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LINCOLN
PHARMACEUTICALS LTD.

HEALTHCARE FOR ALL

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Kishor M. Shah	<i>Chairman</i>
Shri Mahendra G. Patel	<i>Managing Director</i>
Shri Rajnikant G. Patel	<i>Jt. Managing Director</i>
Shri Arvindbhai G. Patel	<i>Whole time Director</i>
Shri Hasmukhbhai I. Patel	<i>Whole time Director</i>
Shri Ishwarlal A. Patel	<i>Director</i>
Shri. Mihirbhai V. Patel	<i>Director</i>
Shri Maganbhai R. Patel	<i>Director</i>
Shri Pirabhai R. Suthar	<i>Director</i>

BANKER

State Bank of India

AUDITORS

M/s. Chandulal M. Shah & Company

REGISTERED OFFICE

“LINCOLN HOUSE”
B/h. Satyam Complex, Science City Road,
Sola, Ahmedabad-380060.

PLANT

Trimul estate, Khatraj, Ta-Kalol,
District:: Gandhinagar Gujarat.

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of the Company will be held on Saturday, the 29th day of September, 2012 at 10.30 a.m. at LINCOLN HOUSE, Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060 to transact the following business:

ORDINARY BUSINESS

- (1) To receive, consider and adopt the Audited Statement of Accounts together with the Directors' Report and also the Auditors' Report thereon for the year ended 31st March 2012.
- (2) To declare Dividend on Equity Shares.
- (3) To appoint a Director in place of Shri Mihirbhai V. Patel, who retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- (4) To appoint a Director in place of Shri Arvind G. Patel, who retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- (5) To appoint Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.** Proxies in order to be valid must be delivered at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. Members are requested to notify the changes, if any, in their registered address.
3. The Register of Members and Share Transfer Book of the Company shall remain closed from Saturday, 22nd day of September, 2012 to Saturday, 29th September, 2012 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend.
4. Members are requested to bring their copy of Annual Report to the meeting.
5. Members desiring to seek information on Annual Accounts to be explained at the meeting are requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.
6. Information required to be furnished under the Listing Agreement, as required under the Listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be re-appointed, are given below:
 - I. Name : Shri Mihir V. Patel
Date of Birth : 23-05-1961
Qualification : M.S. (Electronics), U.S.A.
Expertise : IT enabled services and overall administration.
 - II. Name : Shri Arvind G. Patel
Date of Birth : 29-09-1950
Qualification : B.E. (Electrical)
Expertise : Planing, Project implementation and export activities.
7. The Ministry of Corporate Affairs (MCA), New Delhi has taken "Green initiatives in Corporate Governance" by allowing paperless compliances by the Companies and issued a circular dated 21st April, 2011 clarifying that the service of documents to be made by a Company can be made through electronic mode. To support the green initiative of the Ministry of Corporate Affairs, members who have not yet registered their e-mail id are requested to register the same immediately.

Members holding shares in physical form are requested to register their e-mail id by communicating the same to the RTA/Company mentioning their Folio number. Members holding shares in electronic form are requested to register their e-mail id are advised to approach their Depository Participants in this regard.

By order of the Board
For **Lincoln Pharmaceuticals Limited**

Registered office
"LINCOLN HOUSE"
B/h. Satyam Complex,
Science City road, Sola, Ahmedabad
Date : 14th August, 2012

(P. P. Arora)
Company Secretary

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Annual Report together with the audited Statement of Accounts for the year ended 31st March 2012.

FINANCIAL RESULTS

The operating results of the Company for the year ended on 31st March, 2012 are briefly indicated below:- (Rs. in Lacs)

	Year 2011-2012	Year 2010-2011
Profit Before Depreciation and Taxation	911.29	763.76
Less : Depreciation	188.65	166.68
Less : Provision for Taxation – Current	162.19	141.00
Less : Deferred tax Expense	63.79	52.93
	<hr/>	<hr/>
Profit after Taxation	496.66	403.15
Add : Balance brought forward	1822.05	1582.64
	<hr/>	<hr/>
Profit available for Appropriation	2318.71	1985.79
APPROPRIATION		
1. Proposed Dividend	97.86	97.86
2. Dividend Tax	15.88	15.88
3. General Reserve	50.00	50.00
	<hr/>	<hr/>
Net Balance carried to Balance sheet	2154.97	1822.05
	<hr/> <hr/>	<hr/> <hr/>

OPERATIONS

During the year under review, your company has performed well and achieved total revenue of Rs. 17755.58 lacs (Previous year Rs.16912.80 lacs). The Company has earned net profit of Rs.496.66 lacs(previous year of Rs. 403.15 lacs). Further details are given in management discussions and analysis Report, which forms part of this report.

CORPORATE GOVERNANCE REPORT

Your Company has complied with the Corporate Governance practice mandated by Clause 49 of the Listing Agreement. A report on the same is given separately.

DIVIDEND

Your Directors are pleased to recommend a payment of dividend @6% (Rs.0.60 per equity shares) for the year ended 31-03-2012. (Previous year - 6%).

DEPOSITS

The Company has not accepted deposits within the meaning of Section 58A of the Companies Act, 1956.

DIRECTORS

Shri Mihirbhai V. Patel and Shri Arvindbhai G. Patel-Directors of the Company are retiring by rotation and being eligible, offer themselves for re-appointment.



LINCOLN

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors to the best of their knowledge and belief and according to the information and explanation obtained by them, confirm that:

- (1) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (2) appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (3) proper and sufficient care has been taken 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;
- (4) the accounts have been prepared on going concern basis.

SUBSIDIARY COMPANY :

Pursuant to the provision of Section 212(8) of the Act, 1956, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary companies with the balance sheet of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended 31.03.2012 is included in the Annual Report. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies. Annual Accounts of the subsidiary companies are also kept ready for inspection by any shareholders of the Company at registered office of the Company and of the concerned subsidiary companies. The Company will furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

INSURANCE :

The Company has taken adequate insurance to cover its assets.

LISTING :

Company's Securities are listed with the Stock Exchanges at Ahmedabad and Mumbai. The Company has already paid the listing fees for the year 2012-2013 to both the Stock Exchanges.

EMPLOYEES :

As there are no employees drawing remuneration more than the limit prescribed under Section 217(2A) of the Companies Act, 1956, and the Companies (Particulars of Employees) Rules, 1975, as amended, from time to time, statement under section 217(2A) is not required.

COST AUDIT :

M/s. Kiran J. Mehta & Company Cost Accountants, Ahmedabad, have been appointed to conduct cost audit for the year ended 31-03-2013.

AUDITORS :

The Company's Auditors M/s. Chandulal M. Shah & Co. Chartered Accountants, Ahmedabad will retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Members are requested to appoint auditors for the current year and fix remuneration.

AUDITORS' OBSERVATION :

With reference to Auditors' observation relating to non provision of trade receivables to the extent of Rs. 215.21 Lacs, management is hopeful for the recovery of the same and hence provision has not made for the same in the accounts.

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

Particulars to be given in respect of the above activity under the Companies (Disclosure of Particulars in report of Directors) Rules, 1988 is given in the annexure to this report.

ACKNOWLEDGEMENT :

The Board is thankful to its bankers for their continued support and assistance which has played important role in progress of the Company.

Your Directors further places on records the contribution of employees of the Company at all levels and other business associates for their commitment, dedication and respective contribution to the Company's operations during the year under review.

For and on behalf of the Board
For **Lincoln Pharmaceuticals Limited.**

Place : Ahmedabad.
Date : **14th August, 2012**

Mahendra G. Patel **Hasmukhbhai I. Patel**
(Managing Director) (Whole-Time Director)

ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

(A) Conservation of energy:
a) Energy conservation measures are taken:

The Company has taken measures and applied strict control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. The day to day consumption is monitored and various ways and means are adopted to reduce the power consumption in an effort to save energy. The office area is designed in such a way that during day time not much artificial lighting is necessary in the office.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy and other raw materials.

Company is continuously monitoring and making effort for optimum utilization of equipments which ensures to conserve energy during routine operations itself. There is no specific investment plan for energy conservation.

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

Impact of the measures mentioned here in above in point (a) and (b) certainly reduces the energy consumption and consequent impact on the cost of production of services.

d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure:
FORM : A
A. POWER & FUEL CONSUMPTION

		Current Year ending 31st March 2012	Previous Year ending 31st March 2011
1. Electricity			
I)	Purchased Units(in lacs)	11.55	12.87
	Total Amount(in lacs)	68.72	72.48
	Rate / unit	5.95	5.63
II)	Own Generation through Diesel Generation Sets (in lacs)	3.76	6.85
	Units/ Litre of Diesel	8090	16204
	Cost / unit	46.50	42.28
2. Diesel LDO used in Boiler to generate steam for the Process			
I)	Quantity	350	57761
	Total Cost (in Lacs)	0.18	29.00
	Average Rate / Litre	52.00	50.21
CNG/LPG used in Boiler to generate steam for the Process			
II)	Quantity	68814	—
	Total Cost (in lacs)	18.49	—
	Average Rate / SCM	26.87	—
III)	Consumption per unit of production		
	<i>Since the Company is manufacturing different products using the same facilities at the same time, it is not practicable to give consumption per unit of production.</i>		
3. Furnace Oil			
	Total Amount / Avg. Cost	—	—
4. Internal Wind mill Generation(in Lacs)			
	Total Cost / Rate	—	—

(B) Technology Absorption:

The efforts made in technology absorption are mentioned below in Form-B

II. RESEARCH AND DEVELOPMENT (R&D)

Company is continuously carrying out R & D activities in the areas of new product/process development, improvement in existing process.

Benefits derived as a result of the above R & D.

Production processes have improved resulting in better productivity and quality.

Expenditure on R & D :

Expenditure charged to respective primary heads of accounts.

III TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION :

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

The Company always keeps itself updated with all latest technological innovation by way of constant communications, consulting experts. Company has always been making best effort towards technology absorption, adaptation and innovation.

2. Benefits derived as a result of the above efforts e.g. product, improvements, cost reduction, product development, import substitution etc. :

It improves the quality of company's products being manufactured and reduces the cost of production.

3. Details of Technology imported (during the last 5 years).

- a. Technology imported : **N.A.**
- b. Year of import : **N.A.**
- c. Has technology been fully absorbed? : **N.A.**
- d. If not absorbed, areas where this has not taken place, reasons there for and future plan of action : **N.A.**

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Total foreign exchange used and earned.

	<u>Current year</u>	<u>Previous year</u>
Earnings :	Rs.3,848.65 lacs	Rs. 2,172.05 lacs
Out go :	Rs. 399.80 lacs	Rs. 407.01 lacs

For and on behalf of the Board
For **Lincoln Pharmaceuticals Limited.**

Place : Ahmedabad.
Date : **14th August, 2012**

Mahendra G. Patel **Hasmukhbhai I. Patel**
(Managing Director) (Whole-Time Director)

STATEMENT PURSUANT TO SECTION 212(1)(E) OF THE COMPANIES ACT, 1956

Sr. No	Name of the Subsidiary Company	Zullinc Healthcare Limited	Lincoln Parenteral Limited
1.	Financial Year of Subsidiary ended on	31st March, 2012	31st March, 2012
2.	No. of Shares held by the company	50,000 Equity shares of Rs. 10/- each	62,00,000 Equity shares of Rs. 10/- each
3.	Extent of Interest	100.00 %	62.00 %
4.	The net aggregate of Profit / (Loss) of the Subsidiary Company in so far as it concerns the members of the Holding Company. a) Not dealt with in the accounts of the Company for the year ended 31.03.2012 For the Subsidiary's financial year ended 31st March 2012. For the previous financial years of the Subsidiary. b) Dealt with in the accounts of the Company for the year ended 31.03.2012 For the Subsidiary's financial year ended 31st March 2012. For the previous financial years of the Subsidiary.	 Rs.13,70,491 Rs.13,49,516 Nil Nil	 Rs. 1,51,576 Nil Nil Nil

For and on behalf of the Board

Place : Ahmedabad.
Date : 14th August, 2012

Mahendra G. Patel
(Managing Director)

Hasmukhbhai I. Patel
(Whole-Time Director)

CORPORATE GOVERNANCE REPORT

(As required by Clause 49 of the Listing Agreement of the Stock Exchanges)

The Securities and Exchange Board of India (SEBI) has introduced a code of corporate governance for listed companies which is implemented through the listing Agreements with the Exchanges with which the Company is listed. The Company has complied with the corporate governance requirements set out in Clause 49 of the listing Agreement.

1) Company's Philosophy on Code of Corporate Governance.

The Company believes that good corporate governance leads to corporate growth and long term gain in shareholders value. The Company is committed to maintain the highest standard of corporate governance in its conducts towards shareholders, employees, customers, suppliers and other stakeholders.

Our focus on sustainable growth, productivity improvement, commitment to quality and safety in operations is unrelenting.

2) Board of Directors

Composition :

The Board of Directors consists of total 9 Directors. The composition of Board is compliant with the requirement of Clause 49 (IA) i.e. more than 50% of Directors are non-executive Directors and more than 33% of Directors are independent Directors.

The detailed composition of the Board and other related information is given in the table below.

Board meetings :

During the year, 11 Board Meetings were held on 06-04-2011, 10-05-2011, 30-05-2011, 15-07-2011, 03-08-2011, 12-08-2011, 27-09-2011, 12-11-2011, 29.11.2011, 14.02.2012, and 10.03.2012.

The composition of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorships and committee Memberships are given as below:

Sr. No.	Name of Directors	Category of Directorship	No. of Board Meeting Attended	Attendance at last AGM	No. of other Directorships	No. of other Committee Members
1	Shri Kishor M. Shah	Chairman Non-Executive Director	2	No	1	—
2.	Shri Mahendra G. Patel	Managing Director	10	Yes	2	—
3.	Shri Rajnikant G. Patel	Joint Managing Director	10	Yes	—	—
4.	Shri Hasmukh I. Patel	Whole-time Director	10	No	1	—
5.	Shri Arvind G. Patel	Whole-time Director	3	No	1	—
6.	Shri Mihir V. Patel	Non-Executive Director	8	No	3	—
7.	Dr. Pirabhai Suthar	Non-Executive Director	5	No	—	—
8.	Shri Ishwarbhai A. Patel	Non Executive Director	9	No	3	—
9.	Dr. Maganbhai R. Patel	Non Executive Director	3	No	—	—

- This number excludes the directorship/committee membership held in private companies and also of the Company.
- As required by the Companies Act, 1956 and Clause 49 Listing Agreement, none of the directors hold directorship in more than 15 public companies, membership of board committees (audit / remuneration / investor grievances committees) in excess of 10 and chairmanship of board committees as aforesaid in excess of 5.

Information placed before the Board of Directors :

All major decisions regarding resources mobilization, capital expenditure, etc are considered by the Board, in addition to day-to-day matters, which are statutorily required to be placed before the Board of Directors for its approval. Following information is regularly put up the Board for its consideration and approval :

- Review of operational results
- Quarterly financial results
- Minutes of the meeting of Audit Committee, Remuneration Committee as well as Shareholder's/Investors Grievance Committee of the Board.
- Compliance with various statutory requirements.

The Board is informed of all material, financial and commercial decision from time to time.

The Company did not have any pecuniary relationship or transactions with the non-executive directors during the period under review.

The Company did not have any pecuniary relationship or transactions with the non-executive directors during the period under review.

3) Audit Committee

Pursuant to the provisions of Section 292(A) of the Companies Act, 1956 and Clause 49 of the Listing Agreements, the Company has Audit Committee of Directors. The Audit Committee consist of 3 (Three) Independent Directors and 1 (One) executive Director – Shri Ishwarbhai A. Patel, Chairman – Independent Director, Shri Mihir V. Patel, Independent Director, Dr. Pirabhai Suthar, Independent Director and Shri Mahendra G. Patel - Executive Director. The Company Secretary is also Secretary to the Audit Committee. During the year, 4(Four) Committee Meetings were held on 30-05-2011, 12-08-2011, 12-11-2011, and 14-02-2012 .

The power and role of the Audit Committee are as per the provision of Companies Act, 1956 and agreement with the Stock Exchange. The Committee inter-alia acts as a vital link between statutory and internal auditors an the Board of Directors of the Company.

The term of the reference of the Audit Committee include review the comment on internal audit reports, discussions approving and implementing the audit procedure and techniques, reviewing the financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines, review of quarterly and annual financial results , interact with the statutory auditors on annual accounts. The Audit Committee met prior to the finalization of Accounts for the year ended 31st March 2012.

The interval between two meetings convened was not more than four months. The audit committee adheres to the SEBI guidelines in terms of quorum of its meetings, functioning, role and powers as also those set out in Companies Act, 1956.

4) Remuneration Committee

The Company has a Remuneration Committee. The Committee reviews the remuneration package of the Managing Director, Jt. Managing Director & Whole time Directors and recommends suitable remuneration package / revision to the Board, in accordance with the guidelines laid out by the statute.

The Remuneration Committee comprises of three independent Directors. Shri Ishwarbhai A. Patel, Dr. Pirabhai Suthar and Shri Maganbhai Patel are the members of the Committee.

During the year, no Committee Meeting was held.

(a) Details of remuneration for the year ended 31-03-2012.

Name	Position held During the period	Salary and Allowances Rs.	Perquisites Rs.	Total Remuneration Rs.
Shri Mahendra G. Patel	Managing Director	1140000	57600	1197600
Shri Rajnikant G. Patel	Jt. Managing Director	1140000	57600	1197600
Shri Hasmukh I. Patel	Whole-time Director	1140000	57600	1197600
Shri Arvind G. Patel	Whole-time Director	1140000	57600	1197600

All the executive directors have been paid remuneration as per the approval given by the Board and shareholders of the Company.

5) Shareholders’/ Investors’ Grievances cum Share Transfer Committee

As a measure of good corporate governance and to focus on the Shareholders’ grievances and towards strengthening investor relations and to expedite the transfer process in the physical segment, the Board has constituted a Shareholders/ Investors Grievances cum share Transfer Committee consisting of four Directors, Shri Arvind G. Patel, Shri Mahendra G. Patel, Shri Hasmukh I. Patel, and Shri Ishwarbhai A. Patel.

The committee deals with issue of duplicate share certificates, redressing of shareholders and investors complaints and Grievances like transfer of shares/securities, non-receipts of Balance-sheet and non-receipt Dividend etc.

6) Code of Conduct

The Company’s code of conduct has been complied with by all the members of the Board and select employees of the Company. The Company has in place a prevention of Insider Trading Code based on SEBI (Insider Trading) Regulation, 1992. This code is applicable to all Directors and designated employees. The code ensures prevention of dealing in shares by persons having access to the unpublished price sensitive information.

7) Secretarial Audit

Pursuant to SEBI’s circular dated December 31, 2002 on Secretarial Audit, a practicing company secretary carried out the said audit for the quarter ended 30-06-2011, 30-09-2011, 31-12- 2011 and 31-03-2012. The Audit Report confirms that there is no discrepancy whatsoever in the issued, listed and admitted capital of the Company.

**8) Management Discussion and Analysis:*****(a) Industry Structure and Developments***

During the financial year 2011-12 the Indian Economy and GDP growth was slow as compared to previous year., In spite of slowdown in Indian Economy and GDP growth, Indian Pharmaceuticals Industry achieved sustainable and remarkable growth for the year 2011-12. Looking to the Indian population and their increase in health awareness about different human diseases and several steps of health awareness taken by the Government, there are lots of opportunities for fast development of industries in the coming years.

Your Company is primarily engaged in the business of manufacturing, marketing and Exports of Pharmaceutical products. Companies introduce high quality medicines at affordable price for Indian populations. Your company trying to increase its market share by introducing high quality products and low price medicines. There are many pharmaceuticals companies in the country manufacturing high quality medicines. In spite of the stiff competition in the country, management of the Company is hopeful for growth of top line and bottom line. Management is confident to succeed in the most competitive markets.

(b) Opportunities

Increase in GDP and per capita income and consumer awareness of healthcare, there are so many opportunities available for the company in terms of products as well as sales territories in India where the growth rates are very potential. The Company is optimistic about its growth prospectus in the future. The Company has been concentrating on building brand image in the market. The future of the Company and its products seems to be excellent in the coming years and the Company is looking for regulatory marketing by way of setting up USFDA plant, so that company's presence remain in developed and under developed countries.

(c) Outlook

The Company expects to increase the market share in the existing markets by increasing its portfolio through new product launches, expanding its geographical coverage in more and more region and undertaking large job contracts. Management is cautiously optimistic of better prospects in 2012-13 and believe that the year will go a long way in stabilizing our growth path. Company also concentrates on job work of various national and multi national Companies and adding new products to its existing product range. The company has also embarked upon setting up a new USFDA plant to cater domestic as well as regulatory markets. This would also help the company to perform better in coming years.

(d) Risk and Concerns

The Company is functioning in the competitive markets where there are number of small scale and medium scale manufacturers are in the presence. There are number of similar kind of products present in the markets and therefore there is a pressure on the margin on the Company. Secondly, at the same way, the investment in the new marketing geographical area, introduction of innovative products and new introductory pricing products would affect the performance of the company and its profitability. However, the company has taken all the measures to minimize the risk by way of introducing R&D development centre and continuously incorporating suggestions and guidance given by the experts, doctors and medical councils from time to time.

(e) Internal Control Systems and their adequacy

The Company maintains a system of well established policies, guidelines, adequate internal controls ensure efficiency of operations, compliance with internal policies, applicable laws and regulation. The internal audit function conducted by independent Chartered Accountants firm for monitoring statutory and operational issues.

The system of Internal Control of the Company is adequate keeping in mind the size and complexity of your company's business. Systems are regularly reviewed to ensure effectiveness.

(f) Financial Performance

Financial Performance with respect to operational Performance is discussed in the main part of the report.

(g) Material Development in Human Resources/Industrial Relations

The Pharmaceutical industry is knowledge driven, considering this aspect, we continue to build our team with high quality talent.

Company continued to have cordial & harmonious relation with its employees. Company is putting thrust on providing training both in house and outside.

9) General Body Meetings

The last three Annual General Meetings were held as under and there was no Extra Ordinary General Meeting in last three years.

Annual General Meeting:

Financial Year ended	Date	Time	Venue
31-03-2011	30-09-2011	10.30 A.M.	"LINCOLN HOUSE" B/h. Satyam Complex, Science City Road, Sola, Ahmedabad - 380060
31-03-2010	30-09-2010	10.30 A.M.	"LINCOLN HOUSE", B/h. Satyam Complex, Science City Road, Sola, Ahmedabad - 380060
31-03-2009	30-09-2009	10.30 A.M.	The Auditorium Basement, Ahmedabad Textile Industry's Research Association, Vastrapur, Ahmedabad - 380015

No Special Resolution was put through postal ballot. At the forthcoming AGM, there is no item on the agenda that needs approval by postal ballot.

10) Disclosures

In preparation of financial statements, the Company has followed the applicable Accounting Standards. The significant accounting policies that are consistently applied have been set out in the Notes to the Accounts.

Related party transactions entered in the ordinary course were placed before the Board. These transactions are not likely to have any conflict with the Company's interest. Details of transactions with related party transactions during the year have been disclosed as required under Accounting Standard 18 as applicable to the Company in the notes to the accounts. These transactions are not likely to have any conflict with the Company's interest.

Business risk evaluation and managing such risk is an ongoing process within the organization. The Board is regularly briefed of risks assessed and the measures adopted by the company to mitigate the risks.

No strictures / penalties have been imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matters related to the capital market during last 3 years.

The Company's code of conduct has clearly laid down procedures for reporting unethical behavior, actual or suspected fraud or violation of the ethics policies. No employee of the company was denied access to the Audit Committee.

Of the non-mandatory requirements relevant to the Company, training of the Board members and mechanism for evaluation non-executive Board members have not been put in place.

11) Subsidiary Companies

The Company has one wholly owned subsidiary company (WOS) namely Zullinc Healthcare Limited and one subsidiary namely Lincoln Parenteral Limited. The financial statements and operational part of the said WOS and Subsidiary are reviewed by the Board of Directors.

12) Means of Communication

1. The Company has published its quarterly results in Economic Times.
2. The Management discussion & Analysis form part of the Annual Report, which is posted to all the members of the Company.

13) General Shareholder Information

Date, time and venue of AGM	29.09.2012, 10.30 A.M. at the Registered office of the company.
Dates of Book Closure	From Saturday, 22.09.2012 to Saturday, 29.09.2012
Listing on Stock Exchanges	The Stock Exchanges at Ahmedabad, Mumbai.
Listing Fees	Paid the fees to Stock Exchanges as per listing agreement.
Demat Arrangement	With NSDL and CDSL
ISIN NO.	INE 405C01035
Registered Office	"LINCOLN HOUSE", B/h. Satyam Complex, Science City Road, Sola, Ahmedabad – 380 060.
Dividend Payment Date	With in statutory period of 30 days
Compliance Officer	Shri Arvindbhai G. Patel
Registrar and Share Transfer Agent	SHAREPRO SERVICES (India) PVT. LTD. 416 to 420, 4th Floor, Dev Nandan Mall, Opp. Sanyas Ashram, Ashram Road, Ahmedabad-380006.

**14) Financial Calendar 2012-2013 (tentative)**

Annual General Meeting	Last week of September, 2012
Results for quarter ending June 30, 2012	on or before 14th August, 2012
Results for quarter ending September 30, 2012	on or before 14th November, 2012
Results for quarter ending December 31, 2012	on or before 14th February, 2013
Results for year ending March 31, 2013 (un-Audited)	on or before 15th May, 2013

15) Share price on The Stock Exchange, Mumbai.

Sr. No.	Month	High Price (Rs.)	Low Price (Rs.)
1.	April '11	37.60	33.40
2.	May '11	39.00	31.00
3.	June '11	36.20	27.55
4.	July '11	36.00	26.25
5.	August '11	33.00	26.00
6.	September '11	32.00	26.10
7.	October '11	27.75	25.00
8.	November '11	26.80	19.50
9.	December '11	25.95	19.25
10.	January '12	33.80	23.05
11.	February '12	31.30	26.15
12.	March '12	29.90	23.00

16) Share Transfer System

The share transfers received in physical form are presently processed and the said share certificates returned within a period of 30 days from the date of receipt, subject to the documents being complete in all respects.

There were no transfers pending as on 31-03-2012 exceeding the limit prescribed by listing agreement.

17) Distribution of Shareholding as on 31-03-2012

No. of Shares	No. of Shareholders	% of holders	No. of Shares	% of Shares
Up to 500	5834	83.98	886430	5.43
501 – 1000	667	9.60	545163	3.34
1001 – 2000	209	3.01	335508	2.06
2001 – 3000	66	0.95	166847	1.02
3001 – 4000	37	0.53	135160	0.83
4001 – 5000	21	0.30	101505	0.62
5001 – 10000	46	0.66	341800	2.10
10001 and above	67	0.97	13798387	84.60
Total	6947	100.00	16310800	100.00

18) Pattern of Shareholding as on 31-03-2012

Sr. No.	Category	No. of Shares	(%)
1.	NRI	564577	3.46
2.	Financial Institutions/Banks	NIL	NIL
3.	Mutual Funds	NIL	NIL
4.	Promoters	4721426	28.95
5.	Body Corporate	7283703	44.66
6.	Indian Publics	3739389	22.92
7.	Others	1705	0.01
	Total	16310800	100.00

19) Dematerialisation of Shares on 31-03-2012

As on 31st March 2012, 98.74% of the Company's total shares representing 1,61,05,970 Shares were held in dematerialized form and the balance 1.26% representing 2,04,830 shares were in paper form.

20) Outstanding GDRs / ADRs / Warrants etc.

There is no outstanding GDRs / ADRs / warrants or any convertible instruments as on date.

21) Locations

The Company's plant is located at Trimul Estate, Khatraj, Tal.: Kalol, Dist.: Gandhinagar., Gujarat.

22) Address of Correspondence

Registered Office :-

"LINCOLN HOUSE", B/h. Satyam Complex, Science city Road, Sola, Ahmedabad – 380 060.,

OR

Share Transfer Agent :-

M/s. SHAREPRO SERVICES (India) PVT. LTD. Office at :

416 to 420, 4th Floor, Dev Nandan Mall, Opp. Sanyas Ashram, Ashram Road, Ahmedabad-380006.

23) Non Mandatory requirements :
a) Remuneration Committee :

As stated earlier, the Board has already set up a Remuneration Committee. Details regarding composition and scope of the Remuneration Committee are given at Item 4 above.

b) Shareholders Rights :

The Company's quarterly results are furnished to the Stock Exchange and also published in the newspapers and therefore not sent to the shareholders.

Adoption of other non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

Declaration

As provided under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited and Ahmedabad Stock Exchange Limited, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the year ended 31st March 2012.

For **Lincoln Pharmaceuticals Limited.**

Place : Ahmedabad.

Date : 14th August, 2012

Mahendra G. Patel
(Managing Director)

Hasmukhbhai I. Patel
(Whole-Time Director)

AUDITORS' CERTIFICATE

To,
The Members,
Lincoln Pharmaceuticals Limited.

We have examined the compliance of conditions of Corporate Governance by **Lincoln Pharmaceuticals Limited.** for the year ended 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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 state that no investor grievance(s) is/are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance cum Share Transfer Committee.

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 Chandulal M. Shah & Co.
Chartered Accountants
(FRN 101698W)

(B.M. Zinzuvadiah)
Partner
M. NO. 109606

Place : Ahmedabad
Date : 14th August, 2012

CERTIFICATION BY CHIEF- EXECUTIVE OFFICER AND CHIEF- FINANCIAL OFFICER

To,
The Board of Directors
Lincoln Pharmaceuticals Limited.
LINCOLN HOUSE, Behind Satyam Complex,
Science City Road, Sola,
Ahmedabad – 380060 .

1. We have reviewed Statement of Accounts as well as Cash Flow Statements as at 31st March, 2012 and certify that to the best of our knowledge and belief :
 - (i) These Statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
 - (ii) These Statements read together present a true and fair view of the Company's Affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. No transactions have been entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
4. We do further certify that there had been :
 - (i) no significant changes in internal control during the year;
 - (ii) no significant changes in accounting policies during the year; and
 - (iii) no instances of significant fraud, of which we are aware during the period.

Place : Ahmedabad
Dated : 14th August, 2012

CEO and CFO

AUDITORS' REPORT

To,
The Members of
Lincoln Pharmaceuticals Limited.

1. We have audited the attached Balance Sheet of Lincoln Pharmaceuticals Limited As at 31st March 2012 and also the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 and amendments thereto issued by the Central Government of India in terms of Sec 227(4A) of The Companies Act 1956, we annex hereto a statement on the matters specified in the paragraphs 4 and 5 of the said order, to the extent applicable to the Company.
4. We further report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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;
 - (iii) 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;
 - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956;
 - (vi) *Attention is invited to Note to Note No. 13 to the financial statement relating to trade receivables regarding short provision to the extent of ₹ 215.21 Lakh toward unsecured trade receivable considered as doubtful. Had, full provision been made, the profit, reserves and trade receivables would have been lower to that extent.*
 - (vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2012; and
 - (ii) in the case of Statement of Profit and Loss, of the Profit for the year ended on that date.
 - (iii) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Chandulal M. Shah & Co.
Chartered Accountants
(FRN 101698W)

(B.M. Zinzuvadia)
Partner
M. NO. 109606

Place : Ahmedabad
Date : 14th August, 2012

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in paragraph 3 of the auditors' report to the members of Lincoln Pharmaceuticals Limited for the year ended 31st March, 2012

- (i) Fixed assets
- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - All the assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of business. The frequency of verification is reasonable. As the fixed asset register is under preparation, discrepancies if any on physical verification could not be ascertained.
 - The company has not disposed off substantial part of fixed assets during the year.
- (ii) Inventory
- The inventory has been physically verified by the management during the year at reasonable intervals.
 - The procedure of physical verification of the inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
 - The Company has maintained proper records of inventories and discrepancies noticed on physical verification of inventories as compared to books records were not material.
- (iii) Loans secured and unsecured
- The Company has granted interest free unsecured loan to five companies listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 1541.27 Lakh and the yearend balance of the loan granted was Rs. 470.07 Lakh.
 - In our opinion and according to the information and explanations given to us, the other terms and conditions of the loan are not prima facie prejudicial to the interest of the Company.
 - In respect of the loan given by the Company, the terms of repayment of principal.
 - The company has taken unsecured loan from five parties covered in the register maintained under section 301 of the Companies Act, 1956. The Maximum amount outstanding during the year was Rs. 669.27Lakh. The year ended balance was Rs. 477.64 Lakh.
 - The loan taken by the company from four out of five parties is interest free. The rate of interest in respect of one party and other terms and conditions on which the loans have been taken from all parties are prima facie, not prejudicial to the interest of the company;
 - The said loans are repayable at the end of the term by a bullet payment
 - The loans taken are not overdue loan.
- (iv) Internal control
- In our opinion and according to the information and explanations given to us, the internal control procedures are commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. Further, there is no continuing failure to correct major weaknesses in internal control.
- (v) Register under section 301
- The particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section; and
 - Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) Deposit under section 58A
- In our opinion and according to information and explanations given to us, the company has not accepted deposit from the public and therefore provisions of section 58A, 58AA or any other relevant provisions of Companies Act, 1956 and the rules made there under are not applicable.
- (vii) Internal audit
- In our opinion, the company's internal audit system is commensurate with the size of the company and nature of its business.
- (viii) Cost records
- We have broadly reviewed the cost records maintained by the company relating the manufacturing of pharmaceutical products pursuant to the rules made by the central government for the maintenance of cost records under section 209 of the companies Act. We are of opinion that prima facie the said records are made and maintained. We have however, not made a detail examination of those records with a view to determine the accuracy and completeness.

(ix) Statutory dues

- (a) According to the information and explanations given to us the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Service Tax, Excise Duty, Cess and any other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, there are no disputed dues which are not deposited of sales tax/ income tax/wealth tax/custom duty/excise duty or cess except stated below :

Sr.	Department	Year	Amount Involved ₹.	Current Status
1	Income Tax	AY 1999-00	6,59,988	Pending Against CIT Appeal
2	Income	AY 2001-02	4,45,194	Pending Against CIT Appeal
3	Income	AY 2008-09	2,81,085	Pending Against CIT Appeal
4	Income	AY 2009-10	3,56,820	Pending Against CIT Appeal

(x) Cash losses

The company does not have accumulated losses as on 31st March, 2012 Further it has not incurred cash loss during the financial year 2011-2012 and in the immediately preceding financial year.

(xi) Repayment of bank dues

In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a bank. The company has not obtained any loans from financial institution or debenture holders.

(xii) Loan or advance on the basis of securities

According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) Special Statute applicable

The company is not a chit fund or a Nidhi / mutual benefit fund / society. Therefore provisions of clause (xiii) of the Order are not applicable to the company.

(xiv) Dealing or trading in shares

The company is dealing in shares, securities, debentures and other investments, for which, proper records have been maintained of the transactions and contracts have been maintained by the company and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the company, in its own name except to the extent of the exemption, if any, granted under section 49 of the Act.

(xv) Guarantee for loan take by others

The company has not given any guarantee for loan taken by others from banks and financial institutions.

(xvi) Application of fund raised through term loan

In our opinion, the term loans have been applied for the purpose for which they were raised.

(xvii) Utilization of fund

On an overall examination the Balance Sheet of the company, we report that no fund raised on short term basis have been used for long term investment.

(xviii) Preferential allotment of shares

The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act during the year under audit.

(xix) Public issue

The company has not raised any money by way of public issue during the year.

(xx) Fraud

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year.

For Chandulal M. Shah & Co.

Chartered Accountants

(FRN 101698W)

(B.M. Zinzuvadia)

Partner

M. NO. 109606

Place : Ahmedabad

Date : 14th August, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	16,31,08,000	16,31,08,000
(b) Reserves and surplus	2	63,86,62,096	60,03,70,509
2 Non-current liabilities			
(a) Long-term borrowings	3	5,46,67,327	3,99,30,591
(b) Deferred tax liabilities (Net)	4	4,94,34,514	4,30,55,477
(c) Other Long term liabilities	5	2,85,17,410	2,80,68,480
3 Current liabilities			
(a) Short-term borrowings	6	46,62,44,568	39,60,30,008
(b) Trade payables		41,49,09,995	22,62,93,427
(c) Other current liabilities	7	13,33,60,604	12,24,02,711
(d) Short-term provisions	8	2,08,63,232	1,98,21,986
TOTAL		<u>1,96,97,67,746</u>	<u>1,63,90,81,190</u>
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(a) Tangible assets	9	32,55,39,838	27,44,13,126
(b) Intangible assets		35,64,922	51,87,868
(c) Capital work-in-progress		1,99,89,854	4,13,60,519
(b) Non-current investments	10	11,21,19,200	5,19,200
(c) Long-term loans and advances	11	13,20,70,799	13,27,58,084
2 Current assets			
(a) Inventories	12	21,38,29,989	25,02,13,537
(b) Trade receivables	13	66,86,22,962	39,87,09,527
(c) Cash and Bank Balance			
Cash and cash equivalents	14	7,59,74,859	11,45,13,406
Other Cash and bank balance	14	3,56,94,070	1,60,34,070
(d) Short-term loans and advances	15	38,23,61,254	40,53,71,853
TOTAL		<u>1,96,97,67,746</u>	<u>1,63,90,81,190</u>

Significant Accounting Policies
Notes to Financial Statement

1 to 24

As per our report of even date
For **Chandulal M Shah & Co.**
Chartered Accountants
[FRN NO. 101698W]

B.M. Zinzuvadia
Partner
Mem No. 109606

Date : 14 August 2012
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel *Managing Director*

R.G.patel *Joint Managing Director*

H.I.Patel *Whole Time Director*

Date : 14 August 2012
Place : Ahmedabad

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2012**

Particulars	Refer Note No.	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
Revenue from operations	16	1,77,75,73,484	1,69,68,66,211
Less : Excise duty		3,59,60,321	3,71,62,049
		<u>1,74,16,13,163</u>	<u>1,65,97,04,163</u>
Other income	17	3,39,45,049	3,15,75,559
Total Revenue		<u><u>1,77,55,58,212</u></u>	<u><u>1,69,12,79,722</u></u>
Cost of materials consumed	18	35,66,06,461	37,03,12,432
Purchases of Stock-in-Trade	19	71,56,25,783	67,68,76,124
Changes in inventories of finished goods WIP and Stock-in-Trade	20	3,80,85,178	- 30,64,219
Employee benefits expense	21	15,31,25,260	14,29,05,038
Finance costs	22	7,55,68,385	4,97,04,607
Depreciation and amortization expense	9	1,88,65,297	1,66,67,756
Other expenses	23	34,54,17,573	37,81,69,671
Total expenses		<u><u>1,70,32,93,938</u></u>	<u><u>1,63,15,71,410</u></u>
Profit before tax		7,22,64,274	5,97,08,312
Tax expense:			
Current tax		1,62,19,558	1,41,00,000
Deferred tax		63,79,037	52,93,567
Total Tax Expense		<u>2,25,98,595</u>	<u>1,93,93,567</u>
Profit (Loss) for the period		<u><u>4,96,65,679</u></u>	<u><u>4,03,14,745</u></u>
Earnings per equity share:	24(g)		
Basic & Diluted		3.04	2.92
Significant Accounting Policies Notes to Financial Statement	1 to 24		

As per our report of even date
For **Chandulal M Shah & Co.**
Chartered Accountants
[FRN NO. 101698W]

B.M. Zinzuvadia
Partner
Mem No. 109606

Date : 14 August 2012
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel *Managing Director*

R.G.patel *Joint Managing Director*

H.I.Patel *Whole Time Director*

Date : 14 August 2012
Place : Ahmedabad

CASH FLOWS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2012

Particulars	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
Cash flows from Operations		
Net profit for the year	4,96,65,679	8,03,05,286
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	1,88,65,297	1,66,67,756
Provision of income tax	1,62,19,558	1,41,00,000
Profit on Sale of Investments	1,59,28,163	67,10,788
Provision for Bad debt	87,22,358	14,37,149
Loss on sale of Fixed asset	8,93,692	- 1,90,023
Deferred tax	63,79,037	52,93,567
Provisions Gratuity	- 3,97,846	14,58,754
Expenses Reported under other activity head	7,55,68,385	4,31,38,964
Income Reported under other activity head	- 31,53,237	- 1,76,36,272
Cash Flow from operating activities	18,86,91,086	15,12,85,969
Changes in assets and liabilities		
Change in Accounts Receivable	- 27,86,35,793	- 7,96,47,741
Change in Loans and Advance	40,37,884	- 43,94,14,169
Change in Inventory	3,63,83,548	- 2,05,08,468
Change in Accounts Payable	16,70,93,238	6,77,83,392
Net cash from operating activities	11,75,69,963	- 32,05,01,018
Tax paid	- 1,20,00,000	- 1,50,59,222
Net cash from operations	10,55,69,963	- 33,55,60,240
Cash flows from Investing Activities		
Payments for property and equipment	- 7,01,12,002	- 12,77,18,946
Sale of Property and Equipments	2,22,19,912	11,44,761
Other investment	- 12,75,28,163	—
Interest Received	31,53,237	1,76,36,272
Net cash from investing activities	- 17,22,67,016	- 10,89,37,913
Cash flows from Financing Activities		
Increase (decrease) in Borrowings	7,02,14,561	14,98,10,319
Share issued	—	5,00,00,000
Premium on issue of shares	—	15,50,00,000
Increase (decrease) in long term debt	4,48,86,422	15,78,61,772
Interest paid	- 7,55,68,385	- 4,31,38,964
Dividends paid	- 1,13,74,092	- 1,58,79,684
Net cash from financing activities	2,81,58,506	45,36,53,443
Net increase (decrease) in cash and cash equivalents	- 3,85,38,547	91,55,291
Cash and cash equivalents at beginning of year	11,45,13,406	10,53,58,116
Cash and cash equivalents at end of year	7,59,74,859	11,45,13,406
Net increase (decrease) in cash and cash equivalents	- 3,85,38,547	91,55,291

As per our report of even date
For **Chandulal M Shah & Co.**
Chartered Accountants
[FRN NO. 101698W]

B.M. Zinzuvadia
Partner
Mem No. 109606

Date : 14 August 2012
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel *Managing Director*

R.G.patel *Joint Managing Director*

H.I.Patel *Whole Time Director*

Date : 14 August 2012
Place : Ahmedabad

Basis of Preparation:

The financial statements have been prepared under the historical cost convention on an accrual basis and comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

Significant accounting policies
a) Fixed assets
i. Tangible Fixed Assets

Tangible fixed assets are stated at historical cost less accumulated depreciation. Cost comprises purchase price, duties, levies and other directly attributable expenses of bringing the asset to its working condition for the intended use.

Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalized.

Advances paid towards acquisition of fixed assets and the cost of assets acquired but not ready for use as at the balance sheet date are disclosed under capital work-in-progress.

ii. Intangible Assets

Intangible fixed assets are stated at historical cost less accumulated amortization. Cost comprises purchase price, duties, levies and other directly attributable expenses of bringing the assets to its working condition for the intended use. Cost is amortized over its useful economic life based on expected benefit.

b) Depreciation

All tangible fixed assets, except freehold land, leasehold land and capital work in progress, are depreciated on a straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies' Act, 1956.

c) Impairment:

In accordance with accounting standard 28 on 'Impairment of assets', the Company assesses at each balance sheet date whether there is an indication that assets of the Company may be impaired. Where any such indication exists the company estimates the recoverable amount of the assets. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated at the higher of its net selling price and its value in use. An impairment charge is recognised whenever the carrying amount of the asset or cash-generating unit exceeds its recoverable amount.

d) Inventories:
i. Raw Materials, Containers, Stores and Spares

Raw materials, packing materials, stores, spares and consumables are valued at lower of cost (net of refundable taxes and duties) or net realizable value. The cost of these items of inventory are determined on FIFO basis and comprises of cost of purchase and other incidental costs incurred to bring the inventories to their present location and condition.

ii. Finished Goods and Work-in-progress

Work in progress and finished goods are valued at lower of cost or net realizable value. The cost of work in process and finished goods includes cost of conversion and other costs incurred to bring the inventories to their present location and condition.

iii. Traded Goods

Traded Goods are valued at lower of cost and net realizable value. Cost is determined on FIFO basis.

Excise Duty in respect of finished goods lying in factory premises are provided for and included in valuation of inventory in case of non Export Items.

e) Employee benefits

Short-term employee benefits are recognized as an expense in the profit and loss account of the year in which the related service is rendered.

Cost of post employment benefits relating to Defined Contribution Plans such as contribution to Provident Fund employee pension fund etc are recognized as an expense in the profit and loss account of the year in which the related service is rendered.

The Company has Defined Benefit Plan for post employment benefits in the form of Gratuity for all employees administered through trust, funded with Life Insurance Corporation of India. Liability for the this Defined Benefit Plans is provided on the basis of actuarial valuation, as at the balance sheet date, carried out by independent actuary. The actuarial method used for measuring the



liability is the Projected Unit Credit Method. The actuarial gains and losses arising during the year are recognized in the Profit & Loss Account for the year

f) Research and Development Costs

Research and development costs incurred for development of products are charged to revenue as incurred, except for development costs relating to the design and testing of new or improved materials, products or processes which are recognized as intangible assets to the extent that it is expected that such assets will generate future economic benefits. Research and development expenditure of capital nature is added to fixed assets.

g) Revenue Recognition:

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. Sales are stated net of excise duty, sales tax and trade discounts.

Interest on deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction based on reasonable certainty of receipt. Interest on advances is recognized when the ultimate collection is not uncertain.

Dividend income is recognized when the right to receive dividend is established.

h) Taxation

Income tax expense comprises current tax expense and deferred tax expense/credit.

i. Current tax

Provision for current tax is calculated in accordance with the provisions of the Income-Tax Act, 1961 and is made annually based on the tax liability computed after considering tax allowances and exemptions.

Assets and liabilities representing current tax are disclosed on a net basis when there is a legally enforceable right to set off and where the management intends to settle the asset and liability on a net basis.

ii. Deferred tax

Deferred tax liability or asset is recognised for timing differences between the profits/losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent there is a reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

i) Investment

Current investments are carried at the lower of cost and fair value computed category wise. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made, only if, in the opinion of the management, such a decline is regarded as being other than temporary.

j) Earnings per share ('EPS')

Basic EPS is computed using the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti dilutive. The number of equity shares is adjusted for any share splits and bonus shares issued effected prior to the approval of the financial statements by the Board of Directors.

k) Contingencies and provisions

The Company creates a provision when there is present obligation as a result of a 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 a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

l) Foreign currency transactions

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The difference between the actual rate of settlement and the rate on the date of the transaction is charged or credited to profit and loss account.

In respect of monetary current assets and liabilities denominated in foreign currencies the overall net gain or loss, if any, on conversion at the exchange rates prevailing on the date of the balance sheet is charged to revenue.

NOTES TO FINANCIAL STATEMENTS
1) Share Capital
a. Details of Share Capital

Share Capital	As at 31-Mar-2012		As at 31-Mar-2011	
	Number	₹	Number	₹
Authorized				
Equity Shares				
Equity Share of Rs. 10 Each	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
Issued, Subscribed & Paid up				
Equity Shares				
Equity Share of Rs. 10 Each fully paid up	1,63,10,800	16,31,08,000	1,63,10,800	16,31,08,000
	1,63,10,800	16,31,08,000	1,63,10,800	16,31,08,000
Total	1,63,10,800	16,31,08,000	1,63,10,800	16,31,08,000

b. Statement of Reconciliation of number of share at the beginning and at the end of the financial year.

Particulars	As at 31-Mar-2012		As at 31-Mar-2011	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	1,63,10,800	16,31,08,000	1,13,10,800	11,31,08,000
Shares Issued during the year	—	—	50,00,000	5,00,00,000
Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	1,63,10,800	16,31,08,000	1,63,10,800	16,31,08,000

c. Share holding details of the company As at 31-Mar-2012 and name of persons holding more than 5% shares.

Name of Shareholder/Company	No. of Shares held	
	As at 31-Mar-2012	As at 31-Mar-2011
Names of person holding more than 5% shares		
Advent Tradelink Pvt. Ltd.	21,15,000	21,15,000
Digital Biotech Pvt. Ltd.	23,00,000	23,00,000
Unichem Dyes and Drugs Pvt. Ltd.	19,00,000	19,00,000
Total	63,15,000	63,15,000

d. The company has only one type of equity share of Rs. 10/- each listed on BSE and ASE. Each of the share holders has a right to give one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Director is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts

e. The company has not issued any shares in pursuant to a contract without receiving the payment in cash during the last five years. The company has also not issued any bonus share during last five years.

f. The company as well as the promoters of the company has given undertaking to the State Bank of Indian that, while currency of the term loans and working capital loans financed by the said bank, the company will not effect any change in the company's capital structure by prohibiting disinvestment by promoters of their quota in the equity.

**LINCOLN****2) Reserves & Surplus**

Reserves & Surplus	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Capital Reserves		
Opening Balance	35,00,000	35,00,000
Closing Balance	<u>35,00,000</u>	<u>35,00,000</u>
General Reserve		
Opening Balance	3,41,21,600	2,81,21,600
(+) Current Year Transfer	50,00,000	60,00,000
Closing Balance	<u>3,91,21,600</u>	<u>3,41,21,600</u>
Subsidy Account		
Opening Balance	—	10,00,000
(-) Written Back	—	10,00,000
Closing Balance	<u>—</u>	<u>—</u>
Securities Premium Account		
Opening Balance	38,05,44,000	22,55,44,000
Add : Securities premium credited on Share issue	—	15,50,00,000
Closing Balance	<u>38,05,44,000</u>	<u>38,05,44,000</u>
Surplus		
Opening balance	18,22,04,909	15,82,64,256
(+) Net Profit For the current year	4,96,65,679	4,03,14,745
(-) Proposed Dividends	97,86,480	97,86,480
(-) Dividend Tax	15,87,612	15,87,612
(-) Transfer to Reserves	50,00,000	50,00,000
Closing Balance	<u>21,54,96,496</u>	<u>18,22,04,909</u>
Total	63,86,62,096	60,03,70,509

3) Long term borrowings

a. Secured Long term Borrowings

Long Term Borrowings	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Term loans		
from banks	1,06,46,777	2,54,00,591
Secured Long Term Borrowings	1,06,46,777	2,54,00,591

b. Unsecured Long term Borrowings

Long Term Borrowings	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Loans and advances from related parties		
Inter Corporate Deposit	4,40,20,550	1,45,30,000
Unsecured Long Term Borrowings	4,40,20,550	1,45,30,000

c. The term loans includes following terms loans

Rs. 87,87,511 of term loan secured against Equitable Mortgage of 1397 Sq meters land and building thereon at SN 469 of Sola Village, Daskoi Taluka Ahmedabad and Equitable mortgage of land and building at Windmill site P-21 Village Visavada Porbandar. And balance Rs. 36,24,800 on hypothecation of vehicles and personal guarantee of the directors.

4) Deferred Tax Liability

- d. Policy of the company in respect of accounting of deferred tax liability is disclosed in Para No. h) ii of the statement on accounting policy.
- e. Details of the deferred tax liability

Particulars	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Deferred tax liability		
Depreciation	5,01,80,749	4,43,42,498
Total DTL	<u>5,01,80,749</u>	<u>4,43,42,498</u>
Deferred tax asset		
Disallowance U/S 43B of Income Tax Act.	7,46,235	12,87,021
Total DTA	<u>7,46,235</u>	<u>12,87,021</u>
Net Deferred Tax Liability	<u>4,94,34,514</u>	<u>4,30,55,477</u>

5) Other long term Liabilities

Other Long Term Liabilities	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Others – Security deposits from selling agents	2,85,17,410	2,80,68,480
Total	<u>2,85,17,410</u>	<u>2,80,68,480</u>

6) Short term Borrowing

- a. Secured Short term Borrowings

Short Term Borrowings	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Loans repayable on demand from banks	46,56,47,797	39,54,33,236
	<u>46,56,47,797</u>	<u>39,54,33,236</u>

- b. Unsecured Short term Borrowings

Loans repayable on demand from other parties	5,96,772	5,96,772
Total	<u>5,96,772</u>	<u>5,96,772</u>

- c. The demand loans form Bank includes Working capital loan from SBI Rs. 46,56,47,797 secured against all changeable current assets and by a collateral security by way of charge on residual fixed assets of the company. This short-term loans are guaranteed by directors of the company

7) Other Current liability

- a. Details of other current liabilities

Other Current Liabilities	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Current maturities of long-term debt	4,62,17,888	1,60,68,202
	<u>4,62,17,888</u>	<u>1,60,68,202</u>
Other payables		
Expense payable	3,31,37,585	2,85,06,924
Payable against capital work	6,71,629	7,01,958
Statutory Liabilities	1,19,61,333	39,10,407
Other Current Liability	1,28,55,135	1,07,22,386
Proposed Dividend and Dividend Tax	1,13,74,092	1,13,74,092
Advance from Customers	1,71,42,942	5,11,18,742
Total	<u>8,71,42,715</u>	<u>10,63,34,509</u>
Total	<u>13,33,60,604</u>	<u>12,24,02,711</u>



LINCOLN

8) Short term provisions

Short Term Provisions	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Provision for employee benefits		
Gratuity	—	14,58,754
	—	14,58,754
Others		
Income Tax Provision (Net of Advance tax)	2,08,63,232	1,83,63,232
	2,08,63,232	1,83,63,232
Total	2,08,63,232	1,98,21,986

9) Fixed Assets

a. Policy of the company in respect of accounting of fixed asset is disclosed at Para No. a) of the policy Statement given above.

b. Fixed Asset Details

Sr.	Fixed Assets	Gross Block			Accumulated Depreciation				Net Block		
		As at 31-Mar-2011 ₹	Additions during the year ₹	Adjustment ₹	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹	Depreciation charge for the year ₹	Adjustment during the year ₹	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹	As at 31-Mar-2011 ₹
a	Tangible Assets										
	Land	7,59,30,613	—	—	7,59,30,613	—	—	—	—	7,59,30,613	7,59,30,613
	Leased Hold Land	9,00,000	—	—	9,00,000	—	—	—	—	9,00,000	9,00,000
	Buildings	7,99,89,123	3,52,66,044	9,51,000	11,43,04,167	1,64,06,643	27,44,585	69,692	1,90,81,536	9,52,22,631	6,35,82,480
	Plant and Equipment	12,60,24,277	2,66,00,674	—	15,26,24,951	3,87,43,983	67,61,043	—	4,55,05,026	10,71,19,925	8,72,80,294
	Furniture and Fixtures	1,69,57,661	21,78,078	—	1,91,35,739	78,43,504	11,09,021	—	89,52,525	1,01,83,214	91,14,157
	Vehicles	2,50,84,906	38,90,051	19,12,030	2,70,62,927	77,56,791	25,44,224	7,45,218	95,55,797	1,75,07,130	1,73,28,115
	Office equipment	66,71,183	1,12,034	—	67,83,217	7,67,195	3,19,543	—	10,86,738	56,96,479	59,03,988
	Electrical Installation	75,68,665	4,45,124	—	80,13,789	40,46,810	3,64,801	—	44,11,611	36,02,178	35,21,855
	Computers	1,82,66,159	16,20,077	—	1,98,86,236	74,14,539	30,94,029	—	1,05,08,568	93,77,668	1,08,51,620
	Total	35,73,92,587	7,01,12,082	28,63,030	42,46,41,639	8,29,79,465	1,69,37,246	8,14,910	9,91,01,801	32,55,39,838	27,44,13,122
	Tangible Assets Previous Year	27,01,87,760	8,82,00,293	9,95,466	35,73,92,587	6,46,21,128	1,49,86,697	- 33,71,640	8,29,79,465	27,44,13,122	20,55,66,632
b	Intangible Assets										
	Computer software	95,98,010	3,05,275	—	99,03,285	44,10,142	19,28,221	—	63,38,363	35,64,922	51,87,868
	Total	95,98,010	3,05,275	—	99,03,285	44,10,142	19,28,221	—	63,38,363	35,64,922	51,87,868
	Intangible Assets Previous Year	65,49,939	30,48,071	—	95,98,010	19,83,420	16,81,059	- 7,45,663	44,10,142	51,87,868	45,66,519
	Total	36,69,90,597	7,04,17,357	28,63,030	43,45,44,924	8,73,89,607	1,88,65,467	8,14,910	10,54,40,164	32,91,04,760	27,96,00,990
c	Capital Work In Progress	4,13,60,519	—	2,13,70,665	1,99,89,854	—	—	—	—	1,99,89,854	4,13,60,519
	Total	40,83,51,116	7,04,17,357	2,42,33,695	45,45,34,778	8,73,89,607	1,88,65,467	8,14,910	10,54,40,164	34,90,94,614	32,09,61,509
	Capital Work In Progress Previous Year	1,12,53,366	3,01,07,153	—	4,13,60,519	—	—	—	—	4,13,60,519	1,12,53,366
	Previous Year figures	28,79,91,065	12,13,55,517	9,95,466	40,83,51,116	6,66,04,548	1,66,67,756	- 41,17,303	8,73,89,607	32,09,61,509	22,13,86,517

10) Non Current Investments

a. Policy of the company for accounting of investment is disclosed at Para No. i) of the statement of significant accounting policy given above.

b. Summarized information of investments

Particulars	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Other Investments - unquoted		
Investment Properties	11,21,09,200	5,09,200
Other Investments	10,000	10,000
Total	11,21,19,200	5,19,200

10) Non Current Investments [Contd...]

c. Non Current Investments

Sr. No.	Name of the Body Corporate	No. of Shares / Units		Face Value	Amount (₹)	
		2011-12	2010-11		2011-12	2010-11
a Investment in Equity Instruments						
Unquoted						
<i>Investment in Subsidiary companies</i>						
	Lincoln Parenteral Limited (62 % Holding)	62,00,000	—	10	11,16,00,000	—
	Zulinc Healthcare Limited (100% Holding)	50,000	50,000	10	5,00,000	5,00,000
Total					11,21,00,000	5,00,000
<i>Other Investment</i>						
	Navnirman Co operative Bank Limited	320	320	25	8,000	8,000
	Vijay Co Operative Bank Limited	20	20	10	200	200
	Naroda Industrial Co Operative Bank Limited	40	40	25	1,000	1,000
Total					9,200	9,200
Investment in Equity Instruments					11,21,09,200	5,09,200
b Other Investments						
	National Saving Certificates				10,000	10,000
Other non-current investments					10,000	10,000
Total					11,21,19,200	5,19,200

11) Long Term Loans and Advances

Long Term Loans and Advances	As at	As at
	31-Mar-2012	31-Mar-2011
	₹	₹
Capital Advances		
Unsecured, considered good	19,22,979	26,68,824
<i>Capital Advances</i>	<u>19,22,979</u>	<u>26,68,824</u>
Security Deposits		
Unsecured, considered good	8,88,000	2,60,000
<i>Security Deposits</i>	<u>8,88,000</u>	<u>2,60,000</u>
Loans and Advance to Other Parties		
Unsecured, considered good	12,10,03,000	12,08,00,000
<i>Other loans and advances (specify nature)</i>	<u>12,10,03,000</u>	<u>12,08,00,000</u>
Advance Tax Net of Provision		
Unsecured, considered good	82,56,820	90,29,260
<i>Other loans and advances (specify nature)</i>	<u>82,56,820</u>	<u>90,29,260</u>
Total	13,20,70,799	13,27,58,084

12) Inventories

Inventories	As at	As at
	31-Mar-2012	31-Mar-2011
	₹	₹
Stock-in-trade	21,38,29,989	25,02,13,537
Total	21,38,29,989	25,02,13,537



13) Trade Receivable

Trade Receivables	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Outstanding for a period less than six months from the date they are due		
Unsecured, considered good	57,59,54,713	32,85,40,334
Net of provision	<u>57,59,54,713</u>	<u>32,85,40,334</u>
Outstanding for a period exceeding six months from the date they are due		
Unsecured, considered good	7,11,47,232	7,01,69,193
Unsecured, considered doubtful	3,16,58,166	14,37,149
	<u>10,28,05,398</u>	<u>7,16,06,342</u>
Less: Provision for doubtful debts (See note bellow)	1,01,37,149	14,37,149
Net of provision	<u>9,26,68,249</u>	<u>7,01,69,193</u>
Total	66,86,22,962	39,87,09,527

Note: As against doubtful Debt of ₹. 316.58 lacs, ₹. 101.37 lacs is provided for.

14) Cash and Bank Balance

a. Cash and cash Equivalent

Cash and cash equivalents	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Balances with banks	7,39,25,777	11,21,51,250
Cash on hand	20,49,082	23,62,157
Total	7,59,74,859	11,45,13,406

b. Other Cash Balance

Other Cash Balance	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Margin money	62,60,645	61,00,645
Bank deposits with more than 12 months maturity	2,94,33,425	99,33,425
Total	3,56,94,070	1,60,34,070

15) Short-term loans and advances

a. Details of advance

Short-term loans and advances	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Loans and advances to related parties		
Unsecured, considered good	10,71,15,784	8,63,15,578
Net of provision	<u>10,71,15,784</u>	<u>8,63,15,578</u>
Advance Given to Supplies		
Unsecured, considered good	1,21,43,604	1,49,57,455
Net of provision	<u>1,21,43,604</u>	<u>1,49,57,455</u>
Balance With Government Authorities		
Unsecured, considered good	4,82,12,249	3,49,50,559
Net of provision	<u>4,82,12,249</u>	<u>3,49,50,559</u>
Other Advance in Nature of Short term Advance		
Unsecured, considered good	21,48,89,617	26,91,48,261
Net of provision	<u>21,48,89,617</u>	<u>26,91,48,261</u>
Total	38,23,61,254	40,53,71,853

b. Details of amount due from the directors and other officers of the company

Due From	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Company in which officer or director is a Director	10,71,15,784	8,63,15,578
Total	10,71,15,784	8,63,15,578

16) Revenue

- c. Policy of the company with respect to recognition of revenue is disclosed in Para No. g) of the statement of significant accounting policy given above.
- d. Details of revenue

Particulars	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
	₹	₹
Sale of products	1,73,95,21,239	1,67,11,14,502
Sale of services	1,13,12,579	1,09,90,193
Other operating revenues	2,67,39,667	1,47,61,516
total	<u>1,77,75,73,484</u>	<u>1,69,68,66,211</u>
Less:		
Excise duty	3,59,60,321	3,71,62,049
Total	<u>1,74,16,13,163</u>	<u>1,65,97,04,162</u>

17) Other Income

Particulars	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
	₹	₹
Interest Income	31,53,237	1,76,36,272
Net gain/loss on sale of investments	1,59,28,163	67,10,788
Other non-operating income (net of directly attributable expenses)		
Profit on sale of Fixed Assets	8,93,692	1,90,023
Exchange Fluctuation gain	91,11,916	35,37,813
Other Miscellaneous Income	44,60,195	35,00,663
Gratuity Provision Reversed	3,97,846	—
Total	<u>3,39,45,049</u>	<u>3,15,75,559</u>

18) Cost of Material Consumed

- a. Details of Material consumption under broad heads

Particulars	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
	₹	₹
Raw Material		
Stock at the beginning of the financial year	4,64,59,374	3,44,60,143
Purchase during the year	25,22,49,326	29,11,62,450
Total	<u>29,87,08,700</u>	<u>32,56,22,593</u>
Stock at the end of the financial year	4,40,11,561	4,64,59,374
<i>Cost of Consumption of Raw Material</i>	<u>25,46,97,139</u>	<u>27,91,63,219</u>
Packing Materials		
Stock at the beginning of the financial year	1,87,08,105	1,32,63,087
Purchase during the year	12,37,48,422	10,52,26,171
Other direct purchase costs	52,71,983	29,44,912
Total	<u>14,77,28,510</u>	<u>12,14,34,170</u>
Sold during the year	2,29,61,640	1,15,76,852
Stock at the end of the financial year	2,28,57,548	1,87,08,105
<i>Cost of Consumption of Packing Materials</i>	<u>10,19,09,322</u>	<u>9,11,49,212</u>
Total consumption of Raw Material	<u>35,66,06,461</u>	<u>37,03,12,432</u>



18) Cost of Material Consumed [Contd...]

b. Details of Material consumed under broad heads

Material Name	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Alpha.Beta.Arteether	2,09,19,779	1,03,51,671
Para Amino Phinol	1,04,90,751	—
Erythromycin Stearate Bp.	1,03,24,857	21,56,833
Menthol (Crystal)	74,95,022	36,18,122
Ceftriaxone Sodium Ster	74,67,051	2,26,82,183
Fluconazole	69,09,959	3,81,170
Chloram.Sodium Succ.Ster	68,45,639	5,82,165
Cefixime (Trihydrate) Usp	65,21,095	—
Pellets Flucomol Capsule	48,39,105	10,00,002
Artesunate (Micronised)	47,77,050	63,41,693
Ciprofloxacin Hcl Equi.	46,13,215	14,23,224
Diclofenac Sodium B.P. / I.P.	39,81,118	4,10,939
Other	26,14,21,820	32,13,64,430
Sub Total	35,66,06,461	37,03,12,432

19) Purchase of Stock in Trade

a. Details of purchase of stock in Trade

Particulars	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Purchase of Stock In Trade		
Purchase during the year	71,56,25,783	67,68,76,124
Cost of Goods sold	71,56,25,783	67,68,76,124

b. Details of Purchase of stock in trade under broad head

Particulars	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Tablets	10,98,65,093	13,72,59,934
Capsules	1,79,70,570	4,02,03,298
Cream In Tubes	1,44,52,011	1,75,94,777
Dry Powder Injection	2,28,15,205	51,51,679
Liquid In Bottles.	6,34,45,192	9,07,54,896
Liquid Injections	1,96,34,188	3,38,58,488
Chemical	45,01,20,648	35,20,53,052
Other	1,73,22,876	—
	71,56,25,783	67,68,76,124

20) Changes in inventories of finished goods WIP and Stock-in-Trade

Particulars	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Trading Goods		
Stock at the Beginning of the financial year	10,23,07,409	11,65,57,844
Stock at the End of the financial year	6,98,68,655	10,23,07,409
<i>Trading Goods</i>	<u>3,24,38,754</u>	<u>1,42,50,435</u>
Finished Goods		
Stock at the Beginning of the financial year	6,63,51,352	4,99,43,244
Stock at the End of the financial year	6,14,84,503	6,63,51,352
<i>Finished Goods</i>	<u>48,66,849</u>	<u>- 1,64,08,108</u>
Work in Progress		
WIP at the Beginning of the financial year	1,63,87,297	1,54,80,751
WIP at the End of the financial year	1,56,07,722	1,63,87,297
<i>Work in Progress</i>	<u>7,79,575</u>	<u>- 9,06,546</u>
Summary		
Inventory at the Beginning of the financial year	18,50,46,058	18,19,81,839
Inventory at the End of the financial year	14,69,60,880	18,50,46,058
Change in inventory	<u>3,80,85,178</u>	<u>- 30,64,219</u>

21) Employee benefits expense

- c. Policy of the company for accounting of employee benefit expenses is disclosed in Para No. e) to the statement of significant accounting policy given above.
- d. Details of Employee benefit expenses.

Employee Benefits Expense	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Salaries and incentives	14,83,45,071	13,59,95,658
Provident fund contribution	32,03,196	35,34,115
Gratuity fund contributions	—	14,58,754
Staff welfare expenses	15,76,993	19,16,511
Total	15,31,25,260	14,29,05,038

- e. Disclosure required under AS 15

- a) Expense Recognized during the year

Particulars	2011-12	2010-11
Current service cost	5,58,344	6,52,857
Interest on obligation	4,26,571	3,84,078
Expected return on plan assets	- 3,52,800	- 3,23,145
Net actuarial losses (gains) recognized in year	- 10,80,393	- 2,52,312
Past service cost	—	9,97,276
Losses (gains) on curtailments and settlement		
Total	- 4,48,278	14,58,754

b) Reconciliation of opening and closing balances of defined benefit obligation

Particulars	2011-12	2010-11
Opening defined benefit obligation	52,72,813	47,47,569
Service cost	5,58,344	6,52,857
Interest cost	4,26,571	3,84,078
Actuarial losses (gains)	- 10,42,616	- 2,66,833
Losses (gains) on curtailments	—	—
Liabilities extinguished on settlement	—	—
Liabilities assumed in an amalgamation in the nature of Purchase	—	—
Benefits paid	- 1,40,282	- 2,44,858
Closing Defined Benefit Obligation	50,74,830	52,72,813

c) Reconciliation of Opening and Closing balances of fair value of plan assets

Particulars	2011-12	2010-11
Opening fair value of plan assets	38,14,059	31,72,859
Expected return	3,52,800	3,23,145
Actuarial gains and (losses)	37,777	- 14,521
Assets distributed on settlements	—	—
Contributions by employer	10,30,952	5,77,434
Assets acquired in an amalgamation in the nature of purchase	—	—
Benefits paid	- 1,40,282	- 2,44,858
Closing balance of fair value of plan assets	50,95,306	38,14,059

d) Liability recognized in the financial statement

Particulars	2011-12	2010-11
Opening fair value of plan assets	50,74,830	52,72,813
Expected return	50,95,306	38,14,059
Liability(Asset) recognized in financial statement	- 20476	14,58,754

e) Actuarial Assumptions

Particulars	2011-12	2010-11
Mortality Table (LIC)	LIC(1994-96)	LIC(1994-96)
Discounted rate Per Annum	8.50%	8.09%
Expected Return on Plan Assets (Per Annum)	9.25%	9.25%
Future Salary Growth (Per Annum)	6.50%	6.50%
Withdrawal Rate	3 % at Younger age reducing to 1% at older age.	3 % at Younger age reducing to 1% at older age.
Retirement Age	58 Years	58 Years

22) Finance Cost

Particulars	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Interest expense	7,55,68,385	4,97,04,607
Total	7,55,68,385	4,97,04,607

23) Other Expenses

Particulars	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Manufacturing Expenses		
Consumption of Stores and Spares	1,50,291	13,88,614
Power and Fuel	54,95,504	68,31,199
Labour Charges	4,06,23,637	4,73,46,342
Repairs to Plant & Machineries	82,08,801	51,16,525
Repairs to Factory Building	7,70,608	10,81,194
Purchase expenses	10,000	1,06,148
Fright Inward Expenses	64,91,962	55,33,682
Factory Expenses	24,79,015	29,51,960
Miscellaneous expenses,	16,36,294	82,44,153
Total Manufacturing Expenses	6,58,66,112	7,85,99,816
Administrative Expenses		
Office Rent	30,68,758	28,42,309
Travelling Expenses	1,36,51,589	1,50,47,993
Audit Fee	8,14,610	4,96,350
Donation	3,93,821	45,255
Office building maintenance and repairing	63,208	1,63,923
Insurance	15,45,216	4,60,273
Other Expenses	5,55,74,766	5,85,96,247
Total Administrative Expenses	7,51,11,967	7,76,52,350
Selling and Distribution Expenses		
Travelling Expenses	5,08,69,895	5,59,83,931
Transportation Expenses	2,03,45,394	3,97,56,569
Advertisement Expenses	5,01,473	4,46,811
Sales Promotion Expenses	8,46,19,357	8,73,47,339
Value added tax	96,25,352	78,67,573
Sales Commission	2,52,41,943	2,18,78,804
Provision for Bad and Doubtful debt	87,22,358	14,37,149
Bad Debt Written Off	—	10,62,149
Product Registration charges	17,52,950	22,61,470
Other Selling and Distribution Expenses	27,60,772	38,75,009
	20,44,39,494	22,19,17,505
Total Other Expenses	34,54,17,573	37,81,69,671

24) Other Information

- The Board of Directors has proposed a dividend of ₹ 97,86,480/- to be distributed to equity share holders at the rate of ₹ 0.60 per equity share of face value Rs. 10/- each.
- In the opinion of the Management, there are no indication, internal or external which could have the effect of impairing the value of the assets to any material extent as at the Balance sheet date requiring recognition in terms of AS-28
- In the opinion of the board, the assets other than Fixed Assets and Non Current Assets are at least of the value stated if realized in the ordinary course of business.
- Balance of Trade Receivables & Loans and Advances is subject to confirmation by them.

e. Details of Payment to Auditors

Particulars	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Audit Fee	4,50,000	4,50,000
Taxation Work	364610	1,50,000
Total	8,14,610	6,00,000

f. Details of Prior period Items

Particulars	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Depreciation on R & D Assets	—	41,58,031
Impreset Cash Written off	—	10,77,985
Deferred Tax Expenses	—	91,69,319
Key Man Insurance Expenses	11,75,000	18,96,123
Other Revenue Expenses	49,33,669	5,32,333
Selling and Distribution Expenses	22,06,555	—
Total	83,15,224	1,68,33,791

g. Earnings per share

Particulars		For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Basic and Diluted			
Profit attributable to equity shareholders	₹	4,96,65,679	4,03,14,745
Nominal Value of equity share	₹	10	10
Weighted average number of ordinary equity shares	No.	1,63,10,800	1,38,10,800
Basic and Diluted EPS	₹	3.04	2.92

h. CIF Value of Import

Particulars	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Raw Materials	3,76,24,225	3,79,32,649
Total	3,76,24,225	3,79,32,649

i. Earnings in foreign currency

Particulars	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Export of goods calculated on F.O.B. basis;	38,48,65,380	21,72,04,651
Total	38,48,65,380	21,72,04,651

j. Expenditure in foreign currency

Particulars	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
	₹	₹
Travelling	24,44,586	14,97,654
Product Registration and related expenses	23,55,764	27,68,692
Total	48,00,350	42,66,346

k. Details of Contingent Liability

The company has received following demand notice from Tax authorities.

Sr.	Department	Year	Amount Involved ₹.	Current Status
1	Income Tax	AY 1999-00	6,59,988	Pending Against CIT Appeal
2	Income	AY 2001-02	4,45,194	Pending Against CIT Appeal
3	Income	AY 2008-09	2,81,085	Pending Against CIT Appeal
4	Income	AY 2009-10	3,56,820	Pending Against CIT Appeal

l. Related party disclosures

a) List of related parties

Sr.	Name of related Party	Nature of relation
1.	Lincoln Parenteral Limited	Subsidiary Company
2.	Karnavati Distributors Limited	Controlled by Key Managerial Persons
3.	Downtown Travels Pvt. Ltd.	Controlled by Key Managerial Persons
4.	Downtown Finance Pvt. Ltd.	Controlled by Key Managerial Persons
5.	Indus Hospitals & ICCU Pvt. Ltd.	Controlled by Key Managerial Persons
6.	Invivo CRD Pvt. Ltd.	Controlled by Key Managerial Persons
7.	Zullinc Healthcare Limited	Subsidiary Company
8.	Allantis Exim Pvt. Ltd.	Controlled by Key Managerial Persons
9.	Mahendra G. Patel	Key Managerial Person
10.	Rajnikant G. Patel	Key Managerial Person
11.	Hasmukh I. Patel	Key Managerial Person
12.	Arvind G. Patel	Key Managerial Person
13.	Kailashben M. Patel	Relative of Key Managerial Person
14.	Munjil M. Patel	Relative of Key Managerial Person
15.	Mansiben M. Patel	Relative of Key Managerial Person
16.	Nidhi M. Patel	Relative of Key Managerial Person
17.	Kalpnaben R. Patel	Relative of Key Managerial Person
18.	Ashish R. Patel	Relative of Key Managerial Person
19.	Shivani A. Patel	Relative of Key Managerial Person
20.	Siddharth R. Patel	Relative of Key Managerial Person
21.	Dharmisthaben H. Patel	Relative of Key Managerial Person
22.	Jigar H. Patel	Relative of Key Managerial Person
23.	Hansaben A. Patel	Relative of Key Managerial Person
24.	Amar A. Patel	Relative of Key Managerial Person
25.	Binal A. Patel	Relative of Key Managerial Person
26.	Anand A. Patel	Relative of Key Managerial Person
27.	Mansi A. Patel	Relative of Key Managerial Person
28.	Avis Travells	Controlled by Key Managerial Persons

b) Details of Transactions with related parties

Sr.	Name of Party	Nature of Transaction	Amount Involved	
			2011-12	2010-11
1	Lincoln Parenteral Limited	Purchase	19,41,300	16,57,000
		Sales	1,93,146	4,26,000
		Loan Taken	—	41,19,000
		Loan Repaid	—	1,28,25,000
		Job Work Charges	96,77,731	—
2	Avis Travels	Travelling Expenses	39,24,927	—
3	Downtown Travels Pvt. Ltd.	Travelling Expenses	5,32,154	8,72,000
4	Downtown Finance Pvt. Ltd.	Interest Expenses	8,32,500	
		Loan Taken	35,00,000	
		Loan Repaid	5,55,220	86,81,000
5	Allantis Exim Pvt. Ltd.	Paid for service	30,28,585	21,96,000
		Interest Expenses	18,50,328	—
		Sales	2,08,88,303	15,02,02,000
		Loan Taken	1,31,87,910	—
6	Indus Hospital & ICCU Pvt. Ltd.	Repayment Received	39,25,492	—
		Repayment Received	21,50,000	27,38,000
7	Zullinc Healthcare Limited	Loan Given	5,48,91,406	1,05,94,000
		Repayment Received	1,00,00,000	—
8	Mahendra G. Patel	Remuneration	11,97,600	11,68,800
9	Rajnikant G. Patel	Remuneration	11,97,600	11,97,600
10	Hasmukh I. Patel	Remuneration	11,97,600	11,97,600
11	Arvind G. Patel	Remuneration	11,97,600	11,97,600

c) Closing Balances with related parties

Sr.	Name of party	As at	
		31-Mar-2012	31-Mar-2011
1	Lincoln Parenteral Limited	6,20,46,369	41,19,888
2	Avis Travels	3,82,044	1,81,568
3	Downtown Travels Pvt. Ltd.	- 28,706	- 1,20,126
4	Downtown Finance Pvt. Ltd.	- 99,37,780	- 69,93,000
5	Allantis Exim Pvt. Ltd. Loan A/c	-1,67,92,418	- 75,30,000
6	Allantis Exim Pvt. Ltd. A/c	- 1,52,28,132	4,67,46,943
7	Indus Hospital & ICCU Pvt. Ltd.	—	93,25,958
8	Zullinc Healthcare Limited	4,50,07,196	1,15,790

m. Research & Development expenditure :

Company's in house R&D unit has been approved by Government of India, Ministry of science & technology, Department of Scientific and Industrial Research, New Delhi. The company's in house R & D unit is also approved for weighted deduction U/s 35(2AB) of the income tax act,1961.

Details of Capital & Revenue Expenditure for Research & Development is as follows

Particulars	2011-12 Rs.		2010-11 Rs.	
	Capital	Revenue	Capital	Revenue
Building construction	3,52,65,964		1,31,92,300	
Plant & machinery	5,15,183		49,95,281	
Furniture & Fixture	18,69,233			
Personnel exp.		1,00,37,482		82,38,731
Materials Consumption		33,38,850		22,75,372
Direct expenses		63,95,927		47,67,585
Depreciation		13,31,811		15,56,208
Administrative exp.		15,59,342		38,46,736
Total	3,76,50,380	2,26,63,412	1,81,87,581	2,06,84,632

n. Segment Reporting

a) Primary Segment:

The company is in the business of

- i. Manufacturing & marketing of Pharmaceuticals products and
- ii. Trading in finished goods, chemicals products and Bulk drug

b) Secondary Segment:

Segment revenue in geographical segment considered for disclosure is as follows.

- i. Domestic Sales
- ii. Export Sales

c) Details Primary Segments

Particulars	Pharmaceutical		Chemical		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Segment Revenue						
From External Customers	1,52,40,89,269	1,29,08,62,832	23,14,93,850	37,58,79,807	1,75,55,83,119	1,66,67,42,639
From transaction with other segment	—	—	—	—	—	—
Segment Result	12,66,09,452	10,66,02,391	5,86,441	62,21,188	12,71,95,893	11,28,23,579
Carrying amount of segment Assets	1,84,79,53,362	1,55,72,51,930	11,35,57,564	7,28,00,000	1,96,15,10,926	1,63,00,51,930
Segment liability	98,49,32,867	81,41,83,971	11,29,72,293	—	1,09,79,05,160	81,41,83,971
Cost incurred to acquire segment assets	7,04,17,357	9,12,48,364	—	—	7,04,17,357	9,12,48,364
Non cash Expenses considered in segment result						
Depreciation	1,88,65,467	1,66,67,756	—	—	1,88,65,467	1,66,67,756
Amortization	—	—	—	—	—	—
Other non cash expenses	-3,97,846	14,58,754	—	—	-3,97,846	14,58,754

d) Reconciliation with financial statement

Particulars	Reportable Segments		Un allocable reconciling items		As per financial statement	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Revenue	1,75,55,83,119	1,66,67,42,639	1,99,75,092	2,45,37,083	1,77,55,58,211	1,69,12,79,722
Result	12,71,95,893	11,28,23,579	-7,75,30,214	-7,25,08,834	4,96,65,679	4,03,14,745
Assets	1,96,15,10,926	1,63,00,51,930	82,56,820	90,29,260	1,96,97,67,746	1,63,90,81,190
Liability	1,09,79,05,160	81,41,83,971	7,00,92,490	6,14,18,709	1,16,79,97,650	87,56,02,680

e) Secondary Segment.

Particulars	Export		Domestic		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Segment revenue from external customers	38,48,65,380	21,72,04,651	1,39,06,92,831	1,47,40,75,071	1,77,55,58,211	1,69,12,79,722
Carrying amount of segment Assets	20,28,08,117	1,08,50,769	1,76,69,59,629	1,62,82,30,421	1,96,97,67,746	1,63,90,81,190

o. Medium and Small Enterprises

In the absence of information available with the Company about enterprises which are qualifying under the definition of Medium and Small Enterprises as defined under Micro Small & Medium Enterprises Development Act, 2006, no disclosure is made as required under the Act.

p. The company has prepared financial statement as per revised schedule VI to the Companies Act 1956 and accordingly, the assets, liability Income and Expenditure of the previous year is regrouped/ reclassified to conform to the current year's presentation.

As per our report of even date
For **Chandulal M Shah & Co.**
Chartered Accountants
[FRN NO. 101698W]

B.M. Zinzuvadia
Partner
Mem No. 109606

Date : 14 August 2012
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel Managing Director

R.G.patel Joint Managing Director

H.I.Patel Whole Time Director

Date : 14 August 2012
Place : Ahmedabad

**INFORMATION ON THE FINANCIALS OF SUBSIDIARY COMPANY
FOR THE YEAR ENDED ON 31ST MARCH, 2012**

ZULLINC HEALTHCARE LIMITED

(Rs. in lacs)

Particulars	2012	2011
Capital	5.00	5.00
Reserves	60.49	46.79
Total liabilities	520.34	90.44
Total assets	585.68	142.08
Investment(other than subsidiaries)	0.15	0.15
Turnover	467.57	1053.52
Profit(loss) before tax	20.70	20.49
Provision for tax	7.00	7.00
Profit/(loss) after tax	13.70	13.49
Proposed dividend	—	—

**INFORMATION ON THE FINANCIALS OF SUBSIDIARY COMPANY
FOR THE YEAR ENDED ON 31ST MARCH, 2012**

LINCOLN PARENTERAL LIMITED

(Rs. in lacs)

Particulars	2012	2011
Capital	1000.00	1000.00
Reserves	132.37	129.93
Total liabilities	1875.42	260.94
Total assets	2966.33	1349.41
Investment(other than subsidiaries)	41.46	41.46
Turnover	797.52	1521.95
Profit(loss) before tax	-10.65	45.85
Provision for tax	-13.10	9.24
Profit/(loss) after tax	2.45	36.60
Proposed dividend	—	20.00

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF Lincoln Pharmaceuticals Limited

We have audited the attached Consolidated Balance Sheet of **Lincoln Pharmaceuticals Limited**, and its subsidiary companies, Zullinc Healthcare Limited and Lincoln Parenteral Ltd as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiary companies whose financial statements reflect total assets of Rs 1819.02 Lakh, as at March 31, 2012, total revenues of Rs. 16.15 Lakh and net cash outflows amounting to Rs. 467.60 Lakh for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of that subsidiaries are based solely on the reports of the other auditors.

We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies Accounting Standards) Rules, 2006.

Attention is invited to Note No. 15 to the financial statement relating to trade receivables regarding short provision to the extent of ₹ 215.21 Lakh toward unsecured trade receivable considered as doubtful. Had, full provision been made, the profit, reserves and trade receivables would have been lower to that extent.

Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company and its subsidiary and on the other financial information of the Components and accounts furnished by the management as explained in Para 3 above and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

1. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012,
2. in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and,
3. In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Chandulal M. Shah & Co.
Chartered Accountants
(FRN 101698W)

(B.M. Zinzuvadia)
Partner
M. NO. 109606

Place : Ahmedabad
Date : 14th August, 2012



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	16,30,84,000	16,31,08,000
(b) Reserves and surplus	2	64,47,49,776	60,50,49,804
2 Minority Interest	3	4,30,30,377	
3 Non-current liabilities			
(a) Long-term borrowings	4	17,22,81,476	4,11,12,309
(b) Deferred tax liabilities (Net)	5	5,17,97,542	4,30,55,477
(c) Other Long term liabilities	6	2,85,41,410	2,80,68,480
4 Current liabilities			
(a) Short-term borrowings	7	46,62,44,568	40,35,25,402
(b) Trade payables		41,54,48,821	22,62,93,427
(c) Other current liabilities	8	14,52,54,495	12,24,69,699
(d) Short-term provisions	9	2,12,37,002	2,01,21,986
TOTAL		2,15,16,69,467	1,65,28,04,584
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(a) Tangible assets	10	33,22,93,997	27,44,13,126
(b) Intangible assets		4,50,95,358	51,87,868
(c) Capital work-in-progress		13,51,11,838	4,13,60,519
(b) Non-current investments	11	40,56,600	34,200
(c) Long-term loans and advances	12	30,25,87,575	13,27,74,184
(d) Other non-current assets	13		60,899
2 Current assets			
(a) Inventories	14	21,40,67,949	26,06,77,382
(b) Trade receivables	15	67,29,77,399	40,07,82,633
(c) Cash and Bank Balance			
Cash and cash equivalents	16	12,35,69,360	11,53,47,574
Other Cash and bank balance	16	3,97,01,693	1,60,34,070
(d) Short-term loans and advances	17	28,22,07,698	40,61,32,130
TOTAL		2,15,16,69,467	1,65,28,04,584

As per our report of even date
For **Chandulal M Shah & Co.**
Chartered Accountants
[FRN NO. 101698W]

B.M. Zinzuvadia
Partner
Mem No. 109606

Date : 14 August 2012
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel Managing Director

R.G.patel Joint Managing Director

H.I.Patel Whole Time Director

Date : 14 August 2012
Place : Ahmedabad



LINCOLN

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2012

Particulars	Refer Note No.	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
Revenue from operations	18	1,75,45,65,589	1,76,50,57,018
Other income	19	3,54,11,990	3,29,98,304
Total Revenue		1,78,99,77,578	1,79,80,55,322
Cost of materials consumed	20	36,26,69,158	37,03,12,432
Purchases of Stock-in-Trade	21	70,23,49,534	78,93,31,472
Changes in inventories of finished goods WIP and Stock-in-Trade	22	4,85,49,023	- 1,35,28,064
Employee benefits expense	23	16,22,10,697	14,29,65,038
Finance costs	24	7,60,00,849	4,97,86,304
Depreciation and amortization expense	10	1,93,28,273	1,66,67,756
Other expenses	25	34,49,86,797	38,07,62,556
Total expenses		1,71,60,94,332	1,73,62,97,494
Profit before tax		7,38,83,246	6,17,57,828
Tax expense:			
Current tax		1,75,33,681	1,48,00,000
Deferred tax		50,68,918	52,93,567
Total Tax Expense		2,26,02,599	2,00,93,567
Profit (Loss) for the period before Minority Interest		5,12,80,647	4,16,64,261
Profit attributable to Minority Interest		92,901	
Profit (Loss) for the period		5,11,87,746	4,16,64,261
Earnings per equity share:	26(c)		
Basic		3.14	3.02
Diluted		3.14	3.02

As per our report of even date
For **Chandulal M Shah & Co.**
Chartered Accountants
[FRN NO. 101698W]

B.M. Zinzuvadia
Partner
Mem No. 109606

Date : 14 August 2012
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel *Managing Director*

R.G.patel *Joint Managing Director*

H.I.Patel *Whole Time Director*

Date : 14 August 2012
Place : Ahmedabad

**CONSOLIDATED CASH FLOWS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2012**

Particulars	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
Cash flows from Operations		
Net profit for the year	5,12,80,648	8,23,54,801
Adjustments to reconcile net income		
Depreciation and amortization	1,93,28,273	1,66,67,756
Provision of income tax	1,69,19,558	1,58,15,000
Profit on Sale of Investments	1,54,81,492	67,10,788
provision for Bad debt	87,22,358	14,37,149
Loss on sale of Fixed asset	41,95,599	- 1,90,023
Deferred tax	50,68,918	52,93,567
Provisions Gratuity	- 3,97,846	14,58,754
Expenses Reported under other activity head	7,57,79,936	4,31,38,964
Income Reported under other activity head	- 31,53,237	- 1,76,36,272
Other operating activities	12,23,687	—
Changes in assets and liabilities	—	—
Increase in Accounts Receivable	- 27,91,00,123	- 7,85,01,457
Decrease in Loans and Advance	28,24,681	- 44,04,88,336
Decrease in Inventory	4,79,88,405	- 3,09,72,313
Decrease in Accounts Payable	15,55,98,553	6,91,42,104
Decrease (increase) in accrued Liabilities	89,13,991	—
Net cash from operating activities	11,75,69,963	- 32,05,01,018
direct tax paid	- 1,20,00,000	- 1,67,90,222
Net cash from operations	11,86,74,894	- 34,25,59,741
Cash flows from Investing		
Payments for property and equipment	- 17,09,83,829	- 12,77,18,946
Sale of Property and Equipments	2,26,29,342	11,44,761
Other investment	- 12,71,06,492	—
Interest Received	31,53,237	1,76,36,272
Net cash from investing	- 27,23,07,742	- 10,89,37,913
Cash flows from Financing		
Increase (decrease) in Borrowings	27,78,42,988	14,68,02,803
Share issued	—	5,00,00,000
Premium on issue of shares	—	15,50,00,000
Increase (decrease) in long term debt	- 2,88,34,325	15,78,61,772
Interest paid	- 7,57,79,936	- 4,31,38,964
Dividends paid	- 1,13,74,092	- 1,58,79,684
Net cash from financing	16,18,54,635	45,06,45,927
Net increase in cash and cash equivalents	82,21,786	- 8,51,726
Cash and cash equivalents at beginning of year	11,53,47,573	11,61,99,300
Cash and cash equivalents at end of year	12,35,69,359	11,53,47,573
	82,21,786	- 8,51,726

As per our report of even date
For **Chandulal M Shah & Co.**
Chartered Accountants
[FRN NO. 101698W]

B.M. Zinzuvadia
Partner
Mem No. 109606

Date : 14 August 2012
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel Managing Director

R.G.patel Joint Managing Director

H.I.Patel Whole Time Director

Date : 14 August 2012
Place : Ahmedabad



LINCOLN Statement of significant accounting policies

(a) Basis of Preparation :

The financial statements have been prepared under the historical cost convention on an accrual basis and comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

(b) Use of estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

(c) Fixed assets

Tangible Fixed Assets

Tangible fixed assets are stated at historical cost less accumulated depreciation. Cost comprises purchase price, duties, levies and other directly attributable expenses of bringing the asset to its working condition for the intended use.

Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalized.

Advances paid towards acquisition of fixed assets and the cost of assets acquired but not ready for use as at the balance sheet date are disclosed under capital work-in-progress.

Intangible Assets

Intangible fixed assets are stated at historical cost less accumulated amortisation. Cost comprises purchase price, duties, levies and other directly attributable expenses of bringing the assets to its working condition for the intended use. Cost is amortised over its useful economic life based on expected benefit.

(d) Depreciation

All tangible fixed assets, except freehold land, leasehold land and capital work in progress, are depreciated on a straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies' Act, 1956.

(e) Impairment:

In accordance with accounting standard 28 on 'Impairment of assets', the Company assesses at each balance sheet date whether there is an indication that assets of the Company may be impaired. Where any such indication exists the company estimates the recoverable amount of the assets. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated at the higher of its net selling price and its value in use. An impairment charge is recognised whenever the carrying amount of the asset or cash-generating unit exceeds its recoverable amount.

(f) Inventories:

Raw Materials, Containers, Stores and Spares

Raw materials, packing materials, stores, spares and consumables are valued at lower of cost (net of refundable taxes and duties) or net realizable value. The cost of these items of inventory are determined on FIFO basis and comprises of cost of purchase and other incidental costs incurred to bring the inventories to their present location and condition.

Finished Goods and Work-in-progress

Work in progress and finished goods are valued at lower of cost or net realizable value. The cost of work in process and finished goods includes cost of conversion and other costs incurred to bring the inventories to their present location and condition.

Traded Goods

Traded Goods are valued at lower of cost and net realizable value. Cost is determined on FIFO basis.

Excise Duty in respect of finished goods lying in factory premises are provided for and included in valuation of inventory in case of non Export Items.

(g) Employee benefits

Short-term employee benefits are recognized as an expense in the profit and loss account of the year in which the related service is rendered.

Cost of post employment benefits relating to Defined Contribution Plans such as contribution to Provident Fund employee pension fund etc are recognized as an expense in the profit and loss account of the year in which the related service is rendered.

The Company has Defined Benefit Plan for post employment benefits in the form of Gratuity for all employees administered through trust, funded with Life Insurance Corporation of India. Liability for the this Defined Benefit Plans is provided on the basis of actuarial valuation, as at the balance sheet date, carried out by independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit Method. The actuarial gains and losses arising during the year are recognized in the Profit & Loss Account for the year

(h) Research and Development Costs

Research and development costs incurred for development of products are charged to revenue as incurred, except for development costs relating to the design and testing of new or improved materials, products or processes which are recognized as intangible assets to the extent that it is expected that such assets will generate future economic benefits. Research and development expenditure of capital nature is added to fixed assets.

(i) Revenue Recognition:

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. Sales are stated net of excise duty, sales tax and trade discounts.

Interest on deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction based on reasonable certainty of receipt. Interest on advances is recognized when the ultimate collection is not uncertain.

Dividend income is recognized when the right to receive dividend is established.

(j) Taxation

Income tax expense comprises current tax expense and deferred tax expense/credit.

Current tax

Provision for current tax is calculated in accordance with the provisions of the Income-Tax Act, 1961 and is made annually based on the tax liability computed after considering tax allowances and exemptions.

Assets and liabilities representing current tax are disclosed on a net basis when there is a legally enforceable right to set off and where the management intends to settle the asset and liability on a net basis.

Deferred tax

Deferred tax liability or asset is recognised for timing differences between the profits/losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent there is a reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

(k) Investment

Current investments are carried at the lower of cost and fair value computed category wise. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made, only if, in the opinion of the management, such a decline is regarded as being other than temporary.

(l) Earnings per share ('EPS')

Basic EPS is computed using the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti dilutive. The number of equity shares is adjusted for any share splits and bonus shares issued effected prior to the approval of the financial statements by the Board of Directors.

**(m) Contingencies and provisions**

The Company creates a provision when there is present obligation as a result of a 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 a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(n) Foreign currency transactions

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The difference between the actual rate of settlement and the rate on the date of the transaction is charged or credited to profit and loss account.

In respect of monetary current assets and liabilities denominated in foreign currencies the overall net gain or loss, if any, on conversion at the exchange rates prevailing on the date of the balance sheet is charged to revenue.

(o) Principles of Consolidation

The Consolidated Financial Statement relate to Lincoln Pharmaceuticals Limited (the Parent Company) and its Subsidiaries - Zullinc Healthcare Limited and Lincoln Parenteral Limited, a partially owned subsidiary company.

The Consolidated Financial statements have been prepared in accordance with Accounting Standard 21(AS-21)-“Consolidated Financial Statement issued By the Institute of Chartered Accountant of India. The Consolidated Financial Statements have been prepared on the following basis.

- i. The financial Statements of the Parent and its Subsidiary have been Combined on a line by line basis by adding together the book values like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealized profit or losses of intra group transactions.
- ii. The Consolidated financial statements have been prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented, to the extent possible, in the same manner as the parent company's separate financial statement.
- iii. The excess of cost to the parent company of its investment in the subsidiary over the parent company's portion of equity of the subsidiary is recognized in the financial statements as Goodwill. This goodwill is tested for impairment at end of financial year. The excess of parent company portion of equity over the cost of investments as at the date of its investment is treated as Capital Reserve.
- iv. The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date i.e. year ended March,31,2012.
- v. Consolidated financial statement of Parent & subsidiary company prepared in addition to separate financial statement of subsidiary company.
- vi. The parent company's holding in subsidiary company considered in consolidated financial statement as follows

Name of Company	Country incorporation	Proportion of shareholding as on 31/03/2012	Proportion of shareholding as on 31/03/2011
Zullinc Healthcare Limited	India	100%	100%
Lincoln Parenteral Limited	India	62%	Nil

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
1) Share Capital
a. Details of Share Capital

Share Capital	As at 31-Mar-2012		As at 31-Mar-2011	
	Number	₹	Number	₹
Authorized				
Equity Shares				
Equity Share of Rs. 10 Each	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
Issued, Subscribed & Paid up				
Equity Shares				
Equity Share of Rs. 10 Each fully paid up	1,63,10,800	16,31,08,000	1,63,10,800	16,31,08,000
	1,63,10,800	16,31,08,000	1,63,10,800	16,31,08,000
Total	1,63,10,800	16,31,08,000	1,63,10,800	16,31,08,000

b. Statement of Reconciliation of number of share at the beginning and at the end of the financial year.

Particulars	As at 31-Mar-2012		As at 31-Mar-2011	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	1,63,10,800	16,31,08,000	1,13,10,800	11,31,08,000
Shares Issued during the year	—	—	50,00,000	5,00,00,000
Share held by New Subsidiary (Refer No. e)	2,400	24,000	—	—
Shares outstanding at the end of the year	1,63,08,400	16,30,84,000	1,63,10,800	16,31,08,000

c. Share holding details of the company As at 31-Mar-2012 and name of persons holding more than 5% shares.

Name of Shareholder/Company	No. of Shares held	
	As at 31-Mar-2012	As at 31-Mar-2011
Names of person holding more than 5% shares		
Advent Tradelink Pvt. Ltd.	21,15,000	21,15,000
Digital Biotech Pvt. Ltd.	23,00,000	23,00,000
Unichem Dyes and Drugs Pvt. Ltd.	19,00,000	19,00,000
Total	63,15,000	63,15,000

d. The holding companies as well as the promoters of the company have given undertaking to the state bank of Indian that, while currency of the term loans and working capital loans financed by the said bank, the company will not effect any change in the company's capital structure by prohibiting disinvestment by promoters of their quota in the equity.

e. Issued, Subscribed and paid up share capital excludes 2400 (PY Nil) Equity shares directly held by Lincoln Parenteral Limited (a subsidiary company acquired during the year) before its becoming subsidiary of the company.



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2) Reserves & Surplus

Reserves & Surplus	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Capital Reserves		
Opening Balance	35,00,000	35,00,000
Closing Balance	35,00,000	35,00,000
General Reserve		
Opening Balance	3,76,21,600	3,16,21,600
(+) Current Year Transfer	50,00,000	60,00,000
Closing Balance	4,26,21,600	3,76,21,600
Subsidy Account		
Opening Balance	—	10,00,000
(-) Written Back	—	10,00,000
Closing Balance	—	—
Securities Premium Account		
Opening Balance	38,05,44,000	22,55,44,000
Add : Securities premium credited on Share issue	—	15,50,00,000
Closing Balance	38,05,44,000	38,05,44,000
Surplus		
Opening balance	18,33,84,204	15,80,94,035
(+) Net Profit For the current year	5,11,87,746	4,16,64,261
(+) Transfer from Reserves	—	—
(-) Proposed Dividends	97,86,480	97,86,480
(-) Dividend Tax	15,87,612	15,87,612
(-) Transfer to Reserves	51,13,682	50,00,000
Closing Balance	21,80,84,176	18,33,84,204
Total	64,47,49,776	60,50,49,804

3) Minority Interest

Particulars	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Minority Interest attributable to 38 % of the share holders of Lincoln Parenteral. Ltd	4,30,30,377	

4) Long term borrowings

a. Secured Long term Borrowings

Long Term Borrowings	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Term loans		
from banks	11,72,74,926	2,54,00,591
From Others	59,86,000	
Total	12,32,60,926	2,54,00,591
Secured Long Term Borrowings	12,32,60,926	2,54,00,591

b. Unsecured Long term Borrowings

Long Term Borrowings	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Loans and advances from related parties	4,90,20,550	1,57,11,718
Unsecured Long Term Borrowings	4,90,20,550	1,57,11,718

c. The term loans includes following terms loans Rs. 87,87,511/- of term loan secured against Equitable Mortgage of 1397 Sq meters land and building thereon at SN 469 of Sola Village, Daskoi Taluka Ahmedabad and Equitable mortgage of land and building at WTG site P-21 Village and Visavada Porbandar. And balance 3624800 on vehicles.

5) Deferred Tax Liability

d. Details of the deferred tax liability

Particulars	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Deferred tax liability		
Depreciation	5,25,43,777	4,43,42,498
Total DTL	<u>5,25,43,777</u>	<u>4,43,42,498</u>
Deferred tax asset		
Disallowance U/S 43B of Income Tax Act.	7,46,235	12,87,021
Total DTA	<u>7,46,235</u>	<u>12,87,021</u>
Net Deferred Tax Liability	<u>5,17,97,542</u>	<u>4,30,55,477</u>

6) Other long term Liabilities
Other Long Term Liabilities

Other Long Term Liabilities	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Others (Security deposits from Selling Agents)	2,85,41,410	2,80,68,480
Total	<u>2,85,41,410</u>	<u>2,80,68,480</u>

7) Short term Borrowing

a. Secured Short term Borrowings

Short Term Borrowings	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Loans repayable on demand		
from banks	46,56,47,797	39,54,33,236
	<u>46,56,47,797</u>	<u>39,54,33,236</u>

b. Unsecured Short term Borrowings

Loans repayable on demand		
from other parties	5,96,772	5,96,772
Loans and advances from related parties	—	74,95,394
Total	<u>5,96,772</u>	<u>80,92,166</u>

c. The demand loans from Bank includes Working capital loan from SBI Rs. 46,56,47,797 secured against all changeable current assets and by a collateral security by way of charge on residual fixed assets of the company. This term loans are guaranteed by directors of the company.

8) Other Current liability

a. Details of other current liabilities

Other Current Liabilities	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Current maturities of long-term debt	4,62,17,888	1,60,68,202
Other payables		
Expense payable	3,48,25,966	2,85,70,712
Payable against capital work	94,68,783	7,01,958
Statutory Liabilities	1,21,05,867	39,13,607
Other Current Liability	1,26,31,044	1,07,22,386
Proposed Dividend and Dividend Tax	1,13,75,917	1,13,74,092
Advance from Customers	1,86,29,031	5,11,18,742
Total	<u>9,90,36,607</u>	<u>10,64,01,497</u>
Total	<u>14,52,54,495</u>	<u>12,24,69,699</u>



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9) Short term provisions

a. Details of short term provisions

Short Term Provisions	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Provision for employee benefits		
Gratuity		14,58,754
Others		
Income Tax Provision (Net of Advance tax)	2,12,37,002	1,86,63,232
	<u>2,12,37,002</u>	<u>1,86,63,232</u>
Total	2,12,37,002	2,01,21,986

10) Fixed Assets

a. Fixed Asset Details

Sr.	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block			
		As at 31-Mar- 2011	Additions	Adjustment during the year	Acquired through business combinations	As at 31-Mar- 2012	As at 31-Mar- 2011	Acquired through business combinations	Depreciation charge for the year	Adjustment during the year	As at 31-Mar- 2012	As at 31-Mar- 2012	As at 31-Mar-2011
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
a	Tangible Assets												
	Land	7,59,30,613	—	—	4,50,000	7,63,80,613	—	—	—	—	7,63,80,613	7,59,30,613	
	Leased Hold Land	9,00,000	—	—	9,00,000	—	—	—	—	—	9,00,000	9,00,000	
	Buildings	7,99,89,123	3,52,66,044	9,51,000	94,12,245	12,37,16,412	1,64,06,643	54,15,202	30,58,954	69,692	2,48,11,107	9,89,05,305	6,35,82,480
	Plant and Equipment	12,60,24,277	2,66,00,674	—	24,01,405	15,50,26,356	3,87,43,983	1,81,35,934	68,32,003	1,81,35,934	4,55,75,986	10,94,50,370	8,72,80,294
	Furniture and Fixtures	1,69,57,661	21,78,078	—	11,94,080	2,03,29,819	78,43,504	9,31,580	11,80,793	—	99,55,877	1,03,73,942	91,14,157
	Vehicles	2,50,84,906	38,90,051	19,12,030	10,43,783	2,81,06,710	77,56,791	10,43,783	25,44,224	7,45,218	1,05,99,580	1,75,07,130	1,73,28,115
	Office equipment	66,71,183	1,12,034	—	—	67,83,217	7,67,195	—	3,19,543	—	10,86,738	56,96,479	59,03,988
	Electrical Installation	75,68,665	4,45,124	—	—	80,13,789	40,46,810	—	3,64,801	—	44,11,611	36,02,178	35,21,855
	Computers	1,82,66,159	16,20,077	—	1,21,990	2,00,08,226	74,14,539	15,804	30,99,904	—	1,05,30,247	94,77,979	1,08,51,620
	Total	35,73,92,587	7,01,12,082	28,63,030	1,46,23,503	42,46,41,639	8,29,79,465	2,55,42,303	1,74,00,222	1,89,50,844	10,69,71,146	33,22,93,996	27,44,13,122
	Tangible Assets Previous Year	27,01,87,760	8,82,00,293	9,95,466		35,73,92,587	6,46,21,128		1,49,86,697	-33,71,640	8,29,79,465	27,44,13,122	20,55,66,632
b	Intangible Assets												
	Goodwill				4,15,30,436	4,15,30,436	—	—	—	—	—	4,15,30,436	—
	Computer software	95,98,010	3,05,275	—	99,03,285	44,10,142	19,28,221	—	63,38,363	35,64,922	51,87,868		
	Total	95,98,010	3,05,275	—	4,15,30,436	5,14,33,721	44,10,142	—	19,28,221	—	63,38,363	4,50,95,358	51,87,868
	Intangible Assets Previous Year	65,49,939	30,48,071	—		95,98,010	19,83,420		16,81,059	-7,45,663	44,10,142	51,87,868	45,66,519
	Total	36,69,90,597	7,04,17,357	28,63,030	5,61,53,939	47,60,75,360	8,73,89,607	2,55,42,303	1,93,28,443	1,89,50,844	11,33,09,509	37,73,89,354	27,96,00,990
c	Capital Work In Progress	4,13,60,519	11,51,14,984	2,13,70,665	7,000	13,51,11,838	—	—	—	—	—	13,51,11,838	4,13,60,519
	Total	40,83,51,116	18,55,32,341	2,42,33,695	5,61,60,939	61,11,87,198	8,73,89,607	2,55,42,303	1,93,28,443	1,89,50,844	11,33,09,509	51,25,01,192	32,09,61,509
	Capital Work In Progress Previous Year	1,12,53,366	3,01,07,153	—		4,13,60,519	—	—	—	—	—	4,13,60,519	1,12,53,366
	Previous Year figures	28,79,91,065	12,13,55,517	9,95,466	40,83,51,116	6,66,04,548	1,66,67,756	-41,17,303	8,73,89,607	32,09,61,509	22,13,86,517		

11) Non Current Investments

b. Summarized information of investments

Particulars	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Other Investments - unquoted		
Investment in Equity instruments	40,27,600	9,200
Other Investments	29,000	25,000
Total (B)	40,56,600	34,200
Total	40,56,600	34,200

11) Non Current Investments [Contd...]

c. Summarized details of quoted and unquoted investments and market values in case of quoted investments

Particulars	As at	As at
	31-Mar-2012	31-Mar-2011
	₹	₹
Aggregate of Quoted Investment	40,00,000	—
Aggregate of Unquoted Investment	56,600	34,200
Market Value of Quoted Investment	—	

d. Non Current Investments

A Details of Other Investments

Sr. No.	Name of the Body Corporate	No. of Shares / Units			Amount (₹)	
		2011-12	2010-11	2011-12	2011-12	2010-11
a	Investment in Equity Instruments					
	Quoted					
	Aesculapius Remedies Ltd.	4,00,000	—	10	40,00,000	—
	Total				40,00,000	—
	Unquoted					
	Navnirman Co operative Bank Limited	1,056	320	25	26,400	8,000
	Vijay Co Operative Bank Limited	20	20	10	200	200
	Naroda Industrial Co Operative Bank Limited	40	40	25	1,000	1,000
	Total				27,600	9,200
	<i>Investment in Equity Instruments</i>				40,27,600	9,200
b	Other Investments					
	National Saving Certificates				29,000	25,000
	<i>Other non-current investments</i>				29,000	25,000
	Total				40,56,600	34,200

12) Long Term Loans and Advances
Long Term Loans and Advances

	As at	As at
	31-Mar-2012	31-Mar-2011
	₹	₹
Capital Advances		
Unsecured, considered good	52,64,535	26,68,824
<i>Capital Advances</i>	52,64,535	26,68,824
Security Deposits		
Unsecured, considered good	9,33,909	2,60,000
<i>Security Deposits</i>	9,33,909	2,60,000
Loans and advances to related parties		
Unsecured, considered good	6,99,08,322	—
<i>Loans and advances to related parties</i>	6,99,08,322	—
Loans and Advance to Other Parties		
Unsecured, considered good	21,59,71,283	12,08,00,000
<i>Other loans and advances (specify nature)</i>	21,59,71,283	12,08,00,000
Advance Tax Net of Provision		
Unsecured, considered good	1,05,09,527	90,45,360
<i>Other loans and advances (specify nature)</i>	1,05,09,527	90,45,360
Total	30,25,87,575	13,27,74,184

13) Other Non Current Assets
Other Current Assets

	As at	As at
	31-Mar-2012	31-Mar-2011
	₹	₹
Other Non Current Assets		
Unsecured, considered good	—	60,899
Total	—	60,899



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14) Inventories

Inventories	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Stock-in-trade	21,40,67,949	26,06,77,382
Total	21,40,67,949	26,06,77,382

15) Trade Receivable

a. Details of Trade Receivable

Trade Receivables	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Outstanding for a period less than six months from the date they are due		
Unsecured, considered good	58,03,09,150	33,06,13,440
Net of provision	58,03,09,150	33,06,13,440
Outstanding for a period exceeding six months from the date they are due		
Unsecured, considered good	7,11,47,232	7,01,69,193
Unsecured, considered doubtful	3,16,58,166	14,37,149
	10,28,05,398	7,16,06,342
Less: Provision for doubtful debts (Refer No b)	1,01,37,149	14,37,149
Net of provision	9,26,68,249	7,01,69,193
Total	67,29,77,399	40,07,82,633

b. Note: As against doubtful Debt of ₹. 316.58 Lakh, ₹. 101.37 Lakh is provided for.

16) Cash and Bank Balance

a. Cash and cash Equivalent

Cash and cash equivalents	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Balances with banks	12,13,41,068	11,27,60,647
Cash on hand	22,28,292	25,86,927
Total	12,35,69,360	11,53,47,574

b. Other Cash Balance

Other Cash Balance	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Margin money	1,02,68,268	61,00,645
Bank deposits with more than 12 months maturity	2,94,33,425	99,33,425
Total	3,97,01,693	1,60,34,070

17) Short-term loans and advances

a. Details of advance

Short-term loans and advances	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Loans and advances to related parties		
Unsecured, considered good	3,51,695	8,63,15,578
Net of provision	3,51,695	8,63,15,578
Advance Given to Supplies		
Unsecured, considered good	1,24,68,543	1,50,20,545
Net of provision	1,24,68,543	1,50,20,545
Balance With Government Authorities		
Unsecured, considered good	5,45,01,383	3,56,47,746
Net of provision	5,45,01,383	3,56,47,746
Other Advance in Nature of Short term Advance		
Unsecured, considered good	21,48,86,077	26,91,48,261
Net of provision	21,48,86,077	26,91,48,261
Total	28,22,07,698	40,61,32,130

18) Revenue

Particulars	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Sale of products	1,75,16,19,908	1,77,55,15,953
Sale of services	1,13,16,528	1,09,90,193
Other operating revenues	2,77,36,667	1,57,12,920
total	1,79,06,73,103	1,80,22,19,066
Less: Excise duty	3,61,07,515	3,71,62,049
Total	1,75,45,65,589	1,76,50,57,018

19) Other Income

Particulars	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Interest Income (in case of a company other than a finance company)	31,53,237	1,76,36,272
Dividend Income	2,544	
Net gain/loss on sale of investments	1,63,74,834	67,10,788
Other non-operating income (net of directly attributable expenses)		
Profit on sale of Fixed Assets	8,93,692	1,90,023
Exchange Fluctuation gain	91,11,916	35,37,813
Other Miscellaneous Income	48,47,470	35,94,017
Transportation Recovery	6,30,450	13,29,391
Gratuity Provision Reversed	3,97,846	
Total	3,54,11,990	3,29,98,304

20) Cost of Material Consumed

Particulars	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Raw Material		
Stock at the beginning of the financial year	4,64,59,374	3,44,60,143
Purchase during the year	25,63,12,540	29,11,62,450
Total	30,27,71,914	32,56,22,593
Stock at the end of the financial year	4,42,38,397	4,64,59,374
<i>Cost of Consumption of Raw Material</i>	25,85,33,517	27,91,63,219
Packing Materials		
Stock at the beginning of the financial year	1,87,08,105	1,32,63,087
Purchase during the year	12,59,85,125	10,52,26,171
Other direct purchase costs	52,72,723	29,44,912
Total	14,99,65,953	12,14,34,170
Sold during the year	2,29,61,640	1,15,76,852
Total	2,29,61,640	1,15,76,852
Stock at the end of the financial year	2,28,68,672	1,87,08,105
<i>Cost of Consumption of Packing Materials</i>	10,41,35,641	9,11,49,213
Total consumption of Material	36,26,69,158	37,03,12,432



21) Purchase of Stock in Trade

- a. For company having Stock in Trade

Particulars	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Purchase during the year	70,23,49,534	78,93,31,472
Purchase of Stock in Trade	70,23,49,534	78,93,31,472

22) Changes in inventories of finished goods WIP and Stock-in-Trade

Particulars	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Trading Goods		
Stock at the Beginning of the financial year	10,23,07,409	11,65,57,844
Stock at the End of the financial year	6,98,68,655	10,23,07,409
<i>Trading Goods</i>	<u>3,24,38,754</u>	<u>1,42,50,435</u>
Finished Goods		
Stock at the Beginning of the financial year	7,68,15,197	4,99,43,244
Stock at the End of the financial year	6,14,84,503	7,68,15,197
<i>Finished Goods</i>	<u>1,53,30,694</u>	<u>- 2,68,71,953</u>
Work in Progress		
WIP at the Beginning of the financial year	1,63,87,297	1,54,80,751
WIP at the End of the financial year	1,56,07,722	1,63,87,297
<i>Work in Progress</i>	<u>7,79,575</u>	<u>- 9,06,546</u>
Summary		
Inventory at the Beginning of the financial year	19,55,09,903	18,19,81,839
Inventory at the End of the financial year	14,69,60,880	19,55,09,903
Change in inventory	4,85,49,023	- 1,35,28,064

23) Employee benefits expense

- a. Details of expenses.

Employee Benefits Expense	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Salaries and incentives	15,71,66,903	13,60,55,658
Provident fund	34,15,848	35,34,115
Gratuity fund contributions	—	14,58,754
Staff welfare expenses	16,27,946	19,16,511
Total	16,22,10,697	14,29,65,038

- b. Disclosure required under AS 15

- a) Expense Recognized during the year

Particulars	2011-12	2010-11
Current service cost	5,58,344	6,52,857
Interest on obligation	4,26,571	3,84,078
Expected return on plan assets	- 3,52,800	- 3,23,145
Net actuarial losses (gains) recognized in year	- 10,80,393	- 2,52,312
Past service cost	—	9,97,276
Losses (gains) on curtailments and settlement	—	—
Total	- 4,48,278	14,58,754

b) Reconciliation of opening and closing balances of defined benefit obligation

Particulars	2011-12	2010-11
Opening defined benefit obligation	52,72,813	47,47,569
Service cost	5,58,344	6,52,857
Interest cost	4,26,571	3,84,078
Actuarial losses (gains)	- 10,42,616	- 2,66,833
Losses (gains) on curtailments	—	—
Liabilities extinguished on settlement	—	—
Liabilities assumed in an amalgamation in the nature of Purchase	—	—
Benefits paid	- 1,40,282	- 2,44,858
Closing Defined Benefit Obligation	50,74,830	52,72,813

c) Reconciliation of Opening and Closing balances of fair value of plan assets

Particulars	2011-12	2010-11
Opening fair value of plan assets	38,14,059	31,72,859
Expected return	3,52,800	3,23,145
Actuarial gains and (losses)	37,777	- 14,521
Assets distributed on settlements	—	—
Contributions by employer	10,30,952	5,77,434
Assets acquired in an amalgamation in the nature of purchase	—	—
Benefits paid	- 1,40,282	- 2,44,858
Closing balance of fair value of plan assets	50,95,306	38,14,059

d) Liability recognized in the financial statement

Particulars	2011-12	2010-11
Opening fair value of plan assets	50,74,830	52,72,813
Expected return	50,95,306	38,14,059
Liability(Asset) recognized in financial statement	- 20476	14,58,754

e) Actuarial Assumptions

Particulars	2011-12	2010-11
Mortality Table (LIC)	LIC(1994-96)	LIC(1994-96)
Discounted rate Per Annum	8.50%	8.09%
Expected Return on Plan Assets (Per Annum)	9.25%	9.25%
Future Salary Growth (Per Annum)	6.50%	6.50%
Withdrawal Rate	3 % at Younger age reducing to 1% at older age.	3 % at Younger age reducing to 1% at older age.
Retirement Age	58 Years	58 Years

24) Finance Cost

Particulars	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
	₹	₹
Interest expense	7,59,07,572	4,97,86,304
Applicable net gain/loss on foreign currency transactions and translation	93,277	—
Total	7,60,00,849	4,97,86,304



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25) Other Expenses

Particulars	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Manufacturing Expenses		
Consumption of Stores and Spares	1,71,403	13,88,614
Power and Fuel	64,22,032	68,31,199
Labour Charges	3,09,45,906	4,73,46,342
Repairs to Plant & Machineries	82,25,577	51,16,525
Repairs to Factory Building	7,70,608	10,81,194
Excise duty Expenses	13,18,624	
Purchase expenses	10,000	1,06,148
Fright Inward Expenses	64,91,962	55,33,682
Factory Expenses	26,79,179	29,51,960
Miscellaneous expenses,	16,36,294	82,44,153
Total Manufacturing Expenses	5,86,71,584	7,85,99,816
Administrative Expenses		
Office Rent	31,62,422	28,42,309
Research and Development Expenses		
Travelling Expenses	1,45,42,587	1,50,50,520
Audit Fee	8,70,640	5,11,350
Donation	3,93,821	45,255
Office building maintenance and repairing	63,208	1,63,923
Insurance	15,74,003	4,86,746
Other Expenses	5,99,55,983	5,87,64,167
Total Administrative Expenses	8,05,62,664	7,78,64,270
Selling and Distribution Expenses		
Travelling Expenses	5,08,69,895	5,59,83,931
Transportation Expenses	2,07,31,296	4,10,87,917
Advertisement Expenses	5,01,473	4,46,811
Sales Promotion Expenses	8,55,46,510	8,83,95,717
Value added tax	96,25,352	78,67,573
Sales Commission	2,52,41,943	2,18,78,804
Provision for Bad and Doubtful debt	87,22,358	25,00,000
Product Registration charges	17,52,950	22,61,470
Other Selling and Distribution Expenses	27,60,772	38,76,247
	20,57,52,550	22,42,98,470
Total Other Expenses	34,49,86,797	38,07,62,556

26) Other Information - Profit and Loss Statement

a. Details of Payment to Auditors

Particulars	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Audit Fee	5,06,030	3,61,350
Taxation Work for management services	3,64,610	1,50,000
	—	—
Total	8,70,640	5,11,350

b. Details of Prior period Items

Particulars	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Depreciation on R & D Assets	—	41,58,031
Imprest Cash Written off	—	10,77,985
Deferred Tax Expenses	—	91,69,319
Key Man Insurance Expenses	11,75,000	18,96,123
Other Revenue Expenses	49,33,669	5,32,333
Selling and Distribution Expenses	22,06,555	—
Total	83,15,224	1,68,33,791

c. Earnings per share

Particulars		For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Basic			
Profit attributable to equity shareholders	₹	5,11,87,746	4,16,64,261
Nominal Value of equity share	₹	10	10
Weighted average number of ordinary equity shares for Basic EPS	No.	1,63,10,800	1,38,10,800
Basic EPS	₹	3.14	3.02
Diluted			
Profit attributable to equity shareholders	₹	5,11,87,746	4,16,64,261
Add : interest/dividend on convertible instruments	₹	—	—
Profit after tax for Diluted EPS	₹	5,11,87,746	4,16,64,261
Weighted average number of ordinary equity shares for Basic EPS	No	1,63,10,800	1,38,10,800
Add: Adjustment for conversion option	No	—	—
Weighted average number of ordinary equity shares for Diluted EPS	No	1,63,10,800	1,38,10,800
Diluted EPS		3.14	3.02

d. Details of Contingent Liability

The group has received following demand notice from Tax authorities.

Sr.	Department	Year	Amount Involved ₹.	Current Status
1	Income Tax	AY 1999-00	6,59,988	Pending Against CIT Appeal
2	Income	AY 2001-02	4,45,194	Pending Against CIT Appeal
3	Income	AY 2008-09	2,81,085	Pending Against CIT Appeal
4	Income	AY 2009-10	3,56,820	Pending Against CIT Appeal

e. CIF Value of Import

Particulars	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Raw Materials	3,76,24,225	3,79,32,649
Total	3,76,24,225	3,79,32,649

f. Earnings in foreign currency

Particulars	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Export of goods calculated on F.O.B. basis;	38,48,65,380	21,72,04,651
Total	38,48,65,380	21,72,04,651

g. Expenditure in foreign currency

Particulars	For the year ended on 31-Mar-2012 ₹	For the year ended on 31-Mar-2011 ₹
Travelling	24,44,586	14,97,654
Product Registration and related expenses	23,55,764	27,68,692
Total	48,00,350	42,66,346

27. Related party disclosures

a) List of related parties

Sr.	Name of related Party	Nature of Transaction
1.	Karnavati Distributors Limited	Controlled by Key Managerial Persons
2.	Downtown Travels Pvt. Ltd.	Controlled by Key Managerial Persons
3.	Downtown Finance Pvt. Ltd.	Controlled by Key Managerial Persons
4.	Indus Hospitals & ICCU Pvt. Ltd.	Controlled by Key Managerial Persons
5.	Invivo CRD Pvt. Ltd.	Controlled by Key Managerial Persons
6.	Allantis Exim Pvt. Ltd.	Controlled by Key Managerial Persons
7.	Mahendra G. Patel	Key Managerial Person
8.	Rajnikant G. Patel	Key Managerial Person
9.	Hasmukh I. Patel	Key Managerial Person
10.	Arvind G. Patel	Key Managerial Person
11.	Kailashben M. Patel	Relative of Key Managerial Person
12.	Munjal M. Patel	Relative of Key Managerial Person
13.	Mansiben M. Patel	Relative of Key Managerial Person
14.	Nidhi M. Patel	Relative of Key Managerial Person
15.	Kalpaben R. Patel	Relative of Key Managerial Person
16.	Ashish R. Patel	Relative of Key Managerial Person
17.	Shivani A. Patel	Relative of Key Managerial Person
18.	Siddharth R. Patel	Relative of Key Managerial Person
19.	Dharmisthaben H. Patel	Relative of Key Managerial Person
20.	Jigar H. Patel	Relative of Key Managerial Person
21.	Hansaben A. Patel	Relative of Key Managerial Person
22.	Amar A. Patel	Relative of Key Managerial Person
23.	Binal A. Patel	Relative of Key Managerial Person
24.	Anand A. Patel	Relative of Key Managerial Person
25.	Mansi A. Patel	Relative of Key Managerial Person
26.	Avis Travells	Controlled by Key Managerial Persons
27.	Arth Print Pack	Controlled by Key Managerial Persons

b) Details of Transactions with related parties

Sr.	Name of Party	Nature of Transaction	Amount Involved	
			2011-12	2010-11
1	Avis Travels	Travelling Expenses	39,24,927	—
2	Downtown Travels Pvt. Ltd.	Travelling Expenses	5,32,154	8,72,000
3	Downtown Finance Pvt. Ltd.	Interest Expenses	8,32,500	
		Loan Taken	35,00,000	
		Loan Repaid	5,55,220	86,81,000
4	Allantis Exim Pvt. Ltd.	Paid for service	30,28,585	21,96,000
		Interest Expenses	18,50,328	—
		Sales	2,08,88,303	15,02,02,000
		Loan Taken	1,31,87,910	—
		Repayment Received	39,25,492	—
5	Indus Hospital & ICCU Pvt. Ltd.	Repayment Received	21,50,000	27,38,000
6	Mahendra G. Patel	Remuneration	11,97,600	11,68,800
7	Rajnikant G. Patel	Remuneration	11,97,600	11,97,600
8	Hasmukh I. Patel	Remuneration	11,97,600	11,97,600
9	Arvind G. Patel	Remuneration	11,97,600	11,97,600
10	Aarth Print Pack	Purchase of Packing Material	27,752	1,56,643
11	Anand A. Patel	Loan Repaid	4,38,000	
		Loan given		4,60,000
12	Arvind G. Patel	Loan Repaid	1,72,000	—
13	Mansi A. Patel	Loan repaid	1,00,000	—
14	Mansi A. Patel	Salary	1,80,000	1,80,000
15	Anand A. Patel	Director Remuneration	3,60,000	3,60,000
16	Hansaben A. Patel	Director Remuneration	2,40,000	2,40,000

c) Closing Balances with related parties

Sr.	Name of party	As at	As at
		31-Mar-2012	31-Mar-2011
1	Avis Travels	3,82,044	1,81,568
2	Downtown Travels Pvt. Ltd.	- 28,706	- 1,20,126
3	Downtown Finance Pvt. Ltd.	- 99,37,780	- 69,93,000
4	Allantis Exim Pvt. Ltd. Loan A/c	-1,67,92,418	- 75,30,000
5	Allantis Exim Pvt. Ltd. A/c	- 1,52,28,132	4,67,46,943
6	Indus Hospital & ICCU Pvt. Ltd.	—	93,25,958
7	Aarth Print Pack	8,715	1,17,033
8	Anand A. Patel	—	4,38,000
9	Arvind G. Patel	—	1,72,000
10	Mansi A. Patel	—	1,00,000

a. Segment Reporting

a) Primary Segment:

The company is in the business of

- i. Manufacturing & marketing of Pharmaceuticals products and
- ii. Trading in finished goods, chemicals products and Bulk drug

b) Secondary Segment:

Segment revenue in geographical segment considered for disclosure is as follows.

- i. Domestic Sales
- ii. Export Sales

c) Details Primary Segments

Particulars	Pharmaceutical		Chemical		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Segment Revenue						
From External Customers	1,44,72,81,021	1,18,53,22,570	32,05,15,460	58,74,80,659	1,76,77,96,481	1,77,28,03,229
From transaction with other segment	—	—	—	—	—	—
Segment Result	13,19,32,915	10,90,28,837	8,53,120	69,00,313	13,27,86,035	11,59,29,150
Carrying amount of segment Assets	2,01,41,73,621	1,56,98,33,550	12,47,57,613	7,28,00,000	2,13,89,31,234	1,64,26,33,550
Segment liability	1,16,41,95,869	81,69,49,426	11,29,72,293	66,37,692	1,27,71,68,162	82,35,87,118
Cost incurred to acquire segment assets	7,31,70,672	7,98,71,305	—	—	7,31,70,672	7,98,71,305
Non cash Expenses considered in segment result						
Depreciation	1,93,28,443	1,81,87,908	—	—	1,93,28,443	1,81,87,908
Amortization	—	—	—	—	—	—
Other non cash expenses	-3,97,846	14,58,754	—	—	-3,97,846	14,58,754

d) Reconciliation with financial statement

Particulars	Reportable Segments		Un allocable reconciling items		As per financial statement	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Revenue	1,76,77,96,481	1,77,28,03,229	2,21,81,097	2,52,52,093	1,78,99,77,578	1,79,80,55,322
Result	13,27,86,035	11,59,29,150	- 8,15,98,288	- 7,42,64,889	5,11,87,746	4,16,64,261
Assets	2,13,89,31,234	1,64,26,33,550	1,27,62,233	1,01,71,034	2,15,16,93,467	1,65,28,04,584
Liability	1,27,71,68,162	82,35,87,118	7,32,03,058	6,57,38,956	1,35,03,71,220	88,93,26,074

e) Secondary Segment.

Particulars	Export		Domestic		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Segment revenue from external customers	38,48,65,380	21,72,04,651	1,40,51,12,198	1,58,08,50,671	1,78,99,77,578	1,79,80,55,322
Carrying amount of segment Assets	20,28,08,117	1,08,50,769	1,94,88,85,350	1,64,19,53,815	2,15,16,93,467	1,65,28,04,584

As per our report of even date
For **Chandulal M Shah & Co.**
Chartered Accountants
[FRN NO. 101698W]

B.M. Zinzuvadiah
Partner
Mem No. 109606

Date : 14 August 2012
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel Managing Director

R.G.patel Joint Managing Director

H.I.Patel Whole Time Director

Date : 14 August 2012
Place : Ahmedabad

LINCOLN PHARMACEUTICALS LIMITED

Reg. Office: LINCOLN HOUSE ,Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060

ATTENDANCE SLIP
Annual General Meeting

DP ID : _____

Client ID : _____

Reg. Folio No. : _____ No. of Shares held : _____

I hereby record my presence at the **18th ANNUAL GENERAL MEETING** OF THE COMPANY held at LINCOLN HOUSE Behind Satyam Complex, Science City Road, Sola, Ahmedabad 380060 Saturday, the 29th September, **2012** at 10.30 A.M.

(Member's / Proxys name in block letters)

(Member's / Proxy's Signature)

Note: Please fill in the attendance slip and hand it over at the ENTRANCE OF THE COMPANY

LINCOLN PHARMACEUTICALS LIMITED

Reg. Office: LINCOLN HOUSE ,Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060

PROXY

DP ID : _____

Client ID : _____

Reg. Folio No. : _____ No. of Shares held : _____

I/We _____ of _____

a Member / members of the above named Company, hereby appoint Mr/Mrs/Miss _____

_____ of _____

or failing him / her, Mr/Mrs/Miss _____ of _____

as my/our Proxy to vote for me/us on my/our behalf at the **18th Annual General Meeting** of the Company to be held on Saturday, the 29th September, 2012 at 10.30 A.M. and at any adjournment thereof.

Signed at _____ this _____ day of 2012.

Affix
0.15 Paise
Revenue
Stamp

Note : The instrument of proxy should be deposited at the Registered Office of the Company not less than 48 (Fourty Eight) hours before the time of holdina the meetina.

BOOK-POST

TO,

If undelivered, please return to :



REGISTERED OFFICE
LINCOLN HOUSE,
Behind Satyam Complex,
Science City Road, Sola,
Ahmedabad-380060