBCPL Group"), which comprise the consolidated Balance Sheet as at 31st March 2013, the consolidated Statement of Profit & Loss and consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the company in accordance with accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the company's preparation and presentation of the consolidated 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 management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements together with the notes thereon 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:

- In the case of the consolidated Balance Sheet, of the state of affairs of the JBCPL Group as at 31st March, 2013;
- In the case of the consolidated Statement of Profit and Loss of the profit of JBCPL Group for the year ended on that date; and
- In the case of the consolidated Cash Flow Statement, of the cash flows of JBCPL Group for the year ended on that date.

Other Matters

We did not audit the financial statements of certain subsidiaries whose financial statements reflect Group's share of total assets of ₹ 2,753.44 lakhs as at 31st March 2013, Group's share of total Revenue of ₹ 140.11 lakhs and net cash inflows amounting to ₹ 4.05 lakhs for the year ended on that date as considered in consolidated financial statements. These financial statement/consolidated financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is solely on the reports of the other auditor.

We have relied on the unaudited financial statements of certain subsidiaries and joint venture wherein the Group's share of profit aggregates to ₹ 706.16 lakhs. These unaudited financial statements as approved by the respective board of directors of these companies have been furnished to us by the management and our report in so far as it relates to the amounts included in respect of such subsidiaries and joint ventures is based solely on such approved unaudited financial statements.

Our opinion is not qualified in respect of other matters.

For J. K. Shah & Co.
Chartered Accountants
Firm Registration No : 109606W

Place : Mumbai
Date : May 24, 2013

J. K. Shah
Partner
Membership No: 3662

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2013		As at March 31, 2012	
EQUITY AND LIABILITIES					
Shareholders' funds					
(a) Share capital	3	1,694.15		1,694.15	
(b) Reserves and surplus	4	1,00,332.97	1,02,027.12	95,301.14	96,995.29
Non-current liabilities					
(a) Long-term borrowings	5	774.71		1,254.50	
(b) Deferred tax liabilities (Net)	6	2,498.03		1,871.04	
(c) Long-term provisions	7	822.82	4,095.56	826.84	3,952.38
Current liabilities					
(a) Short-term borrowings	8	3,677.35		5,522.65	
(b) Trade payables	9	6,050.76		3,709.02	
(c) Other current liabilities	10	10,115.39		7,874.96	
(d) Short-term provisions	11	4,053.82	23,897.32	1,725.59	18,832.22
TOTAL			1,30,020.00		1,19,779.89
ASSETS					
Non-current assets					
(a) Fixed assets					
(i) Tangible assets	12	29,538.14		24,027.20	
(ii) Intangible assets	12	3,902.70		3,604.26	
(iii) Capital work-in-progress		472.98		3,891.83	
(iv) Realisable value of Impaired Assets		7.72		7.72	
(b) Non-current investments	13	299.31		299.61	
(c) Long-term loans and advances	14	1,428.47		1,327.37	
(d) Other non-current assets	15	-	35,649.32	-	33,157.99
Current assets					
(a) Current investments	16	39,467.80		29,892.18	
(b) Inventories	17	10,453.49		10,103.24	
(c) Trade receivables	18	19,127.39		13,605.11	
(d) Cash and cash equivalents	19	15,623.49		21,953.25	
(e) Short-term loans and advances	20	9,698.52	94,370.68	11,068.12	86,621.90
TOTAL			1,30,020.00		1,19,779.89
Significant Accounting Policies and Notes on Financial Statements	1 to 37				

As per our report of even date

For and on behalf of the Board of Directors

For J. K. Shah & Co.
Chartered Accountants
Firm Registration No. 109606W

J. B. Mody
Chairman & Managing Director

D. B. Mody
Whole time director
(Administration)

J. K. Shah
Partner
Membership No. 3662

S. B. Mody
Whole time director (Marketing)

M. C. Mehta
Company Secretary

Place : Mumbai
Date : May 24, 2013

Place : Mumbai
Date : May 24, 2013

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2013

(₹ in lakhs)

Particulars	Note No.	2012-2013	2011-2012
Income:			
Revenue from Operations	21	87,646.77	80,925.34
Less: Excise Duty		1,034.21	738.50
Revenue from operations (Net)		86,612.56	80,186.84
Other income	22	2,787.26	2,898.34
Total Revenue		89,399.82	83,085.18
Expenses:			
Cost of materials consumed	23	26,189.51	20,320.53
Purchases of stock-in-trade		10,688.67	9,996.17
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(31.69)	1,322.92
Employee benefits expense	25	13,004.53	11,266.33
Finance costs	26	528.06	2,402.81
Depreciation and amortization expense	12	2,465.82	2,242.46
Other Expenses	27	26,197.43	27,249.09
Total Expenses		79,042.33	74,800.31
Profit before exceptional and extraordinary item and tax		10,357.49	8,284.87
Exceptional item: Profit on sale of OTC Business Undertaking in Russia-CIS Countries		-	76,059.34
Profit before tax		10,357.49	84,344.21
Tax expense:			
(1) Current tax		2,323.29	16,341.67
Less: Mat Credit		434.00	-
Net Current Tax		1,889.29	16,341.67
(2) Deferred tax		520.97	321.43
(3) MAT Credit of earlier years		2.82	(109.77)
Profit for the period		7,944.41	67,790.88
Earning per equity share			
(1) Basic		9.38	80.11
(2) Diluted		9.38	80.11
Significant Accounting Policies and Notes on Financial Statements	1 to 37		

As per our report of even date**For J. K. Shah & Co.**

Chartered Accountants
Firm Registration No. 109606W

J. K. Shah

Partner
Membership No. 3662

Place : Mumbai

Date : May 24, 2013

For and on behalf of the Board of Directors**J. B. Mody**

Chairman & Managing Director

S. B. Mody

Whole time director (Marketing)

Place : Mumbai

Date : May 24, 2013

D. B. Mody

Whole time director
(Administration)

M. C. Mehta

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2013

(₹ in lakhs)

Particulars	2012-2013		2011-2012	
A. Cash Flow from Operating Activities				
Net Profit before Tax and Extraordinary items		10,357.48		84,344.21
Adjustment For :				
Depreciation	2,465.82		2,242.46	
Foreign Exchange Fluctuation (Net)	(721.55)		2,471.62	
Interest Paid	434.62		1,269.72	
(Profit)/ Loss on Sale/Discard of Assets	3.57		(96.26)	
(Profit)/ Loss on Sale of Investments (Net)	(2,294.42)		(180.52)	
Bad Debt	-		213.26	
Interest Received	(245.11)		(909.34)	
Dividend Received	(87.17)		(1,693.20)	
Reversal of Deferred Employee Compensation	(6.89)		(5.12)	
Provision for doubtful debts	84.65		-	
Provision for diminution in value of Investment	-		(0.02)	
		(366.48)		3,312.60
Operating Profit Before Working Capital Changes		9,991.00		87,656.81
Adjustment For :				
Trade And Other Receivables	(3,443.75)		12,901.91	
Inventories	(350.25)		1,063.77	
Trade Payable	4,741.18		2,768.95	
		947.18		16,734.64
Cash Generated From Operations		10,938.18		1,04,391.44
Direct Taxes Paid (Net)		(2,444.98)		(16,422.15)
Net Cash from Operating Activities		8,493.20		87,969.29
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(4,921.03)		(8,010.33)	
Sale /Discard of Fixed Assets	240.13		792.66	
Purchase of Investment	(60,180.93)		(1,71,742.36)	
Sale of Investment	52,900.02		1,50,229.38	
Interest Received	269.98		945.21	
Dividend Received	87.17		1,693.20	
Net Cash used in Investing Activities		(11,604.66)		(26,092.24)
C. Cash Flow from Financing Activities				
Proceeds from issue of Shares under ESOP (including Securities Premium)	-		157.83	
Proceeds/(Repayment) from/of Short Term Borrowing (Net)	(1,751.94)		(8,686.60)	
Proceeds/(Repayment) from/of Long Term Borrowing (Net)	(19.78)		(1,508.63)	
Interest Paid	(447.98)		(1,357.30)	
Dividend Paid (Including Dividend Tax)	(998.60)		(41,217.67)	
Net Cash Used in Financing Activities		(3,218.30)		(52,612.37)
Net Increase in Cash and Cash Equivalents		(6,329.76)		9,264.68
Cash And Cash Equivalents as at 01.04.12	21,953.25		12,688.57	
Cash And Cash Equivalents as at 31.03.13 (Refer Note No.2)	15,623.49	(6,329.76)	21,953.25	9,264.68

Notes :

- 1) The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on "Cash Flow Statement".
- 2) It includes ₹ 13,757.75 lakhs (Previous year ₹ 16,282.72 lakhs) deposited in Escrow account in terms of Escrow agreement dated 14th July, 2011, entered into with Cilag GmbH International in relation to sale of Russia - CIS OTC business undertaking.
- 3) Balance with banks include ₹ 70.50 lakhs (Previous year ₹ Nil) being deposits under lien.
- 4) Previous year's figures are re-grouped / re-classified wherever necessary in order to conform to current year's groupings and classifications.

As per our report of even date

For J. K. Shah & Co.
Chartered Accountants
Firm Registration No. 109606W

J. K. Shah
Partner
Membership No. 3662

Place : Mumbai
Date : May 24, 2013

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

S. B. Mody
Whole time director (Marketing)

Place : Mumbai
Date : May 24, 2013

D. B. Mody
Whole time director
(Administration)

M. C. Mehta
Company Secretary

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013

1. PRINCIPLES OF CONSOLIDATION

a. The consolidated financial statements have been prepared in accordance with Accounting Standard 21 "Consolidated Financial Statements" notified under sub-section (3C) of section 211 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 1956. These relate to J. B. Chemicals & Pharmaceuticals Ltd. ("the Company"), its subsidiaries and its interest in joint venture ("the Group"). The consolidated financial statements have been prepared on the following basis:

i. The financial statements of the Company and its subsidiary companies are 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 transactions in accordance with Accounting Standard (AS-21) - "Consolidated Financial Statements".

The difference between the company's cost of investments in the subsidiaries, over its portion of equity at the time of acquisition of shares is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.

In case of foreign subsidiaries, being non-integral foreign operations, revenue items are converted at the average rates prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the "Foreign Currency Translation Reserve".

ii. Interest in jointly controlled entities is accounted for using proportionate consolidation in accordance with Accounting Standard 27 on "Financial reporting of interests in Joint Ventures". The Company's share in each of the assets, liabilities, income and expenses of jointly controlled entity are reported as a separate item. The difference between costs of the Company's interest in jointly controlled entities over its share of net assets in the jointly controlled entities, at the date on which interest is acquired, is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.

iii. Goodwill recognized in the Consolidated Financial Statements is not amortized.

iv. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the company's separate financial statements except otherwise stated elsewhere in this note.

b. No adjustments have been made to the financial statements of the subsidiaries and joint venture company on account of diverse accounting policies as the same, being incorporated in Russia, Jersey, Singapore, Ukraine

and South Africa have been prepared under the laws and regulations applicable to their country of incorporation and hence not practicable to do so.

c. Notes of these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the Group. Recognizing this purpose, the Company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosures. Practical considerations made it desirable to exclude notes to financial statements, which in the opinion of the management, could be better viewed, when referred from the individual financial statements of the companies.

d. The subsidiary companies considered in the consolidated financial statements are :

Name of the Subsidiary	Country of Incorporation	Proportion of ownership interest	Accounting year ending on
J. B. Healthcare Pvt. Ltd.	Jersey, Channel Island	100 %	31.03.2013
OOO Unique Pharmaceutical Laboratories	Russia	100%	31.12.2012*
J. B. Chemicals & Pharmaceuticals Pvt. Ltd	Singapore	100%	31.03.2013
LLC Unique Pharmaceutical Laboratories	Ukraine	100%	31.12.2012*

* Unaudited accounts of 31st March, 2013 are taken into consideration for consolidated financial statements.

e. The Significant Joint Venture company considered in the consolidated financial statements is:

Name of the Company	Relation-ship	Country of Incorporation	Proportion of ownership interest	Accounting year ending on
Biotech Laboratories (Pty.) Ltd.*	Joint Venture	South Africa	49 %	31.08.2012**

* Through J. B. Healthcare Pvt. Ltd, Jersey, Channel Island.

** Unaudited accounts of 31st March, 2013 are taken into consideration for consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of accounting

The financial statements are prepared on mercantile basis under the historical cost convention in accordance with the generally accepted accounting principles in India, Accounting Standards notified under sub-section (3C) of section 211 of the Companies Act, 1956 and the other relevant provisions of the Companies Act, 1956.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

2.2. Revenue recognition

All revenue and expenses are accounted for on accrual basis. Revenue is recognized when no significant uncertainties exist in relation to the amount of eventual receipt.

2.3 Fixed assets

Parent Company :

Fixed Assets are stated at cost of acquisition and includes other direct / indirect and incidental expenses incurred to put them into use but excludes CENVAT availed on such assets. Whenever, the costs of the fixed asset are met under the specific contract by third party, the same is reduced from the cost of the respective fixed asset.

All indirect expenses incurred during project implementation and on trial run are treated as incidental expenditure during construction and capitalized.

Subsidiary - OOO Unique Pharmaceutical Laboratories :

Assets which have value below 40000 Rubles are written off as expense in the year of acquisition.

2.4 Depreciation

Parent Company :

Depreciation is provided on Straight Line Method at the rates and on the basis specified in Schedule XIV to the Companies Act, 1956. Premium paid for leasehold land is amortized over the lease period.

Subsidiary - OOO Unique Pharmaceuticals Laboratories :

Linear method of calculation of fixed assets depreciation is established for the period of useful application.

Revaluation of fixed assets is not performed.

Joint Venture - Biotech Laboratories (Pty.) Ltd. :

Depreciation is calculated on the Straight Line Method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property, plant and equipment are as follows:

- | | |
|------------------------------|--------|
| • Furniture and Fittings | 16.67% |
| • Computer related equipment | 33.33% |
| • Computer Software | 50.00% |
| • Leasehold Improvements | 20.00% |

2.5 Intangibles

For Parent Company :

Intangible assets are stated at costs less accumulated amortization.

Intangible assets are amortized over a period of 3 years.

Joint Venture - Biotech Laboratories (Pty.) Ltd:

An intangible asset is recognized when:

- It is probable that the expected future economic benefit

that are attributable to the asset will flow to the entity; and

- The cost of the asset can be measured reliably.

Intangible assets are carried at revalued amount, being fair value at the end of the reporting period.

Any increase in the carrying amount of an intangible asset, as a result of a revaluation, is credited to other comprehensive income and accumulated in the revaluation surplus in equity. The increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in Profit or Loss.

Any decrease in the carrying amount of intangible assets, as a result of a revaluation, is recognized in profit or loss in the current period. The decrease is debited to other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Intangible asset with an indefinite useful life, comprise of registration and dossiers. Amortization is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. Registrations and dossiers are allocated to cash-generating units for the purpose of impairment testing. The allocation is made to the products or company of products that the registration and dossier relate to. For all other intangible assets amortization is provided on a straight line basis over their useful life. The amortization period and the amortization method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the Asset is tested for impairment and the remaining carrying amount is amortized over its useful life.

Amortization is provided to write down the intangible assets, with finite useful life on a straight line basis, to their residual values as follows :

Item	Useful life
Computer software, other	2 years

2.6 Impairment of assets

Where there is an indication that an asset is impaired, the recoverable amount, if any, is estimated and the impairment loss is recognized to the extent carrying amount exceeds recoverable amount.

2.7 Provisions and contingencies

The company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or present obligation that probably will not require an outflow of resources or where reliable estimate of the amount of the obligation cannot be made.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

2.8 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined on the basis of Moving Weighted Average method. The cost of work in progress (other than those lying at third party manufacturing site which is valued at material cost) and finished goods comprise direct material, direct labour, other direct cost and related production overheads.

Stores are written off in the year of purchase.

2.9 Investments

For Parent Company:

Investments, which are Long Term in nature are stated at cost of acquisition with provision where necessary for diminution, other than temporary, in the value of investments.

Subsidiary - J. B. Healthcare Pvt. Ltd.

Unlisted investments are shown at fair values, unless their face value cannot be reliably determined, in which case they are shown at cost less accumulated impairment losses. Any realized gain or losses are included in the income and expenditure account.

2.10 Employee benefit

For Parent Company :

i. Short Term Employee Benefits :

Short term employee benefits are recognized in the period during which the services have been rendered.

ii Long Term Employee Benefits:

a. Provident Fund, Family pension Fund & Employees' State Insurance Scheme :

As per the Employees Provident Funds and Miscellaneous Provisions Act, 1952 all employees of the company are entitled to receive benefits under the provident fund & family pension fund which is a defined contribution plan. These contributions are made to the fund administrated and managed by Government of India. In addition, some employees of the company are covered under Employees' State Insurance Scheme Act 1948, which are also defined contribution schemes recognized and administrated by Government of India.

The Company's contributions to these schemes are recognized as expense in profit and loss account during the period in which the employee renders the related service. The company has no further obligation under these plans beyond its monthly contributions.

b. Superannuation Plan:

Some employees of the company are entitled to superannuation, a defined contribution plan which is administrated through Life Insurance Corporation of India ("LIC"). Superannuation benefits are recognized in the Profit and loss account.

c. Leave Encashment:

The company has provided for the liability at year end on account of unavailed earned leave as per the actuarial valuation.

d. Gratuity:

The company provides for gratuity obligations through a defined benefits retirement plan ('the Gratuity Plan') covering all employees. The present value of the obligation under such defined benefits plan is determined based on actuarial valuation using the Project Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up final obligation. The obligation is measured at the present value of the estimated cash flows. The discount rate used for determining the present value of the defined obligation under defined benefit plan, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized in Profit and Loss Account as and when determined.

The Company makes annual contribution to LIC for the gratuity plan in respect of all the employees.

For Subsidiary companies :

The company makes defined contribution to the government authority as a social security benefit, which is recognized in the profit and loss account on accrual basis.

For Joint Venture :

The cost of short term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care) are recognized in the period in which the service is rendered and are not discounted.

2.11 Foreign currency transaction

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities at the Balance Sheet date are translated at the exchange rate prevailing on the date of Balance Sheet. Exchange rate differences resulting from foreign exchange transactions settled during the period including year-end translation of assets and liabilities are recognized in the profit and loss account.

In case of forward exchange contracts or any other financial instruments that is in substance a forward exchange contract to hedge the foreign currency risk which is on account of firm commitment and/or is a highly probable forecast transaction, the premium or discount arising at the inception of the contract is amortized as expense or income over the life of contract.

Gain/Loss on settlement of transaction arising on cancellation or renewal of such a Forward exchange contract is recognized as income or as expense for the period.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

2.12 Leases

For Parent Company:

Leases wherein a significant portion of the risks and reward of ownership are retained by the lessor are classified as Operating Leases. Lease rentals in respect of such leases are charged to the Profit and Loss Account.

For Joint Venture :

Operating Lease costs are charged against income on straight line basis over the period of the lease.

2.13 Research and development

Revenue expenditure on Research and Development is charged to the profits of the year in which it is incurred.

Capital expenditure on Research and Development is treated as Fixed Assets.

2.14 Borrowing cost

Borrowing Costs directly attributed to the acquisition of fixed assets are capitalized as a part of the cost of asset up to the date the asset is put to use. Other Borrowing Costs are charged to the profit and loss account in the year in which they are incurred.

2.15 Income tax

For Parent Company :

- Tax expenses comprise of current and deferred tax.

- Provision for current income tax is made on the basis of relevant provisions of the Income Tax Act, 1961 as applicable to the financial year.
- Deferred Tax is recognized subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period.

For Subsidiaries, Associate and Joint Venture Companies :

Tax expenses have been accounted for on the basis of tax laws prevailing in respective countries.

2.16 Employee stock option plan

The accounting value of stock options representing the excess of the market price over the exercise price of the shares granted under "Employees Stock Option Scheme" of the Company is amortized on straight line basis over the vesting period as "Deferred Employees Compensation" in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

3. SHARE CAPITAL

(₹ in lakhs)

Particulars	As at	
	March 31, 2013	March 31, 2012
Authorised :		
10,00,00,000 (Previous year 10,00,00,000) Equity Shares of ₹ 2/- each	2,000.00	2,000.00
Issued, Subscribed & Paid up		
8,47,07,300 (Previous year 8,47,07,300) Equity Shares of ₹ 2/- each fully paid	1,694.15	1,694.15
Total	1,694.15	1,694.15

3.1 Reconciliation of the shares outstanding and amount of Share Capital

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	(₹ in lakhs)	Number	(₹ in lakhs)
Shares outstanding at the beginning of the year	8,47,07,300	1,694.15	8,45,16,825	1,690.34
Shares Issued during the year pursuant to Employees Stock Options Scheme	-	-	190,475	3.81
Shares outstanding at the end of the year	8,47,07,300	1,694.15	8,47,07,300	1,694.15

- The company has only one class of issued shares having par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

3.3 Details of shareholders holding more than 5% shares.

Name of Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jyotindra Mody Holdings Pvt. Ltd.	74,66,242	8.81	63,11,325	7.45
Dinesh Mody Securities Pvt. Ltd.	70,55,326	8.33	59,00,410	6.97
Shirish B. Mody Investments Pvt. Ltd.	65,30,601	7.71	53,75,685	6.35
Ansuya Mody Securities Pvt. Ltd.	72,34,882	8.54	60,79,965	7.18
Kumud Mody Securities Pvt. Ltd.	71,81,232	8.48	60,26,315	7.11
Bharati S. Mody Investments Pvt. Ltd.	78,73,987	9.30	67,19,070	7.93
Unique Pharmaceutical Laboratories Ltd.	-	-	44,82,390	5.29
Ashish Dhawan	77,73,672	9.18	77,61,262	9.16

3.4 Shares reserved for issue under ESOP

In the year 2004, the company has instituted the Employees Stock Option Scheme, under which 25,00,000 equity shares of ₹ 2 each have been reserved. Under the Scheme, the options are granted at an amount equal to ninety five percent of the average daily closing price of the shares of the company's share quoted on National Stock Exchange of India Ltd. during the period of twelve weeks preceding the date of grant. These options vest in four equal instalments and subject to other provisions of the Scheme, are exercisable within a period of five years from the respective date of vesting.

The activity in the said ESOP Scheme during the last two years was as under:

Particulars	As at March 31, 2013	As at March 31, 2012
Options outstanding at the beginning of the period	5,20,925	7,90,525
Less: Exercised	-	1,90,475
Lapsed	1,84,350	79,125
Options outstanding at the end of the period	3,36,575	5,20,925

On exercise of options during the year, the company received aggregate exercise price of ₹ Nil (Previous year ₹ 157.83 lakhs).

4. RESERVES & SURPLUS

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
a. Capital Reserves (transferred from amalgamating company):		
Investment allowance Reserve (utilised)	34.86	34.86
Capital Reserve	63.53	63.53
Cash Subsidy	1.98	1.98
	100.37	100.37
b. Capital Reserve	4.21	4.21
c. Cash Subsidy	85.66	85.66
d. Contingency Reserve:		
Opening Balance	2,020.00	520.00
Add: Transfer from Statement of Profit & Loss	-	1,500.00
Closing Balance	2,020.00	2,020.00
e. Securities Premium Reserve:		
Opening Balance	5,561.73	5,397.96
Add : Securities premium credited on shares issue under ESOP	-	163.77
Closing Balance	5,561.73	5,561.73

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
f. Share Options Outstanding Account:		
Opening Balance	17.96	32.83
Less: Amortised during the year	6.89	14.87
Closing Balance	11.07	17.96
g. Revaluation Reserve (Net of Deferred Tax)	1,038.45	965.67
h. General Reserve:		
Opening Balance	45,426.12	38,999.13
Add: Transfer from Statement of Profit & Loss	849.39	6,426.99
Closing Balance	46,275.51	45,426.12
i. Surplus in the statement of Profit & Loss:		
Opening balance	41,341.11	21,841.80
Add : Net Profit for the current year	7,944.39	67,790.89
Less : Interim Dividend	-	33,881.92
Tax on Interim Dividend	-	5,496.49
Final Dividend	-	848.53
Tax on Final Dividend	-	137.66
Proposed Dividend	2,541.22	-
Tax on Proposed Dividend	431.88	-
Transfer to Contingency Reserve	-	1,500.00
Transfer to General Reserve	849.39	6,426.99
Closing Balance	45,434.94	41,341.10
j. Foreign Currency Translation Reserve	(198.96)	(221.68)
Total	1,00,332.97	95,301.14

5. LONG TERM BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
Secured		
<u>Term loans</u>		
- Vehicle loans from banks	21.76	40.27
Unsecured		
Fixed Deposit from Public & Shareholders	702.50	1,071.90
Inter Corporate Deposit	-	40.00
	702.50	1,111.90
Share of Joint Venture	50.45	102.33
Total	774.71	1,254.50

Terms of Repayment

5.1 Vehicle loans are secured by hypothecation of vehicles and same is repayable in sixty equated monthly instalment inclusive of interest on reducing balance.

5.2 i) Maturity profile and rate of interest of fixed deposit from public and shareholder are as set out below:

(₹ in lakhs)

Rate of Interest	Maturity Profile	
	2014-2015	2015-2016
9%	0.05	-
10%	539.89	162.56

ii) Fixed Deposit amount includes ₹ 462.46 lakhs (Previous year ₹ 805.40 lakhs) from related parties (refer note no. 34).

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

6. DEFERRED TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
Deferred Tax Assets		
Retirement Benefits	357.88	312.99
Others	119.44	124.98
	477.32	437.97
Deferred Tax Liability		
Depreciation	2,647.66	2,062.26
	2,647.66	2,062.26
Share of Joint Venture	327.69	246.75
Total	2,498.03	1,871.04

7. LONG TERM PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for employee Benefits		
Gratuity	654.85	686.10
Leave Encashment	167.97	140.74
Total	822.82	826.84

8. SHORT TERM BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
Secured		
Working Capital Loans from Banks #		
(a) Foreign currency loans	2,715.00	2,600.00
(b) Rupee Loans	608.80	-
	3,323.80	2,600.00
Unsecured		
(a) Foreign currency loans from bank	-	1,469.60
(b) Interest free advance from Directors	1.50	1.50
(c) Deposit from Distributors / Customers	247.05	247.05
(d) Inter Corporate Deposits from related parties	105.00	1,204.50
	353.55	2,922.65
Total	3,677.35	5,522.65

Working capital borrowings from the banks are secured by first charge on pari passu basis by way of hypothecation of company's current assets both present and future and by way of joint equitable mortgage of company's immovable properties situated at Thane and Belapur in the state of Maharashtra, Ankleshwar & Panoli (except for movable fixed assets located at plot no. 4, GIDC Phase IV, Panoli, Gujarat) in the State of Gujarat and Daman in the Union Territory of Daman.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

9. TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
Payable to Micro, Small and Medium Enterprises	174.47	101.25
Payable to Others	5,018.74	3,094.70
Share of Joint venture	857.55	513.07
Total	6,050.76	3,709.02

10. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
(a) <u>Current maturities of long-term debt</u>		
Vehicle Loan (Refer note No. 5.1)	11.81	13.08
Sales Tax Deferral	–	16.34
Fixed Deposit from Public & Shareholders #	506.94	292.36
Inter corporate deposit	40.00	–
(b) Interest accrued but not due on borrowings	101.35	114.71
(c) Unclaimed Dividends @	163.20	177.31
(d) Unclaimed Matured Deposits @	0.55	0.65
(e) Advance from Customers	118.87	187.96
(f) Other Payable	7,336.02	6,197.85
(g) Creditors for capital expenditure	1,434.48	702.98
(h) Outstanding Purchase Consideration (Undischarged liabilities of vendors)	0.10	0.10
(i) Bank overdrawn as per books	158.26	–
(j) Share of Joint venture	243.80	171.62
Total	10,115.39	7,874.96

Fixed Deposit amount includes ₹ 308.40 lakhs (Previous year ₹ 82.96 lakhs) from related parties (refer note no. 34).

@ There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

11. SHORT TERM PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Provision for employee benefits		
Gratuity	858.11	617.96
Leave Encashment	203.61	102.08
(b) Others		
Proposed Dividend	2,541.22	847.07
Tax on Proposed Dividend	431.88	137.42
(c) Share of Joint venture	19.00	21.06
Total	4,053.82	1,725.59

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

12. TANGIBLE AND INTANGIBLE ASSETS

(₹ in lakhs)

Fixed Assets	Gross Block			Accumulated Depreciation				Net Block		
	As at 1st April 2012	Additions	Disposals	As at 31st March 2013	As at 1st April 2012	Depreciation charge for the year	On disposals	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012
A) Tangible :										
1 Land (Freehold)	59.34	-	-	59.34	-	-	-	-	59.34	59.34
2 Land (Leasehold)	830.16	-	-	830.16	70.17	8.07	-	78.24	751.92	759.99
3 Factory Buildings	9,655.15	959.64	-	10,614.79	2,687.83	335.88	-	3,023.71	7,591.08	6,967.32
4 Buildings (Note 1)	672.01	-	10.82	661.19	143.80	10.93	3.58	151.15	510.04	528.21
5 Plant & Equipment	24,365.47	5,961.55	198.20	30,128.82	11,515.77	1,588.86	18.05	13,086.58	17,042.24	12,849.70
6 Furniture & Fixtures	1,097.12	45.95	0.90	1,142.17	622.35	52.71	0.16	674.90	467.27	474.77
7 Vehicles	1,096.68	528.23	206.98	1,417.93	474.47	122.06	155.18	441.35	976.58	622.21
8 Office Equipments	1,682.46	145.96	5.77	1,822.65	1,156.21	141.91	2.18	1,295.94	526.71	526.25
9 Airconditioners	2,174.98	523.37	-	2,698.35	938.96	150.01	-	1,088.97	1,609.38	1,236.02
Share of Joint Venture	8.91	3.04	0.49	11.46	5.52	2.46	0.31	7.67	3.79	3.39
Total	41,642.28	8,167.74	423.16	49,386.86	17,615.08	2,412.89	179.46	19,848.51	29,538.35	24,027.20
B) Intangible :										
1 Goodwill	1,690.23	-	-	1,690.23	-	-	-	-	1,690.23	1,690.23
2 Trade Marks	3.67	-	-	3.67	1.28	1.22	-	2.50	1.17	2.39
3 Acquired Software	478.07	159.00	-	637.07	400.21	50.87	-	451.08	185.99	77.86
Share of Joint Venture	1,836.40	190.52	-	2,026.92	2.62	0.84	-	3.46	2,023.46	1,833.78
Total	4,008.37	349.52	-	4,357.89	404.11	52.93	-	457.04	3,900.85	3,604.26
Current year's Total	45,650.65	8,517.26	423.16	53,744.75	18,019.19	2,465.82	179.46	20,305.55	33,439.20	27,631.46
Previous year's Total	42,024.63	4,730.54	1,104.52	45,650.65	16,185.15	2,242.46	408.42	18,019.19	27,631.46	25,839.48

Notes :

- Value of buildings includes a sum of ₹ 3000/- being the cost of shares in the societies.
- No depreciation has been claimed on assets to the extent of CENVAT claimed.

13. NON CURRENT INVESTMENTS

(Long Term Investment) (At Cost)

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
A Trade Investments (At cost)		
<u>Equity Shares</u>		
Unquoted :		
In Other Companies :		
5,866 (Previous year ₹ 5,866) Equity Shares of ₹ 10/- each of Bharuch Enviro Infrastructure Ltd.	0.59	0.59
6,12,032 (Previous year ₹ 612,032) Equity Shares of ₹ 10/- each of Narmada Clean Tech Limited (Formerly known as Bharuch Eco-aqua Infrastructure Ltd.)	61.20	61.20
Total (A)	61.79	61.79

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
B Other Investments		
(a) Equity Shares (Unquoted)		
In Other Companies :		
8,036 (Previous year 8,036) Equity Shares of ₹ 10/- each of J B Life Science Overseas Ltd.	0.80	0.80
20,000 (Previous year 20,000) Equity Shares of Enviro Technology Ltd. of ₹ 10/- each	2.00	2.00
60,000 (Previous year 60,000) Equity Shares of Panoli Enviro Technology Ltd. of ₹ 10/- each	6.00	6.00
20,00,000 (Previous year 20,00,000) Equity Shares of ₹ 10/- each of Asian Heart Institute & Research Centre Pvt. Ltd.	200.00	200.00
2,40,000 (Previous year 2,40,000) Equity Shares of ₹ 10/- each of Raptim Research Ltd.	24.00	24.00
50,000 (Previous year 50,000) Equity Shares of ₹ 10/- each of Ankleshwar Research & Analytical Infrastructure Ltd.	5.00	5.00
(b) In Government Securities		
National Saving Certificates	0.51	0.61
(Pledged with Government Authorities)		
(c) Debentures and Bonds (Unquoted)		
126 (Previous year 126) Units of ₹ 10/- each of Unit Trust of India	0.01	0.01
Nil (Previous year 2,000) Bonds of Rural Electrification Corporation of ₹ 10/- each	-	0.20
Total (B)	238.32	238.62
Total (A + B)	300.11	300.41
Less : Provision for diminution in the value of Investments	0.80	0.80
Total	299.31	299.61

Particulars	As at March 31, 2013	As at March 31, 2012
Aggregate amount of quoted investments	-	-
Market Value of quoted investments	-	-
Aggregate amount of unquoted investments	300.11	300.41
Aggregate amount of provision for diminution in the value of investments	0.80	0.80

14. LONG TERM LOANS & ADVANCES

(Unsecured, Considered Good)

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
a. Capital Advances	816.41	561.64
b. Security Deposits	482.94	570.61
c. Other loans and advances		
(i) Advances to Employees @	118.79	130.56
(ii) Other Advances	10.33	64.56
Total	1,428.47	1,327.37

@ Advance to Employees includes loan to a director ₹ Nil (Previous year ₹ 3.30 lakhs)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

15. OTHER NON CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
Trade Receivables		
Unsecured Considered Doubtful	10.04	-
Less: Provision for Doubtful Debts	10.04	-
Total	-	-

16. CURRENT INVESTMENTS

(At lower of cost or market value)

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
Investments in Mutual Funds		
<u>Unquoted:</u>		
Nil (Previous year 20,000,000.00) Units of ₹10 each of DSP Black Rock FMP-Series 7-12M-Growth-Maturity Date 30.08.2012	-	2,000.00
3,30,31,167.395 (Previous year 1,17,18,112.87) Units of ₹ 10 each of Birla Sun Life Dynamic Bond Fund-Retail-Growth	6,000.00	2,000.00
1,09,83,201.841 (Previous year 2,21,62,715.01) Units of ₹ 10 each of IDFC-SSIF-Short term-Plan-C-Growth	1,291.29	2,600.00
Nil (Previous year 5,27,00,691.00) Units of ₹ 10 each of HDFC FMP 13M September 2011-Growth	-	5,270.07
Nil (Previous year 2,86,39,353.00) Units of ₹ 10 each of ICICI Prudential MP Series 59-1 Year Plan D Cumulative	-	2,863.94
Nil (Previous year 1,70,00,000.00) Units of ₹ 10 each of DSP Black Rock FMP-Series 10-12 M-Growth-Maturity Date 20.09.2012	-	1,700.00
Nil (Previous year 1,50,00,000.00) Units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series DL Growth	-	1,500.00
Nil (Previous year 1,50,00,000.00) Units of ₹ 10 each of DSP Black Rock FMP-Series 12-12M-Growth-Maturity Date 24.09.2012	-	1,500.00
Nil (Previous year 1,50,00,000.00) Units of ₹ 10 each of ICICI Prudential MP Series 59-1 Year Plan E Cumulative	-	1,500.00
Nil (Previous year 2,40,00,000.00) Units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series DN Growth	-	2,400.00
Nil (Previous year 3,03,58,411.406) Units of ₹ 10 each of IDFC Money Manager Fund-Investment Growth Plan-Institutional Plan B	-	5,000.00
Nil (Previous year 1,04,65,113.452) Units of ₹ 10 each of IDFC Money Manager Fund-Treasury C-Growth Plan-Super Institutional Plan	-	1,332.04
Nil (Previous year 1,10,729.05) Units of ₹ 100 each of Birla Sun Life Savings Fund Institutional-Growth	-	226.13
66,00,000 (Previous year Nil) Units of ₹ 10 each of HDFC FMP 370D May 2012 (3)	660.00	-
1,41,21,939.474 (Previous year Nil) Units of ₹ 10 each of HDFC High Interest Fund Short Term Plan - Growth	3,051.37	-
1,30,21,055.072 (Previous year Nil) Units of ₹ 10 each of ICICI Prudential Short Term Plan - Growth	3,000.00	-
10,277,332.185 (Previous year Nil) Units of ₹ 10 each of Birla Sun life Short Term Fund-Growth	4,267.00	-
1,00,00,000 (Previous year Nil) Units of ₹ 10 each of ICICI Prudential FMP Series 64-367 D Plan L-Growth	1,000.00	-
1,00,00,000 (Previous year Nil) Units of ₹ 10 each of DSP BlackRock FMP Series 68-12m Growth	1,000.00	-
2,04,76,362.088 (Previous year Nil) Units of ₹ 10 each of HDFC Short Term Opportunities Fund-Growth	2,500.00	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
59,24,876.237 (Previous year Nil) Units of ₹ 10 each of HDFC Floating Rate Fund Income Fund Short Term Plan-Growth	1,160.97	-
2,25,56,303.552 (Previous year Nil) Units of ₹ 10 each of IDFC Dynamic Bond Fund-Plan B-Growth	3,000.00	-
3,20,30,365.63 (Previous year Nil) Units of ₹ 10 each of ICICI Prudential Dynamic Bond Fund-Growth	4,000.00	-
1,50,00,000 (Previous year Nil) Units of ₹ 10 each of HDFC FMP 371D October 2012 (1)	1,500.00	-
11,44,59.300 (Previous year Nil) Units of ₹ 10 each of DSP Black Rock Strategic Bond-Institutional Plan-Growth	1,500.00	-
50,00,000 (Previous year Nil) Units of ₹ 10 each of DSP Black Rock FMP Series 81-12 M-Growth	500.00	-
1,22,748.477 (Previous year Nil) Units of ₹ 10 each of DSP Black Rock Liquidity Fund-Growth	2,037.17	-
50,00,000 (Previous year Nil) Units of ₹ 10 each of DSP Black Rock Series 13-15 M-Growth	500.00	-
50,00,000 (Previous year Nil) Units of ₹ 10 each of DSP Black Rock Series 84-12 M-Growth	500.00	-
50,00,000 (Previous year Nil) Units of ₹ 10 each of DSP Black Rock Series 87-12 M-Growth	500.00	-
1,50,00,000 (Previous year Nil) units of ₹ 10 each of IDFC Fixed Term Plan Series 13-Growth	1,500.00	-
Total	39,467.80	29,892.18
Aggregate amount of unquoted investments	39,467.80	29,892.18

17. INVENTORIES

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
Raw materials (Stock in Transit ₹ 3.46, Previous year ₹ 1.77)	2,689.37	2,362.60
Packing Materials	1,461.16	1,409.45
Work-in-progress	962.76	752.27
Finished goods (Stock in Transit ₹ 121.94, Previous year ₹ 50.69)	2,957.43	3,281.91
Stock-in-trade	1,384.78	1,513.19
Fuel	28.54	16.11
Share of Joint Venture	969.45	767.71
Total	10,453.49	10,103.24

18. TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
Outstanding for a period exceeding six months		
Considered Good	812.66	914.28
Considered Doubtful	74.61	-
	887.27	914.28
Less: Provision for Doubtful Debts	74.61	-
	812.66	914.28
Others	17,880.03	12,141.50
Share of Joint Venture (includes provision for doubtful debts ₹ 6.29 lakhs)	434.70	549.33
Total	19,127.39	13,605.11

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

19. CASH & CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
a. Balances with banks #	14,677.16	17,764.13
b. Fixed Deposit with banks @	598.39	3,580.24
c. Cheques on hand	0.70	270.59
d. Cash on hand	16.54	19.84
e. Post Office Saving Account	0.58	0.57
f. Share of Joint venture	330.12	317.88
Total	15,623.49	21,953.25

Includes Unclaimed dividend of ₹ 163.20 lakhs (Previous year ₹ 177.31 lakhs).

Includes ₹ 13,757.75 lakhs (Previous year ₹ 16,282.72 lakhs) deposited in Escrow account in terms of escrow agreement dated 14th July, 2011 entered into with Cilag GmbH International in relation to sale of Russia-CIS OTC business undertaking and worldwide transfer of three trade marks viz. Doktor Mom, Rinza and Fitovit.

@ Fixed Deposit of ₹ 70.50 lakhs (Previous year ₹ 181.00 lakhs) was held as security deposit against Bank Guarantee.

20. SHORT TERM LOANS & ADVANCES

(Unsecured, considered good)

(₹ in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
Advances to Suppliers	303.02	480.18
Advances to Employees #	76.51	57.12
Other Advances @	7,786.22	9,477.07
Taxes Paid (Net of Provisions)	965.91	297.34
MAT credit Entitlements	515.19	708.30
Balance with Excise Authorities	2.80	1.73
Accrued interest on Deposits and others	14.74	39.61
Share of Joint Venture	34.13	6.77
Total	9,698.52	11,068.12

It includes loan amount due from director ₹ 3.30 lakhs (Previous year ₹ 8.40 lakhs).

@ Includes security deposit of ₹ 4.02 lakhs (Previous year ₹ 4.02 lakhs) given to companies in which directors are interested and ₹ 83.37 lakhs (Previous year ₹ 83.37 lakhs) given to related parties against lease of premises.

21. REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	2012-2013	2011-2012
Sales of Products:		
Sale of Pharmaceuticals Products	79,076.78	73,075.92
Export of Service	745.40	-
Add: Exchange Rate Difference	904.99	1,475.12
Share of Joint Venture	4,882.88	3,806.63
	85,610.05	78,357.67
Other Operating Revenues:		
Manufacturing Charges	23.32	10.30
Export Incentives	1,499.37	1,965.37
Sale of Scrap	392.98	360.04
Insurance Claims	42.28	61.48
Others	78.77	170.48
	2,036.72	2,567.67
Total	87,646.77	80,925.34

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

22. OTHER INCOME

Particulars	(₹ in lakhs)	
	2012-2013	2011-2012
Interest Income		
Bank Deposit	123.23	815.08
Interest from Debtors	3.23	2.26
Others	118.65	38.55
Dividend From Current Investment	46.78	1,746.39
Dividend From Long Term Investment	40.39	0.26
Income on sale/redemption of investments (Net)	2,294.42	180.52
Profit on sale of Assets (Net)	-	97.21
Provision for diminution in value of investments written back	-	0.02
Share of Joint Venture	160.56	18.05
Total	2,787.26	2,898.34

23. COST OF MATERIALS CONSUMED

Particulars	(₹ in lakhs)	
	2012-2013	2011-2012
Opening Inventories	3,772.92	3,421.30
Purchases	26,567.12	20,672.15
	30,340.04	24,093.45
Less: Closing Inventories	4,150.53	3,772.92
Total	26,189.51	20,320.53

24. CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	(₹ in lakhs)	
	2012-2013	2011-2012
Inventories at the beginning		
Finished Goods	3,281.91	3,251.01
Work-in-process	752.27	821.21
Stock in Trade	1,519.65	2,788.07
	5,553.83	6,860.29
Less: Inventories at the end		
Finished Goods	2,957.43	3,281.91
Work-in-process	962.76	752.27
Stock in Trade	1,373.35	1,513.19
	5,293.54	5,547.37
Share of Joint Venture	(291.98)	10.00
Total	(31.69)	1,322.92

25. EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ in lakhs)	
	2012-2013	2011-2012
Salaries and Other Benefits	10,798.01	9,241.46
Contribution to Provident Fund and Other Funds	916.22	897.82
Employee Compensation Expense	(6.89)	(5.12)
Gratuity	323.26	214.38
Staff Welfare	224.98	210.17
Share of Joint Venture	748.95	707.62
Total	13,004.53	11,266.33

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

26. FINANCE COST

(₹ in lakhs)		
Particulars	2012-2013	2011-2012
Interest Expenses :		
Interest on working capital borrowings	222.92	773.39
Interest on Fixed Loans	138.14	168.56
Interest on External Commercial Borrowing	-	39.87
	361.06	981.82
Other Borrowing Cost :		
Loan Processing Charges	17.26	27.06
Guarantee Charges	31.25	22.00
Others	25.05	236.01
Applicable net loss on foreign currency transactions and translations	93.44	1,133.09
Share of Joint Venture	-	2.83
Total	528.06	2,402.81

27. OTHER EXPENSES

(₹ in lakhs)		
Particulars	2012-2013	2011-2012
Manufacturing charges	848.31	925.44
Stores and spares	588.46	435.72
Power and fuel	3,974.77	2,988.50
Excise duty	306.10	367.25
Compensation rent	642.73	905.70
Rates and taxes	124.20	154.99
Insurance	207.54	182.30
Freight and transport charges	3,500.48	2,939.89
Repairs to :-		
- Building	195.86	198.63
- Machinery	491.24	354.67
- Others	537.78	425.81
Loss on sale/discard of assets (Net)	3.57	0.95
Sales promotion and publicity	3,769.24	4,991.59
Selling commission	1,834.44	1,873.25
Travelling and conveyance	1,739.99	1,816.08
Directors' fees	16.59	13.59
Royalty	12.68	17.31
Payment to Auditors:		
- Audit fees	36.33	26.96
- Tax Audit fees	9.00	7.50
- Other Taxation and Certification matters	17.25	23.46
Donations	66.50	41.73
Exchange difference others (Net)	864.58	2,873.37
Bad debts	-	213.26
Provision for doubtful debts	84.65	-
Loss on winding up of subsidiary	-	50.43
Miscellaneous expenses	5,183.46	4,617.91
Share of Joint Venture	1,141.68	802.80
Total	26,197.43	27,249.09

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

28. The Pharmaceutical Division of Unique Pharmaceutical Laboratories Ltd. (UPLL) which was acquired by the company on a going concern basis, has received demand notices from Dept. of Chemicals & Fertilizers, Govt. of India, New Delhi demanding a sum of ₹ 461.47 lakhs in respect of the bulk drug Metronidazole and a further sum of ₹ 591.05 lakhs in respect of the bulk drug Oxyphenbutazone. These amounts were claimed on hypothetical basis in 1996, under para 7(2) of DPCO 79 read with para 14 of DPCO 87 and para 12 of DPCO 95, long after repeal of DPCO 79 and DPCO 87 and gains allegedly notionally made by it by procuring the bulk drugs at alleged lower cost. UPLL has filed review petition against each of these claims disputing the jurisdiction, power and legal or rational basis for making such demands, particularly in view of the repeal of DPCO 79 and DPCO 87. The company has filed writ petition bearing No. 446 of 2008 in respect of demand for Oxyphenbutazone & writ petition No. 2623 of 2007 in respect of demand for Metronidazole in Bombay High Court. These writ petitions have been admitted and the Hon'ble High Court has restrained the Government from adopting coercive steps to recover the amount till the disposal of the writ petition on the company furnishing security as per the orders. The company has already furnished the bank guarantee as security. As per the legal advice received by the company, there is no liability and accordingly no provision is being made in the accounts for these claims and demands.

29. The company has received from Cilag GmbH International ("Cilag") a notice of claims under business Sale and Purchase Agreement dated May 23, 2011 and Supply Agreement dated May 23, 2011 for estimated amount of US\$ 33.30 million (which appears to coincide with the amount held in the escrow account) and US\$ 5 million respectively. The company has contested these claims. The parties are in discussion to resolve the differences. The amount in this regard is not fairly ascertainable.

30. EMPLOYEE BENEFITS:

The disclosures as required as per the revised AS 15 are as under:

For Parent Company:

a) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

(₹ in lakhs)

Particulars	2012-13	2011-12
Employer's Contribution to Provident Fund & Family Pension Fund	736.57	717.73
Employer's Contribution to Superannuation Fund	128.52	92.30
Employer's Contribution to Employees' State Insurance Scheme	22.07	18.61

b) Defined Benefit Plan

Reconciliation of opening and closing balances of Defined Benefit obligation.

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Defined Benefit obligation at the beginning of the year	2,102.52	1,972.89
Current Service Cost	95.51	93.82
Interest Cost	178.72	165.01
Actuarial (gain)/loss	140.14	3.86
Benefits Paid	(112.26)	(133.06)
Defined Benefit obligation at year end	2,404.63	2,102.52

Reconciliation of opening and closing balances of fair value of plan Assets

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Fair value of plan assets at the beginning of the year	798.46	740.29
Expected return on plan assets	68.67	65.33
Actuarial gain/(loss)	33.02	(17.02)
Employer contribution	75.58	142.92
Benefits Paid	(84.06)	(133.06)
Fair value of plan assets at the end of the year	891.67	798.46

Actual Return on Plan Assets

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Expected return on plan assets	68.67	65.33
Actuarial gain/(loss) on plan assets	33.02	(17.02)
Actual return on plan assets	101.69	48.31

Reconciliation of fair value of plan assets and benefit obligations

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Fair value of assets as at 31 st March	891.67	798.46
Present value of obligation as at 31 st March	2,404.63	2,102.52
Amount recognized in Balance Sheet	1,512.96	1,304.06

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

Expense recognized during the year (Under the head "Employee Cost"-Refer note 25)

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Current Service Cost	95.51	93.82
Interest Cost	178.72	165.01
Expected return on Plan Assets	(68.67)	(65.33)
Actuarial (gain)/loss	107.12	20.88
Expense Recognized in profit and loss account	312.68	214.38

Expected employers contribution for the next year is ₹ 100.73 lakhs (Previous year ₹ 85.18 lakhs).

Investment details

The company made annual contributions to the LIC of an amount advised by the LIC. The company was not informed by LIC of the Investments made or the break-down of plan assets by investment type.

Actuarial Assumptions

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Discount Rate (per annum)	8.25%	8.50%
Expected Rate of Return on Plan Assets (per annum)	8.70%	8.60%
Salary Escalation (per annum)	4.00%	4.00%

For Subsidiaries: (OOO Unique Pharmaceutical Laboratories)

Contribution to Defined Contribution Plan, recognized as expense for the year is as under:

(₹ in lakhs)

Particulars	2012-13	2011-12
Employer's Contribution under various Government Schemes.	28.64	69.18

Payments have been made under various pension fund and insurance scheme of the Government. The company does not have any liability of making any payment to employee either on termination or retirement.

For Joint Venture:

Contribution to Defined Contribution Plan, recognized as expense for the year is as under:

(₹ in lakhs)

Particulars	2012-13	2011-12
Employer's Contribution under various Government Schemes.	63.68	56.69

31. SEGMENT REPORTING:

The Group has one segment of activity namely 'Pharmaceuticals'.

32. Disclosures as required by Accounting Standard 19 "Leases", notified under sub-section (3C) of Section 211 of the Companies Act, 1956, are given below:

- The company has taken certain residential and office premises on operating lease / leave and licence agreements having non-cancellable / not non-cancellable (range between 11 months and 3 years are renewable by mutual consent on mutually agreeable terms).
- Lease payment in respect of non cancellable lease amounts to ₹ 70.69 lakhs (Previous year ₹ 111.99 lakhs) is included under the head Compensation Rent in Note "27".
The minimum future lease rentals payable in respect thereof are as follows:-

(₹ in lakhs)

Particulars	2012-13	2011-12
Not later than one year	86.82	74.98
Later than one year but not later than five years	44.05	15.09
Later than five years	-	-

33. EARNING PER SHARE:

Group Earning Per Share (EPS) is calculated in accordance with Accounting Standard-20 (AS-20) as under:

Particulars	2012-13	2011-12
Net Profit attributable to Equity Shareholders (₹ in lakhs)	7,944.41	67,790.88
Weighted Average No. of Equity shares (Nos.)		
Basic	8,47,07,300	8,46,19,953
Effect of Dilutive equity shares equivalent	-	-
Stock Options outstanding	7,456	6,746
Diluted	8,47,14,756	8,46,26,698
Nominal value of equity shares (₹)	2.00	2.00
Earning per share (₹)		
Basic	9.38	80.11
Diluted	9.38	80.11

34. RELATED PARTY DISCLOSURE

For Parent Company:

Related party disclosure as required by AS - 18, 'Related Party Disclosures' notified by the Companies (Accounting Standard) Rules, 2006 are given below:

Names and Relationships of the Related Parties:

- Associate Concerns / Trusts / Companies/Joint Venture
 - Mody Trading Company
 - Mody Brothers
 - Jyotindra Family Trust
 - Dinesh Family Trust
 - Shirish Family Trust

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

- f. Biotech Laboratories (Pty.) Ltd.
g. Jyotindra Mody Holdings Pvt. Ltd.
h. Ansuya Mody Securities Pvt. Ltd.
i. Dinesh Mody Securities Pvt. Ltd.
j. Kumud Mody Securities Pvt. Ltd.
k. Shirish B. Mody Investments Pvt. Ltd.
l. Bharati S. Mody Investments Pvt. Ltd.
m. J. B. Mody Enterprises Pvt. Ltd.
n. Ansuya Mody Enterprises Pvt. Ltd.
o. Dinesh Mody Ventures Pvt. Ltd.
p. Kumud Mody Ventures Pvt. Ltd.
q. Shirish Mody Enterprises Pvt. Ltd.
r. Bharati Mody Ventures Pvt. Ltd.
s. Synit Drugs Pvt. Ltd.
t. Unique Pharmaceutical Laboratories Ltd.
u. Ifunik Pharmaceuticals Ltd.
v. Namplas Chemicals Pvt. Ltd.
w. Raptim Research Ltd.
x. Gemma Jewellery Pvt. Ltd.
- y. Lekar Pharma Ltd.
z. Afrika Bio-Pharma Investments (Pty.) Ltd.
- ii) Key Management Personnel:
a. Shri Jyotindra B. Mody
b. Shri Dinesh B. Mody
c. Shri Shirish B. Mody
d. Mr. Sandeep Nasa (in subsidiary company)
- iii) Relative of Key Management Personnel:
a. Mr. Pranabh D. Mody
b. Mrs. Kumud D. Mody
c. Mrs. Bharati S. Mody
d. Mrs. Pallavi B. Mehta
e. Mrs. Purvi U. Asher
f. Mrs. Priti R. Shah
g. Mrs. Deepali A. Jasani
h. Mr. Nirav S. Mody
i. Mrs. K. V. Gosalia
j. D. B. Mody HUF
k. S. B. Mody HUF

Transactions during the year with related parties:

(₹ in lakhs)

Transaction with Related Parties	Associate Concern / Trust / Joint Venture	Key Management Personnel	Relative of Key Management Personnel
Income			
Sale of Material / Goods / Others	1,296.28 (988.03)	- (-)	- (-)
Receipt of Manufacturing charges	22.92 (10.30)	- (-)	- (-)
Expenditure			
Purchases	3,509.68 (3,380.83)	- (-)	- (-)
Processing Charges	150.36 (155.06)	- (-)	- (-)
Bio-Equivalence Study	60.63 (16.55)	- (-)	- (-)
Rent	273.83 (269.81)	- (-)	73.56 (72.27)
Sales promotion and publicity	10.00 (-)	- (-)	- (-)
Reimbursement of Expenses	15.41 (-)	- (-)	- (-)
Royalty	14.16 (13.72)	- (-)	- (-)
Employee Benefit Expense	- (-)	115.83 (40.95)	24.87 (25.80)
Remuneration	- (-)	965.25 (338.80)	184.27 (173.40)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

(₹ in lakhs)

Transaction with Related Parties	Associate Concern / Trust/ Joint Venture	Key Management Personnel	Relative of Key Management Personnel
Interest on Deposits	88.38 (155.53)	11.10 (10.90)	78.09 (111.31)
Others			
O/S Payables as on March 31, 2013	173.86 (1,205.40)	128.88 (81.66)	718.07 (881.80)
O/S Receivables as on March 31, 2013	451.14 (353.67)	- (-)	25.28 (25.28)

Disclosure in respect of material Related Party Transactions during the year:

1. Material / Goods sold to Biotech Laboratories (Pty.) Ltd. ₹ 959.89 lakhs (Previous year ₹ 592.50 lakhs), Lekar Pharma Ltd. ₹ 336.39 lakhs (Previous year ₹ 395.53 lakhs).
2. Manufacturing charges received from Lekar Pharma Ltd. ₹ 22.92 lakhs (Previous year ₹ 10.30 lakhs).
3. Purchases from Lekar Pharma Ltd. ₹ 3,507.87 lakhs (Previous year ₹ 3,366.38 lakhs).
4. Processing charges paid to Namplas Chemicals Pvt. Ltd ₹ 150.36 lakhs (Previous year ₹ 155.06 lakhs).
5. Bio-equivalence study charges paid to Raptim Research Ltd. ₹ 60.63 lakhs (Previous year ₹ 16.55 lakhs).
6. Rent paid to Jyotindra Family Trust ₹ 116.40 lakhs (Previous year ₹ 114.45 lakhs), Dinesh Family Trust ₹ 59.07 lakhs (Previous year ₹ 58.14 lakhs), Shirish Family Trust ₹ 70.34 lakhs, (Previous year ₹ 69.20 lakhs), D. B. Mody HUF ₹ 36.71 lakhs (Previous year ₹ 36.06 lakhs), S. B. Mody HUF ₹ 36.85 lakhs (Previous year ₹ 36.21 lakhs).
7. Purchase of promotional item from Gemma Jewellery Pvt. Ltd ₹ 10.00 lakhs (Previous year ₹ Nil).
8. Reimbursement of Expense to Biotech Laboratories (Pty.) Ltd. ₹ 15.41 lakhs (Previous year ₹ Nil).
9. Royalty paid to Unique Pharmaceutical Laboratories Ltd. ₹ 14.16 lakhs (Previous year ₹ 12.66 lakhs).
10. Employee benefit expense paid to Shri Jyotindra B. Mody ₹ 38.61 lakhs (Previous year ₹ 13.65 lakhs), Shri Dinesh B. Mody ₹ 38.61 lakhs (Previous year ₹ 13.65 lakhs), Shri Shirish B. Mody ₹ 38.61 lakhs (Previous year ₹ 13.65 lakhs), Shri Pranabh D. Mody ₹ 14.39 lakhs (Previous year ₹ 16.37 lakhs).
11. Remuneration paid to Shri Jyotindra B. Mody ₹ 321.75 lakhs (Previous year ₹ 113.05 lakhs), Shri Dinesh B. Mody ₹ 321.75 lakhs (Previous year ₹ 112.80), Shri Shirish B. Mody ₹ 321.75 lakhs (Previous year ₹ 112.95 lakhs).
12. Interest on Deposit paid to Jyotindra Mody Holdings Pvt. Ltd. ₹ 18.88 lakhs (Previous year ₹ 23.92 lakhs), Bharati S. Mody Investments Pvt. Ltd. ₹ 27.26 lakhs (Previous year ₹ 41.50 lakhs), D. B. Mody HUF ₹ 30.60 lakhs (Previous year ₹ 44.40 lakhs).
13. Amount payable as on 31st March, 2013 to Jyotindra Mody Holdings Pvt. Ltd. ₹ Nil (Previous year ₹ 230.00 lakhs), Ansuva Mody Securities Pvt. Ltd. ₹ Nil (Previous year ₹ 205.00 lakhs), Bharati S. Mody Investments Pvt. Ltd. ₹ Nil (Previous year ₹ 332.00 lakhs), Synit Drugs Pvt. Ltd. ₹ 40.00 lakhs (Previous year ₹ 50.00 lakhs), Unique Pharmaceutical Laboratories Ltd. ₹ Nil (Previous year ₹ 150.00 lakhs), Ifiunik Pharmaceuticals Ltd ₹ 65.00 lakhs (Previous year ₹ 10.00 lakhs), Namplas Chemicals Pvt. Ltd. ₹ 15.97 lakhs (Previous year ₹ Nil), Raptim Research Ltd. ₹ 2.43 lakhs (Previous year ₹ Nil), Shri Jyotindra B. Mody ₹ 103.09 lakhs (Previous year ₹ 58.20 lakhs), Shri Dinesh B. Mody ₹ 25.29 lakhs (Previous year ₹ 22.96 lakhs), Shri Pranabh D. Mody ₹ 98.48 lakhs (Previous year ₹ 170.44 lakhs), Mrs. Kumud D. Mody ₹ 61.77 lakhs (Previous year ₹ 57.37 lakhs), Mrs. Bharati S. Mody ₹ 37.28 lakhs (Previous year ₹ 25.86 lakhs), Mrs. Purvi Asher ₹ 2.44 lakhs (Previous year ₹ 2.30 lakhs), Mrs. Deepali A. Jasani ₹ 116.10 lakhs (Previous year ₹ 104.62 lakhs), Mr. Nirav S. Mody ₹ Nil (Previous year ₹ 90.25 lakhs), Mrs K. V. Gosalia ₹ 29.10 lakhs (Previous year ₹ 29.10 lakhs), D. B. Mody HUF ₹ 306.00 lakhs (Previous year ₹ 306.00 lakhs), S. B. Mody HUF ₹ 66.90 lakhs (Previous year ₹ 60.61 lakhs).
14. Amount receivable as on 31st March, 2013 from Jyotindra Family Trust ₹ 21.13 lakhs (Previous year ₹ 21.13 lakhs), Dinesh Family Trust ₹ 8.49 lakhs (Previous year ₹ 8.49 lakhs), Shirish Family Trust ₹ 8.49 lakhs (Previous year ₹ 8.49 lakhs), Jyotindra Mody Holdings Pvt. Ltd. ₹ 1.34 lakhs (Previous year ₹ 1.34 lakhs), Dinesh Mody Securities Pvt. Ltd. ₹ 1.34 lakhs (Previous year ₹ 1.34 lakhs), Shirish B. Mody Investments Pvt. Ltd. ₹ 1.34 lakhs (Previous year ₹ 1.34 lakhs), Biotech Laboratories (Pty.) Ltd. ₹ 305.45 lakhs (Previous year ₹ 287.48 lakhs), Lekar Pharma Ltd. ₹ 103.58 lakhs (Previous year ₹ 24.08 lakhs), D. B. Mody HUF ₹ 12.64 lakhs (Previous year ₹ 12.64 lakhs), S. B. Mody HUF ₹ 12.64 lakhs (Previous year ₹ 12.64 lakhs).

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 (CONTD..)

35. FOREIGN CURRENCY EXPOSURE AT THE YEAR END NOT HEDGED BY DERIVATIVE INSTRUMENTS.

For Parent Company:

Particulars	As at March 31, 2013		As at March 31, 2012	
	Foreign Currency	(₹ in lakhs)	Foreign Currency	(₹ in lakhs)
Receivable against export of goods:				
Euro	2,813,207.42	1,955.46	901,291.22	612.07
AUD	987,314.05	557.83	703,644.37	372.51
GBP	172,769.00	141.84	80,475.80	65.60
Payable against Secured Loans:				
US Dollars	5,000,000.00	2,715.00	8,000,000.00	4,069.60
Payable against Import of goods & services :				
US Dollars	562,646.77	305.52	6,69,068.21	340.35
ZAR	-	-	26,692.00	1.77

For Joint Venture Company:

Particulars	As at March 31, 2013		As at March 31, 2012	
	Foreign Currency	(₹ in lakhs)	Foreign Currency	(₹ in lakhs)
Payable against Import of goods & services :				
US Dollars	16,19,882.93	879.60	395,081.20	200.98
EURO	-	-	38,284.19	24.26
GBP	47,498.60	38.94	82,340.29	67.12
CHF	28,320.00	16.20	-	-

36. Previous year's figures are re-grouped, re-arranged, recast wherever considered necessary.

37. Figures in brackets indicate corresponding figures of previous year.

As per our report of even date

For J. K. Shah & Co.
Chartered Accountants
Firm Registration No. 109606W

J. K. Shah
Partner
Membership No. 3662

Place : Mumbai
Date : May 24, 2013

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

S. B. Mody
Whole time director (Marketing)

Place : Mumbai
Date : May 24, 2013

D. B. Mody
Whole time director
(Administration)

M. C. Mehta
Company Secretary

INFORMATION PERTAINING TO SUBSIDIARY COMPANIES

J. B. Chemicals & Pharmaceuticals Limited ("the Parent") has availed of exemption from compliance of section 212 of the Companies Act, 1956 pursuant to directions issued by the Central Government through Ministry of Corporate Affairs vide General Circular No. 2/2011 dated February 8, 2011. The information in aggregate requiring disclosure in terms of paragraph (iv) and (vii) of the said general circular in respect of each subsidiary of the Parent, is as under. The following information forms part of consolidated balance sheet:

(₹ in lakhs)

		OOO Unique Pharmaceutical Laboratories, Russia.	J. B. Healthcare Pvt. Ltd., Jersey.	J. B. Chemicals & Pharmaceuticals Pvt. Ltd., Singapore.	LLC Unique Pharmaceutical Laboratories, Ukraine.
1	Share capital	1,216.89	2,653.43	7.20	18.53
2	Reserves	1,223.49	85.99	(21.18)	(11.43)
3	Total assets	6,361.19	2,752.40	1.04	7.21
4	Total liabilities	6,361.19	2,752.40	1.04	7.21
5	Turnover	3895.90	140.11	-	-
6	Profit/(Loss) before taxation	342.74	101.33	(3.01)	(9.83)
7	Provision for taxation	(8.91)	-	-	-
8	Profit/(Loss) after taxation	333.83	101.33	(3.01)	(9.83)
9	Proposed dividend	-	*-	-	-
10	Details of Investments**	-	-	-	-
	- 2,107,990 Ordinary shares		2,651.25		
	- 175,591 Non-Redeemable Convertible "A" Preference Shares		0.01		
11	Exchange rate as on March 31, 2013	1.75 (from Rouble to INR)	54.30 (From US \$ to INR)	54.30 (From US \$ to INR)	6.67 (From UAH to INR)

* The subsidiary has paid interim dividend of ₹ 159.48 lakhs during the year.

** These investments are held in Biotech Laboratories (Pty.) Ltd.

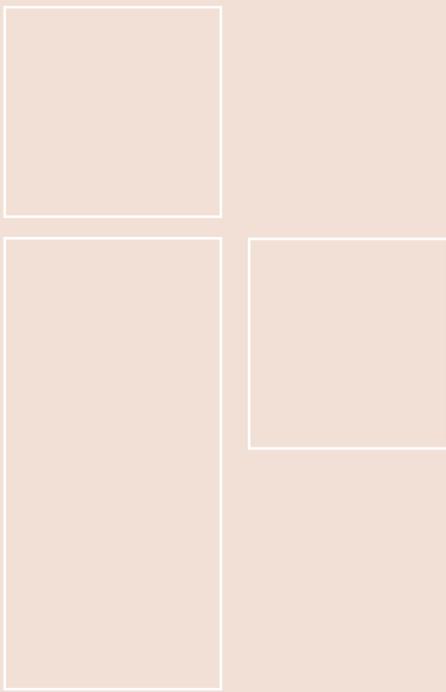
TEN YEAR FINANCIAL SUMMARY

(Rs. in lakhs)

Particulars	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13
Sources of Funds										
Share Capital	1,605.90	1,605.90	1,607.36	1,686.53	1,686.53	1,686.53	1,686.53	1,690.34	1,694.15	1,694.15
Share Application money	–	–	–	1.02	–	–	–	–	–	–
Reserves and Surplus	23,290.23	27,012.68	31,701.29	40,426.27	44,632.06	51,518.92	59,650.61	69,637.93	93,692.17	99,206.03
Secured Loans	3,300.72	3,796.15	6,298.12	8,419.69	15,449.58	13,429.80	9,849.14	12,750.73	2,653.35	3,357.37
Unsecured Loans	1,008.23	2,708.24	3,264.45	8,971.74	4,102.42	3,639.01	3,773.31	4,105.59	4,344.55	1,603.54
Deferred Tax Liability (Net)	1,126.54	1,426.54	1,542.54	1,875.82	1,466.10	1,344.51	1,423.99	1,443.62	1,655.69	2,197.49
Total	30,331.62	36,549.51	44,413.76	61,381.07	67,336.69	71,618.77	76,383.58	89,628.21	104,039.91	108,058.58
Application of Funds										
Net Fixed Assets (Incl. Capital WIP)	12,812.41	13,474.90	14,730.33	22,233.17	23,352.95	22,747.69	21,807.85	22,894.44	28,000.53	29,917.34
Investments	282.19	297.87	298.02	3,353.74	4,290.55	4,559.44	6,246.43	12,328.84	33,771.16	43,365.78
Current Assets, Loans and Advances:										
Inventories	4,138.67	5,158.62	6,319.10	7,608.21	6,511.34	5,517.99	5,640.84	8,178.22	9,079.85	8,988.92
Sundry Debtors	15,806.34	18,887.32	25,258.30	31,762.72	32,804.08	37,449.92	40,727.14	38,545.42	13,120.82	19,464.31
Cash & Bank Balances	560.01	922.30	1,138.91	1,970.95	1,450.68	4,145.45	7,056.63	12,291.77	21,136.24	14,910.99
Loans and Advances	2,145.09	2,506.21	2,946.93	3,647.35	5,864.85	5,146.99	5,550.89	6,488.05	12,163.11	10,635.07
Total Currents Assets	22,650.11	27,474.45	35,663.24	44,989.23	46,630.95	52,260.35	58,975.50	65,503.46	55,500.02	53,999.29
Less: Current Liabilities and Provisions:										
Current Liabilities	4,113.76	3,283.22	4,678.79	7,545.76	5,432.94	5,846.39	7,318.30	7,688.67	10,700.43	14,457.71
Provisions	1,299.33	1,414.49	1,599.04	1,649.31	1,504.82	2,102.32	3,327.90	3,409.86	2,531.37	4,766.12
Net Current Assets	17,237.02	22,776.74	29,385.41	35,794.16	39,693.19	44,311.64	48,329.30	54,404.93	42,268.22	34,775.46
Total	30,331.62	36,549.51	44,413.76	61,381.07	67,336.69	71,618.77	76,383.58	89,628.21	104,039.91	108,058.58
Income										
Sales	30,075.32	35,809.04	46,600.07	53,145.92	54,809.43	72,315.53	67,006.45	78,757.94	63,577.48	79,446.05
Other income	1,201.08	1,302.66	1,155.18	1,069.78	1,380.19	1,496.57	1,725.34	2,499.40	7,915.84	4,792.27
Total	31,276.40	37,111.70	47,755.25	54,215.70	56,189.62	73,812.10	68,731.79	81,257.34	71,493.32	84,238.32
Expenditure										
(Increase)/decrease in stock in trade	(545.78)	(782.72)	(556.42)	(53.37)	839.09	585.00	(321.94)	(1,564.67)	(547.18)	480.97
Consumption of raw and packing materials	8,461.07	9,718.46	13,048.00	15,218.88	14,499.16	15,869.86	16,126.49	20,900.33	20,320.53	26,190.38
Purchase of traded goods	2,700.29	2,837.90	4,105.34	3,349.89	3,932.35	5,505.45	4,410.23	4,970.06	6,999.76	7,155.17
Employees cost	3,727.89	4,774.81	5,723.00	7,717.95	8,994.98	9,340.88	9,846.93	11,642.70	10,131.32	12,012.87
Operating and other expenses	9,468.73	12,810.93	16,030.45	18,871.67	21,311.62	31,295.57	24,453.41	28,948.50	27,495.59	25,184.88
Depreciation/amortisation	944.92	1,048.92	1,073.07	1,133.39	1,701.66	2,037.26	2,122.25	2,265.08	2,230.40	2,439.58
Total	24,757.12	30,408.30	39,423.44	46,238.41	51,278.86	64,634.02	56,637.37	67,162.00	66,630.42	73,463.85
Profit before extraordinary item and taxation	6,519.28	6,703.40	8,331.81	7,977.29	4,910.76	9,178.08	12,094.42	14,095.34	4,862.90	10,774.47
Add: Exceptional item: Income on sale of Russia-CIS OTC business (Net)	–	–	–	–	–	–	–	–	76,059.34	–
Less: Taxation	1,415.24	788.60	1,239.03	875.01	(258.37)	1,304.46	1,994.69	2,275.88	16,652.30	2,280.62
Profit after taxation	5,104.04	5,914.80	7,092.78	7,102.28	5,169.13	7,873.62	10,099.73	11,819.46	64,269.94	8,493.85
Ratios:										
Earning per share (Rs.)	31.78	36.83	#8.83	8.43	6.13	9.34	11.98	14.00	75.95	10.03
Book Value per share (Rs.)	155.03	178.21	#41.45	49.94	54.93	63.09	72.74	84.40	112.61	119.12
Debt Equity Ratio	0.17:1	0.23:1	0.29:1	0.41:1	0.42:1	0.32:1	0.22:1	0.24:1	0.07:1	0.05:1
Current Ratio	4.18:1	5.85:1	5.68:1	4.89:1	6.72:1	6.57:1	5.54:1	5.90:1	4.19:1	2.81:1
Dividend (%)	110	120	130	130	25	50	100	100	*2050	150

Per equity share of ₹ 2 each from 05-06 onwards. Figures of Previous year have been re-grouped, re-arranged and re-cast, wherever considered necessary.

* Includes special interim dividend of ₹ 40 (2000%) per share.



J. B. Chemicals & Pharmaceuticals Limited

www.jbcpl.com

Printed by: www.westernpress.in

A WYATT SOLUTION (info@wyatt.co.in)