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20TH ANNUAL REPORT
2013-2014

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LINCOLN
PHARMACEUTICALS LTD.
HEALTHCARE FOR ALL



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 Maganbhai R. Patel	<i>Director</i>
Shri Pirabhai R. Suthar	<i>Director</i>

AUDIT COMMITTEE

Shri Ishwarlal A. Patel	<i>Chairman</i>
Shri Pirabhai R. Suthar	<i>Member</i>
Shri Mahendra G. Patel	<i>Member</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.

LINCOLN PHARMACEUTICALS LIMITED

(CIN: L24230GJ1995PLC024288)

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

Phone: 079-67778000 Email: info@lincolnpharma.com

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of the Company will be held on Tuesday, the 30th day of September, 2014 at 10.30 a.m. at the registered office of the Company 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 Balance Sheet as at 31st March, 2014 and Statement of Profit and Loss for the year ended on that day together with the Directors' Report and the Auditors' Report thereon.
- (2) To declare Dividend on Equity Shares.
- (3) To appoint a Director in place of Shri Arvindbhai G. Patel (holding DIN: 00104885), who retires by rotation and being eligible offers himself for re-appointment.
- (4) To appoint a Director in place of Shri Kishor M. Shah (holding DIN: 02769085), who retires by rotation and being eligible offers himself for re-appointment.
- (5) To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix up their remuneration and in this regard to consider and if thought fit to pass with or without modification(s) ,the following resolution as an **ORDINARY RESOLUTION**:

RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014, M/s. Chandulal M. Shah & Co. Chartered Accountants, (Firm Reg. no. 101698W)), Ahmedabad be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS:

- (6) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**.

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013, if any and the Rules made there under(including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act, 2013 and clause 49 of Listing Agreement, Shri Maganbhai R. Patel (holding DIN 00452855), Director of the Company, who retires by rotation at the ensuing Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, whose period of office shall not be liable to determination by retirement by rotation and be valid for a term of 5 (Five) consecutive years, up to March 31, 2019.

- (7) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**.

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013, if any and the Rules made there under(including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act, 2013 and clause 49 of Listing Agreement, Shri Iswarlal A. Patel (holding DIN 00217324), Director of the Company, who retires by rotation at the ensuing Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, whose period of office shall not be liable to determination by retirement by rotation and be valid for a term of 5 (Five) consecutive years, up to March 31, 2019.

- (8) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**.

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013, if any and the Rules made there under(including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act, 2013 and clause 49 of Listing Agreement, Shri Pirabhai R. Suthar (holding DIN 00453047), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, whose period of office shall not be liable to determination by retirement by rotation and be valid for a term of 5 (Five) consecutive years, up to March 31, 2019.

- (9) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**.

RESOLVED THAT pursuant to the provisions of Section 148 and all the applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force) M/s. Kiran J. Mehta & Company, Cost Accountants, Ahmedabad appointed as Cost Auditors by the Board of Directors of the

Company, as per the recommendation of the Audit Committee, to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration of Rs.1,10,000/- plus out of pocket expenses and service tax, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

- (10) To consider and if thought fit, to pass with or without modification(s), the following resolutions as a **SPECIAL RESOLUTION**.

RESOLVED THAT in supersession of the resolution passed by the Company at the Annual General Meeting held in the year 2013 with respect to the borrowing powers of the Board of Directors, consent of the Company be and is hereby accorded pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), to the Board of Directors of the Company for borrowing any sum or sums of money for and on behalf of the Company, from time to time from any one or more persons, firms, bodies corporate, banks, financial institutions or from any others by way of advances, deposits, loans, debentures or otherwise and whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge of the Company's assets and properties, whether movable or immovable or stock-in-trade (including raw materials, stores, spare-parts and components in stock or in transit), work in process and debts and advances notwithstanding that the sum or sums of money so borrowed together with money, if any, already borrowed by the Company (apart from the temporary loans obtained from Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up share capital of the Company and its free reserves which have not been set apart for any specific purpose and that the total amount up to which the money may be borrowed at any one time shall not exceed Rs.300.00 Crores (Rupees three Hundred Crores only) on account of the principal amount.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do such acts, deeds, things and execute all such documents, undertaking as may be necessary for giving effect to the above resolution.

- (11) To consider and if thought fit, to pass with or without modification(s), the following resolutions as a **SPECIAL RESOLUTION**.

RESOLVED THAT in supersession of the resolution passed by the Company at the Annual General Meeting held in the year 1999 with respect to the mortgaging and / or charging by the Board of Directors, consent of the Company be and is hereby accorded pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), to the Board of Directors of the Company to mortgage and/or charge, in addition to the mortgages/charges created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable or immovable properties, both present and future, of the Company, wherever situate, and/or whole or substantially the whole of the undertaking or undertakings of the Company and/or conferring power to enter upon and take possession of the assets of the Company together with power to take over the management of the business and concern of the Company in certain events of default, in favour of any financial institution/s, any other institutions, banks, bodies corporate, agents, trustees or any other person for securing any loan obtained/to be obtained (in foreign currency and/or rupee currency), monies borrowed/to be borrowed and debentures or any other securities issued/to be issued together with interest, compound interest and/or additional interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and other monies payable by the Company to the lender/s with such ranking or in such form and manner as the Board of Directors may agree for the purpose of securing the deposits accepted, the monies borrowed or debentures or other securities issued, as the case may be.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do such acts, deeds, things and execute all such documents, undertaking as may be necessary for giving effect to the above resolution.

NOTES:

- 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.
- Members are requested to notify the changes, if any, in their registered address.
- The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
- The Register of Members and Share Transfer Book of the Company shall remain closed from Saturday, 27th day of September, 2014 to Tuesday, 30th September, 2014 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend.
- Members are requested to bring their copy of Annual Report to the meeting.
- 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.
- 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.



8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their D-mat accounts. Members holding shares in physical form can submit their PAN details to the Company.
9. 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:

Name of Director	Date of Birth	Date of Appointment	Qualification and Expertise	Shareholding in the Company
*Shri Arvindbhai G. Patel	29-09-1950	03-02-1995	B.E. (Electrical), Planning, Project Implementation and Export Activities	111000 0.68%
Shri Kishor M. Shah	04-03-1944	16-08-1995	Matriculation, Eminent Business man	478400 2.93%
Shri Maganbhai R. Patel	31-03-1938	03-02-1995	M.B.B.S., Medical Professional	Nil
Shri Iswarlal A. Patel	28-12-1934	03-02-1995	Commerce Graduate, Finance, Banking, commercial matters	50900 0.31%
Shri Pirabhai R. Suthar	07-05-1946	30-10-1999	M.B.B.S, Medical Professional	Nil

*Shri Arvindbhai G. Patel is Brother of Shri Mahendra G. Patel, MD and Rajnikant G. Patel, Jt. MD of the Company.

10. Pursuant to the provisions of Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the company, is required to be transferred to the Investor Education and Protection fund, set up by the Government of India and no payment shall be made in respect of any such claims by the Fund.

Unclaimed dividend amount in respect of final dividend declared for the financial year 2006-2007 will be transferred to Investor Education and Protection fund on or before prescribed due date. Members who have not yet encashed their dividend warrant(s) for the financial year 2006-2007 are requested to make their claims to the Company without any delay.

11. In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 e-voting facility is being provided to the members.

Members are requested to follow the below mentioned instructions to cast their vote through e-voting:

SECTION A - E-VOTING PROCESS:

- Open your web browser during the voting period and log on to the e-Voting Website: www.evotingindia.com.
- Click on "Shareholders" to cast your vote(s)
- Select the Electronic Voting Sequence Number (EVSN) i.e. 140814022 along with "COMPANY NAME" i.e. "LINCOLN PHARMACEUTICALS LIMITED." from the drop down menu and click on "SUBMIT."
- Please enter User ID-
 - For account holders in CDSL :- Your 16 digits beneficiary ID
 - For account holders in NSDL :- Your 8 Character DP ID followed by 8 Digits Client ID
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- If you are a first time user follow the steps given below:
 - Enter your 10 digit alpha-numeric **PAN** issued by Income Tax Department.
For members who have not updated their PAN with the Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
 - Enter the **Date of Birth (DOB)** recorded in the demat account or registered with the Company for the demat account in DD/MM/YYYY format#
 - Enter your **Dividend Bank details** (Account Number) recorded in the demat account or registered with the Company for the demat account#
Any one of the details i.e. DOB or Dividend Bank details should be entered for logging into the account. If Dividend Bank details and Date of Birth are not recorded with the Depository or Company please enter **the number of shares held by you as on the cutoff date (record date) i.e. 29th August, 2014** in the **Dividend Bank details** field.

8. After entering these details appropriately, click on "SUBMIT" tab.
9. First time user holding shares in D-mat form will now reach Password Generation menu wherein they are required to create their login password in the password field. Kindly note that this password can also be used by the D-mat holders for voting for resolution of any other Company on which they are eligible to vote, provided that the Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
10. Click on the EVSN of the Company i.e. 140814022 to vote.
11. On the voting page, you will see Resolution description and against the same the option 'YES/NO' for voting. Select the relevant option as desired YES or NO and click on submit.
12. Click on the Resolution File Link if you wish to view the Notice.
13. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
14. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS:

1. The e-Voting period commences on September 24, 2014 (9.00 a.m.) and ends on September 26, 2014 (6.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cutoff date of 29th August, 2014 may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
2. The voting rights of shareholders shall be in proportion to their shares of the Paid-up Equity Share Capital of the Company.
3. Mr. Umesh G. Parikh (Membership No.2413), Proprietor of M/s. Umesh Parikh & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
4. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the **Company and make a Scrutinizer's Report of the votes cast in favour or against, if any and submit forth with to the Chairman of the Company.**
5. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.lincolnpharma.co.in and on the website of CDSL <https://www.evotingindia.co.in> within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchange.
6. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
7. For Members holding shares in physical form, the password and default number can be used only for e-Voting on the resolutions given in the notice.
8. Corporate Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates, link their account which they wish to vote on and then cast their vote. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com. They should also upload a scanned copy of the Board Resolution / Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the vote.
9. You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
10. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

CONTACT DETAILS:

Company	LINCOLN PHARMACEUTICALS LTD
Registrar and transfer agent	Sharepro Services (INDIA) Pvt. Ltd.
E-voting Agency	Central Depository Services (India) Limited
E-mail ID	helpdesk.evoting@cdslindia.com
Scrutinizer	Umesh G. Parikh (Proprietor of M/s. Umesh Parikh & Associates), Practicing Company Secretaries
Email id	info@parikhdave.com

**BY ORDER OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED**

**Place : Registered office
LINCOLN HOUSE
B/h. Satyam Complex,
Science City road, Sola, Ahmedabad
Date : 14th August, 2014**

**(P. P. ARORA)
COMPANY SECRETARY**

ANNEXRE TO THE NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.

In conformity with the provisions Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts contained in the accompanying Notice.

Item No. 6

Shri Maganbhai R. Patel (holding DIN 00452855) is a Non-Executive Independent Director of the Company. He joined the Board of Director of the Company on 03/02/1995. Shri Maganbhai R. Patel aged about 76 years, is holding a Degree of M.B.B.S. He is the member of Nomination and Remuneration Committee.

Shri Maganbhai R. Patel, retires at the ensuing Annual general Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Shri Maganbhai R. Patel being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019 and he would not be liable to retire by rotation during the aforesaid period.

A notice has been received from a member proposing Shri Maganbhai R. Patel as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Maganbhai R. Patel fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Maganbhai R. Patel as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

In view of his experience and valuable contribution made by him during his tenure, it is desirable to continue to avail services of Shri Maganbhai R. Patel as an Independent Director of the Company. Your Directors recommend the passing of the Proposed Ordinary resolution.

Except Shri Maganbhai R. Patel being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 7

Shri Iswarlal A. Patel (holding DIN 00217324) is a Non-Executive Independent Director of the Company. He joined the Board of Director of the Company on 03/02/1995. Shri Iswarlal A. Patel aged about 80 years, is a Commerce graduate and Director in M/s. Shelavi Pulp And Paper Mills Pvt. Ltd. and M/s. Sasvat Industries Private Limited. He is the Chairman of the Audit Committee and a member of Nomination and Remuneration Committee.

Shri Iswarlal A. Patel, retires at the ensuing Annual general Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Iswarlal A. Patel being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019 and he would not be liable to retire by rotation during the aforesaid period.

A notice has been received from a member proposing Shri Iswarlal A. Patel as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Iswarlal A. Patel fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Iswarlal A. Patel as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

In view of his experience and valuable contribution made by him during his tenure, it is desirable to continue to avail services of Shri Iswarlal A. Patel as an Independent Director of the Company. Your Directors recommend the passing of the Proposed Ordinary resolution.

Except Shri Iswarlal A. Patel being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 8

Shri Pirabhai R. Suthar (holding DIN 00453047) is a Non-Executive Independent Director of the Company. He joined the Board of Director of the Company on 30/10/1999. Shri Pirabhai R. Suthar aged about 68 years, holds a degree of M.B.B.S. He is the member of Audit Committee and Nomination and Remuneration Committee.

Shri Pirabhai R. Suthar, is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Shri Pirabhai R. Suthar, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019 and he would not be liable to retire by rotation during the aforesaid period.

A notice has been received from a member proposing Shri Pirabhai R. Suthar as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Pirabhai R. Suthar fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Pirabhai R. Suthar as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

In view of his experience and valuable contribution made by him during his tenure, it is desirable to continue to avail services of Shri Pirabhai R. Suthar as an Independent Director of the Company. Your Directors recommends the passing of the Proposed Ordinary resolution.

Except Shri Pirabhai R. Suthar being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 9

The Board on recommendation of the Audit Committee has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2015.

In accordance with the provisions of Section 148 of the Companies Act, 2013 along with the and Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly consent of the shareholders is sought for passing an Ordinary resolution for ratification of the remuneration payable to the Cost Auditors for the year ending March 31, 2015.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 10.

The Company had approved by way of Ordinary resolution passed under section 293(1)(d) of the Companies Act, 1956 to borrow moneys in excess of the aggregate of the paid up capital of the Company and its free reserves, provided the sum or sums so borrowed and remaining outstanding at any point of time shall not exceed Rs. 300 Crores.

However, pursuant to the provisions of Section 180 (1)(c) of the Companies Act 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution.

Accordingly Section 293 (1) (d) under the Companies Act, 1956 has been now replaced by Section 180 (1)(c) of Companies Act, 2013 and it is necessary to pass fresh resolution under Section 180(1)(c) of the Companies Act, 2013 for borrowing moneys in excess of the aggregate of the paid up capital of the Company.

Your Directors recommend the passing of the proposed Special resolution.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution. The proposed resolution does not relate to or affect any other company.

Item No. 11.

The Company had passed the resolution under Section 293(1) (a) of the Companies Act, 1956 and had authorized the Board of Directors to mortgage and/ or charge all or any of the movable or immovable properties of the Company and/or the whole or any part of the undertaking (s) of the Company in favour of the lenders to secure the financial assistance borrowed from time to time.

Section 180 (1) (a) of the Companies Act, 2013 requires that the consent of the Company be accorded by way of a special resolution for creating mortgages, charges, hypothecation and other encumbrances on all or any of the movable or immovable properties of the Company and/or the whole or any part of the undertaking (s) of the Company.

As Section 293 (1) (a) under the Companies Act, 1956 has been now replaced by Section 180 (1)(a) of Companies Act, 2013, it is necessary to pass fresh resolution under Section 180(1)(a) of the Companies Act, 2013 for creating mortgages, charges, hypothecation and other encumbrances on all or any of the movable or immovable properties of the Company

Your Directors recommend the passing of the proposed Special resolution.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution. The proposed resolution does not relate to or affect any other company.

Place : Registered office
LINCOLN HOUSE
B/h. Satyam Complex,
Science City road, Sola, Ahmedabad
Date : 14th August, 2014

BY ORDER OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED

(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, 2014.

FINANCIAL RESULTS

The operating results of the Company for the year ended on 31st March, 2014 are briefly indicated below:

	Year 2013-2014	(Rs. in lacs) Year 2012-2013
Profit Before Depreciation and Taxation	1482.34	1340.53
Less : Depreciation	227.94	207.94
Less : Provision for Taxation – Current / F.B.T	266.08	225.00
Less : Deferred Tax	-154.44	-73.68
Profit after Taxation	1142.76	981.28
Add : Balance brought forward	2971.74	2154.96
Profit available for Appropriation	4114.50	3136.24
APPROPRIATION		
1. Proposed Dividend	97.86	97.86
2. Dividend Tax	16.63	16.63
3. General Reserve	50.00	50.00
Net Balance carried to Balance sheet	3950.01	2971.75

OPERATIONS

During the year under review, your company has performed well and achieved total revenue of Rs. 20,991.35 lacs (Previous year Rs.19,638.87 lacs). There is increase in net profit from previous year of Rs. 981.27 lacs to Rs.1142.76 lacs in the year under review. Further details are given in Management Discussions and Analysis Report, which forms part of Annual Report.

DIVIDEND

Your Directors are pleased to recommend a payment of dividend of Rs.0.60 (@6%) per equity share of face value of Rs.10/- each of the Company for the year ended 31-03-2014. (Previous year @6%).

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.

DEPOSITS

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

DIRECTORS

Shri Arvindbhai G. Patel (holding DIN: 00104885) and Shri Kishor M. Shah (holding DIN: 02769085) retires by rotation at the ensuing Annual General Meeting and they being eligible offers themselves for re-appointment. Your Directors recommended their re-appointment.

Shri Maganbhai R. Patel and Shri Iswarlal A. Patel, Directors of the Company, who retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies act, 1956 are being appointed as an Independent Directors at this meeting for the term of five Consecutive years pursuant to the provisions of the Companies Act 2013.

Pursuant to the provisions of the Companies Act 2013, Shri Pirabhai R. Suthar whose period of office is liable to determination by retirement by rotation under the erstwhile applicable provisions of the Companies act, 1956 is being appointed as an Independent Director at this meeting for the term of five Consecutive years.

Notices under section 160 of the Companies Act, 2013 have been received from the members signifying their intention to propose candidature of aforesaid Directors as Independent Directors.

Necessary resolutions have been proposed for their re-appointment in the ensuing Annual General Meeting. The Board has recommended their reappointment for consideration of shareholders.

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 31.03.2014 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:

Company has two subsidiaries namely M/s. Zullinc Healthcare Limited (WOS) and M/s. Lincoln Parenteral Limited .

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 31.03.2014 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 2014-2015 to both the Stock Exchanges.

HUMAN RESOURCES

To enhance the effectiveness and efficiency of human resources towards better productivity and competitiveness, the company during the year undertook focused recruitment.

Company's industrial relations continued to be harmonious during the year under review.

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 31-03-2015. The Audit report of the cost accounts of the Company for the year ended March 31, 2014, will be submitted to the Central Government in due course. Due date for filing the Cost audit report by Cost auditor is 30th September, 2014.

STATUTORY AUDITORS :

The Company's Auditors M/s. Chandulal M. Shah & Co. Chartered Accountants, (Firm Registration Number: 101698W) 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' OBSERVATIONS :

The Company is in process of updating the records of fixed assets for the year 2013-14 and Auditors Observation is self explanatory.

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 also place on record their sincere appreciation for the significant contribution made by the employees at all levels through their dedication hard work and commitment and look forward to their continued support.

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

Place : Ahmedabad
Date : **14th August, 2014**

Mahendra G. Patel
(Managing Director)

Hasmukhbhai I. Patel
(Whole-Time Director)

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 2014	Previous Year ending 31st March 2013
1.	Electricity			
I)	Purchased Units(in lacs)	kWh	11.39	10.47
	Total Amount(in lacs)	Rupees	76.66	73.92
	Rate / unit	Rupees	6.73	7.06
II)	Own Generation through Diesel Generation Sets (in lacs)	Rupees	—	—
	Units/ Litre of Diesel	kWh	—	—
	Cost / unit	Rupees	—	—
2.	Diesel LDO used in Boiler to generate steam for the Process			
I)	Quantity	Litre	—	—
	Total Cost (in Lacs)	Rupees	—	—
	Average Rate / MT	Rupees	—	—
	CNG/LPG used in Boiler to generate steam for the Process			
II)	Quantity	SCM	97435	104779
	Total Cost(in lacs)	Rupees	70.38	36.33
	Average Rate / MT	Rupees	72.23	34.67
III)	Consumption per unit of production 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.			
3.	Furnace Oil	K. Lit	—	—
	Total Amount / Avg. Cost			
4.	Internal Wind mill Generation(in Lacs)	Units	12.53	13.34
	Total Cost / Rate	Rupees	—	—

(B) Technology Absorption:

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

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. 5478.43 lacs	Rs. 4896.38 lacs
Out go :	Rs. 948.30 lacs	Rs. 410.21 lacs

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

Place : Ahmedabad.
Date : **14th August, 2014**

Mahendra G. Patel
(Managing Director)

Hasmukhbhai I. Patel
(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	31 st March, 2014	31 st March, 2014
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.	<p>The net aggregate of Profit / (Loss) of the Subsidiary Company in so far as it concerns the members of the Holding Company.</p> <p>a) Not dealt with in the accounts of the Company for the year ended 31.03.2014</p> <p>For the Subsidiary's financial year ended 31st March 2014.</p> <p>For the previous financial years of the Subsidiary.</p> <p>b) Dealt with in the accounts of the Company for the year ended 31.03.2014</p> <p>For the Subsidiary's financial year ended 31st March 2014.</p> <p>For the previous financial years of the Subsidiary.</p>	<p>Rs. (71,263)</p> <p>Rs.5,83,503</p> <p>Nil</p> <p>Nil</p>	<p>Rs. (1,23,59,016)</p> <p>Rs. (33,68,149)</p> <p>Nil</p> <p>Nil</p>

For and on behalf of the Board
Lincoln Pharmaceuticals Limited

Place : Ahmedabad.
Date : 14th August, 2014

Mahendra G. Patel
(Managing Director)

Hasmukhbhai I. Patel
(Whole-Time Director)

STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956
Financial details of Subsidiary Companies

(Amount in Rs.)

Particulars	Zullinc Healthcare Limited	Lincoln Parenteral Limited
Capital	5,00,000	10,00,00,000
Reserves and Surplus	65,62,025	-24,89,330
Total Liabilities	17,77,72,298	59,86,05,089
Total Assets	18,48,34,323	69,61,15,759
Investments (Other than subsidiary)	15,000	40,22,400
Turnover (Including Other Income)	-	28,53,44,973
Profit Before Tax	(71,263)	(46,56,134)
Provision for Tax	-	77,02,882
Profit After Tax	(71,263)	(1,23,59,016)
Proposed Dividend	-	-

The amounts given in the table above are from the annual accounts made for the respective financial year end for each of the company. We undertake that the annual accounts of the subsidiary companies and the related detailed information will be made available to the shareholders, who seek such information, at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by the investor in the Registered / Head office of Lincoln Pharmaceuticals Limited and that of subsidiary companies.

For and on behalf of the Board
Lincoln Pharmaceuticals Limited

Place : Ahmedabad.
Date : 14th August, 2014

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 8 Directors. The composition of Board is compliant with the requirement of Clause 49 (IA) i.e. not less than 50% of Directors are non-executive Directors and 1/3 of the Board comprises of Independent Directors.

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

Board meetings :

During the year, 8 Board Meetings were held on 22-04-2013, 30-05-2013, 11-07-2013, 13-08-2013, 16-10-2013, 26.10.2013, 14-11-2013 and 13-02-2014.

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	3	No	1	---
2.	Shri Mahendra G. Patel	Managing Director	8	Yes	2	----
3.	Shri Rajnikant G. Patel	Joint Managing Director	7	Yes	---	---
4.	Shri Hasmukh I. Patel	Whole-time Director	7	Yes	1	----
5.	Shri Arvind G. Patel	Whole-time Director	2	No	1	----
6.	Dr. Pirabhai Suthar	Independent Director	4	No	---	----
7.	Shri Ishwarbhai A. Patel	Independent Director	5	Yes	2	----
8.	Dr. Maganbhai R. Patel	Independent Director	4	No	---	----

- 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, Nomination and 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 and Independent Directors during the period under review.

Shareholding of Non-Executive Directors as on 31st March, 2014 is as follows:

Name of the Directors	Number of Equity Shares
Shri Kishor M. Shah	478400
Dr. Pirabhai Suthar	Nil
Shri Ishwarbhai A. Patel	50900
Dr. Maganbhai R. Patel	Nil
Shri Arvind G. Patel	111000

3) **Audit Committee**

As required under Section 177 of the Companies Act, 2013 and Section 292A of the erstwhile Companies Act, 1956, read with the provisions of Clause 49 of the listing agreement the Company has constituted Audit Committee of Directors. The Audit Committee consist of 2 (Two) Independent Directors and 1 (One) executive Director – Shri Ishwarbhai A. Patel, Chairman – 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 30-05-2013, 13-08-2013, 14-11-2013, and 13-02-2014.

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 and 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 2014.

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 those set out in Companies Act, 1956.

4) **Nomination and Remuneration Committee.**

After closure of the year, pursuant to the provisions of the Companies Act, 2013, the Remuneration Committee has been re-named as Nomination and Remuneration Committee.

The terms of reference of the Nomination and Remuneration Committee are as outlined in the Companies Act, 2013 and the Listing Agreements.

The Committee is inter alia authorised to identify persons who are qualified to become Directors, appointment of senior Management, evaluation of Directors performance, recommending policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees and granting of Stock options to senior Managerial Personnel.

Accordingly 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 Nomination and 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 under review, One Committee Meeting was held on 13th August, 2013.

(a) **Details of remuneration for the year ended 31-03-2014.**

Name	Position held During the period	Salary and Allowances ₹	Perquisites ₹	Total Remuneration ₹
Shri Mahendra G. Patel	Managing Director	1235000	57600	1292600
Shri Rajnikant G. Patel	Jt. Managing Director	1235000	28800	1263800
Shri Hasmukh I. Patel	Whole-time Director	1235000	28800	1263800

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

The Company has not paid sitting fees to any Directors.

5) **Stakeholders Relationship Committee.**

Pursuant to the provisions of the Companies Act, 2013, the Shareholders/ Investors Grievances cum Share Transfer Committee has been re-named as Stakeholders Relationship 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 **Stakeholders Relationship 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 selected 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 for Reconciliation of Capital:**

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 30-06-2013, 30-09-2013, 31-12- 2013 and 31-03-2014. 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

In the year 2013-14 the Indian Economy and GDP growth was marginally slow but, Pharma Industry has been growing inspite of slowdown. As Indian population getting awareness towards health and there are many health awareness about different human diseases which are coming up, so new molecules are also coming up. So, most of the Government NGO's are coming for the supervision of such kind of diseases.

As 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 public at large. 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

As Pharma Sector is increasing in India, your Company is having really good opportunity for growth. People in India and other part of the world are getting more awareness towards the health and so we as Pharma Company try to fulfill the demand by introducing new molecules and also opening new opportunities for the company by entering potential markets. As this year our Parenteral unit has been started and lot of countries inspections / approvals are lined up, so we hope to enter different markets and penetrate to have a good share in those markets.

(c) Outlook

we have increased our market share and also introduced lot of new products in the existing market in India. This year we are planning to introduce more new markets in India and also different product basket to cater in these markets. In Export , we are steadily growing and also in coming year, we are planning to enter in most of the West African Countries, where we are targeting potential growth in the company. The Company is also concentrates on the job work of various national and multi national companies and adding new products to its existing product range. The company is planning to start another Cephalosporin unit in the coming financial year, which would help the company in integrating with all the segment of pharma products.

(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 well established policies, guidelines, adequate internal controls, ensure efficiency of operations, compliance with internal policies, applicable laws and regulations. The internal audit function conducted by independent Chartered Accountants firm for monitoring statutory and operational issues. The company is in the process of completing ERP system in the organization and developed a system for processing the documents. As a system and control, to make it more powerful across the organization, the internal audit , statutory audit as well as in house internal audit team are regularly checking the system audit and monitoring the statutory compliance and operational issue.

(f) Financial Performance

The financial performance of the Company are remained very excellent and showing increase trend in top and bottom line and the Company is quite confident that in future also the same trends will remain continued year after year inspite of various direct or indirect Government policies affecting to the Phama Industries.

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
31-03-2013	30-09-2013	10.30 A.M.	"LINCOLN HOUSE" B/h. Satyam Complex, Science City Road, Sola, Ahmedabad - 380060
31-03-2012	29-09-2012	10.30 A.M.	"LINCOLN HOUSE" B/h. Satyam Complex, Science City Road, Sola, Ahmedabad - 380060
31-03-2011	30-09-2011	10.30 A.M.	"LINCOLN HOUSE" B/h. Satyam Complex, Science City Road, Sola, Ahmedabad - 380060

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.

11) Subsidiary Companies.

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

12) Means of Communication

1. The Company has published its quarterly results in The 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	30.09.2014, 10.30 A.M. at the Registered office of the company.
Dates of Book Closure	From Saturday, 27.09.2014 to Tuesday 30.09.2014
Listing on Stock Exchanges	The Stock Exchanges at Ahmadabad and Mumbai.
Listing Fees	Paid the fees to Stock Exchanges as per listing agreement.
Demat Arrangement	With NSDL and CDSL
ISIN NO.	INE405C01035
Registered Office	"LINCOLN HOUSE", B/h. Satyam Complex, Science City Road, Sola, Ahmedabad – 380 060.
Dividend Payment Date	Within statutory period of 30 days from the date of approval of Members at the Annual General meeting.
Compliance Officer	Shri Arvindbhai G. Patel
Registrar and Share Transfer Agent	SHAREPRO SERVICES (INDIA) PVT. LTD. 416 to 420, 4 th Floor, Dev Nandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad-380006.

**LINCOLN****14) Financial Calendar 2014-2015 (tentative)**

Annual General Meeting	: Last week of September, 2014
Results for quarter ending June 30, 2014	: on or before 14 th August, 2014
Results for quarter ending September 30, 2014	: on or before 14 th November, 2014
Results for quarter ending December 31, 2014	: on or before 14 th February, 2015
Results for year ending March 31, 2015 (Audited)	: on or before 30 th May, 2015

15) Share price on The Stock Exchange, Mumbai.

Sr. No.	Month	High Price (₹)	Low Price (₹)
1.	April '13	28.90	24.00
2.	May '13	29.00	22.70
3.	June '13	31.65	23.95
4.	July '13	29.00	23.00
5.	August '13	30.00	23.00
6.	September '13	29.10	24.90
7.	October '13	29.40	24.90
8.	November '13	37.50	27.45
9.	December '13	35.75	28.80
10.	January '14	53.70	33.10
11.	February '14	44.95	33.10
12.	March '14	45.80	38.90

16) Distribution of Shareholding as on 31-03-2014

No. of Shares	No. of Shareholders	% of holders	No. of Shares	% of Shares
Up to 500	5240	83.83	792986	4.86
501 – 1000	608	9.73	499260	3.06
1001 – 2000	176	2.81	275531	1.69
2001 – 3000	60	0.96	154055	0.94
3001 – 4000	42	0.67	151904	0.93
4001 – 5000	17	0.27	80553	0.49
5001 – 10000	40	0.64	292417	1.80
10001 – 20000	17	0.27	229186	1.41
20001 and above	51	0.82	13834908	84.82
Total	6251	100.00	16310800	100.00

17) Shareholding Pattern as on 31-03-2014

Sr. No.	Category	No. of Shares	(%)
1.	NRI	574322	3.52
2.	Financial Institutions/Banks	NIL	NIL
3.	Mutual Funds	NIL	NIL
4.	Promoters	5331151	32.68
5.	Body Corporate	6759442	41.44
6.	Indian Publics	3638994	22.31
7.	Others	6891	0.05
	Total	16310800	100.00

18) Dematerialisation of Shares on 31-03-2014

As on 31st March 2014, 98.79% of the Company's total shares representing 1,61,12,770 Shares were held in dematerialized form and the balance 1.21% representing 1,98,030 shares were in paper form.

19) Share Transfer System & Registrar.

The share transfers received in physical form are presently processed and the said share certificates returned within a period of 15 days from the date of receipt, subject to the documents being complete in all respects.

There were no transfers pending as on 31-03-2014 exceeding the limit prescribed by listing agreement.

Sharepro Services (India) Pvt. Ltd., having its office at 416 to 420, 4th Floor, Dev Nandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad-380006 as Registrar and Share Transfer Agents being a Common Agency for Physical and Electronic modes.

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, Ellisbridge, Ahmedabad-380006.

23) Mandatory requirements

During the financial year 2013-14, the Company duly complied with all the mandatory requirements of the revised Clause 49 of the Listing Agreement.

24) Non Mandatory requirements :
a) Nomination and Remuneration Committee :

As stated earlier, the Board has already set up a Nomination and Remuneration Committee. Details regarding composition and scope of the Nomination and 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, 2014.

For **Lincoln Pharmaceuticals Limited.**

Place : Ahmedabad.
Date : 14th August, 2014

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 2014, 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. Zinzuvadia)
Partner
M. NO. 109606

Place : Ahmedabad
Date : 14th August, 2014

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, 2014 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 (except as reported in Auditor's Report), of which we are aware during the period.

Place : Ahmedabad
Dated : 14th August, 2014

Chief- Executive Officer

Chief - Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of Lincoln Pharmaceuticals Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Lincoln Pharmaceuticals Limited**, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

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

Place : Ahmedabad
Date : 30th May, 2014

Annexure to Auditors' Report

Referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our report on the accounts of Lincoln Pharmaceuticals Limited for the year ended on 31st March, 2014

- (i) Fixed assets
 - a) *The Company has not maintained updated records showing full particulars including quantitative details and situation of fixed assets.*
 - b) 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.
 - c) The company has not disposed off substantial part of fixed assets during the year.
- (ii) Inventory
 - a) The inventory has been physically verified by the management during the year at reasonable intervals.
 - b) 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.
 - c) 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
 - a) The Company has granted interest free unsecured loan to three companies listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is ₹ 3865.22 Lakh and the yearend balance of the loan granted was ₹ 3,010.60 Lakh.
 - b) 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.
 - c) Payment of the principal amount is regular.
 - d) The company has taken unsecured loan from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The Maximum amount outstanding during the year was ₹ 214.84 Lakh. The year ended balance was ₹ 181.35 Lakh.
 - e) 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;
 - f) The said loans are repayable at the end of the term by a bullet payment
 - g) 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
 - (a) 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
 - (b) 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	Service Tax	2008-09	12,89,227	Custom, Excise & Service tax appellant Tribunal. Western Zonal Bench, Ahmedabad,

(x) Cash losses

The company does not have accumulated losses as on 31st March, 2014 Further it has not incurred cash loss during the financial year 2013-14 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 noticed that a fraud involving an embezzlement of ₹ 20 Lakh was committed by an employee of the company. The company has recovered the loss from the employee.

For Chandulal M. Shah & Co.

Chartered Accountants

(FRN 101698W)

(B.M. Zinzuvadia)

Partner

M. NO. 109606

Place : Ahmedabad

Date : 30th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	163,108,000	163,108,000
(b) Reserves and surplus	2	828,166,814	725,340,055
2 Non-current liabilities			
(a) Long-term borrowings	3	25,934,347	26,374,157
(b) Deferred tax liabilities (Net)	4	26,622,675	42,066,279
(c) Other Long term liabilities	5	29,743,404	33,205,442
3 Current liabilities			
(a) Short-term borrowings	6	480,121,605	549,020,757
(b) Trade payables		502,024,691	437,553,080
(c) Other current liabilities	7	136,799,791	128,369,285
(d) Short-term provisions	8	1,436,603	4,295,039
TOTAL		<u><u>2,193,957,930</u></u>	<u><u>2,109,332,094</u></u>
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	9		
(a) Tangible assets		318,648,970	326,438,667
(b) Intangible assets		5,059,595	7,892,940
(c) Capital work-in-progress		23,723,263	23,723,263
(b) Non-current investments	10	112,119,200	112,119,200
(c) Long-term loans and advances	11	105,942,668	139,728,178
2 Current assets			
(a) Inventories	12	208,398,323	175,169,279
(b) Trade receivables	13	862,364,476	729,440,942
(c) Cash and Bank Balance			
(d) Cash and cash equivalents	14	45,909,934	95,454,019
Other Cash and bank balance	14	28,635,361	53,169,849
(e) Short-term loans and advances	15	483,156,139	446,195,753
TOTAL		<u><u>2,193,957,930</u></u>	<u><u>2,109,332,094</u></u>

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 : 30th May, 2014
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel (Managing Director)

R.G.Patel (Jt. Managing Director)

H.I.Patel (Whole Time Director)

Date : 30th May, 2014
Place : Ahmedabad

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

Particulars	Refer Note No.	For the year ended on 31-Mar-2014	For the year ended on 31-Mar-2013
Revenue from operations	16	2,084,902,031	1,916,925,086
Other income	17	14,232,917	46,962,534
Total Revenue		2,099,134,948	1,963,887,620
Cost of materials consumed	18	412,526,464	341,674,949
Purchases of Stock-in-Trade	19	1,057,819,848	921,145,523
Changes in inventories of finished goods WIP and Stock-in-Trade	20	(20,930,719)	11,768,581
Employee benefits expense	21	161,877,429	159,723,163
Finance costs	22	53,032,995	71,591,371
Depreciation and amortization expense	9	22,793,932	20,794,109
Other expenses	23	286,574,151	323,930,509
Total expenses		1,973,694,099	1,850,628,205
Profit before tax		125,440,849	113,259,415
Tax expense:			
Current tax		26,608,002	22,500,000
Deferred tax		- 15,443,604	- 7,368,235
Total Tax Expense		11,164,398	15,131,765
Profit (Loss) for the period		114,276,451	98,127,650
Earnings per equity share:	24(g)		
Basic		7.01	6.02
Diluted		7.01	6.02

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 : 30th May, 2014
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel (*Managing Director*)

R.G.Patel (*Jt. Managing Director*)

H.I.Patel (*Whole Time Director*)

Date : 30th May, 2014
Place : Ahmedabad

CASH FLOWS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Particulars	For the year ended on 31-Mar-2014	For the year ended on 31-Mar-2013
Cash flow from Operations		
Net Profit for the Year	114,276,451	98,127,650
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation & Amortization	23,018,932	20,794,109
Profit on sale of Investments	0	-10,936,868
Provision for Taxation	26,608,002	22,500,000
Provision for Bad debt	12,000,000	10,000,000
Provision for Sales Return	8,100,000	0
Profit/loss on sale of Fixed Assets	1,358,060	768,641
Deffered Tax	-15,443,604	-7,368,235
Provision For gratuity	0	404,944
Expenses Reported under other activity head	64,339,569	51,769,942
Income Reported under other activity head	-7,593,773	-7,263,313
Cash flow from Operating Activities	226,663,637	178,796,870
Changes in current assets & current liability		
(Increase)/ Decrease in Trade receivables	-153,023,534	-90,057,148
(Increase)/ Decrease in loans & advances	-12,425,898	-40,738,563
(Increase)/ Decrease in Inventory	-33,229,044	38,660,710
Increase/ (Decrease) in Trade Payables	64,471,611	3,265,588
Increase/ (Decrease) in Other Current liability	25,485,205	-29,626,687
Net cash from operating activities of Continuing operations	117,941,977	60,300,770
Tax Paid	25,939,230	17,007,000
Net cash from operations- (A)	92,002,747	43,293,770
Cash flow from Investing Activities		
Payments for property & equipments	-14,705,191	-30,523,009
Sale of Property & Equipment	726,241	0
Other Investment	33,785,510	10,936,868
Dividend Received	4,128	17,064
Interest Received	7,589,645	7,246,249
Net cash from Investing Activities- (B)	27,400,333	-12,322,828
Cash flow from Financing Activities		
Increase/ (Decrease) in Borrowings	-104,607,596	55,079,790
Dividend Paid	-11,449,692	-11,374,092
Interest Paid	-52,889,877	-51,769,942
Net cash from Financing Activities-(C)	-168,947,165	-8,064,244
Net Increase / (decrease) in cash & cash equivalents- A+B+C	-49,544,085	22,906,698
Cash & cash equivalents at the beginning of the year	95,454,019	72,547,322
Cash & cash equivalents at the end of the year	45,909,934	95,454,019
Net Increase / (decrease) in cash & cash equivalents	-49,544,085	22,906,697

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 : 30th May, 2014
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel (Managing Director)

R.G.Patel (Jt. Managing Director)

H.I.Patel (Whole Time Director)

Date : 30th May, 2014
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-2014		As at 31-Mar-2013	
	Number	₹	Number	₹
Authorized				
Equity Shares				
Equity Share of Rs. 10 Each	20,000,000	200,000,000	20,000,000	200,000,000
	20,000,000	200,000,000	20,000,000	200,000,000
Issued, Subscribed & Paid up				
Equity Shares				
Equity Share of Rs. 10 Each	16,310,800	163,108,000	16,310,800	163,108,000
	16,310,800	163,108,000	16,310,800	163,108,000
Total	16,310,800	163,108,000	16,310,800	163,108,000

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

Particulars	As at 31-Mar-2014		As at 31-Mar-2013	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	16,310,800	163,108,000	16,310,800	163,108,000
Shares Issued during the year	—	—	—	—
Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	16,310,800	163,108,000	16,310,800	163,108,000

c. Share holding details of the company As at 31-Mar-2014 and name of persons holding more than 5% shares.

Name of Shareholder/Company	No. of Shares held	
	As at 31-Mar-2014	As at 31-Mar-2013
Names of person holding more than 5% shares		
Advent Tradelink Pvt. Ltd.	1,869,000	1,869,000
Digital Biotech Pvt. Ltd.	2,100,000	2,100,000
Unichem Dyes and Drugs Pvt. Ltd.	1,846,460	1,846,460
Total	5,815,460	5,815,460

- d. The company has only one type of equity share of ₹ 10 each listed on BSE and ASE. Each of the share holders has right 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 India that, during currency of working capital loans financed by the said bank, the company will not effect any change in the company's capital structure by disinvestment by promoters of their quota in the equity.



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2) Reserves & Surplus

Reserves & Surplus	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Capital Reserves		
Opening Balance	3,500,000	3,500,000
Closing Balance	3,500,000	3,500,000
General Reserve		
Opening Balance	44,121,600	39,121,600
(+) Current Year Transfer	5,000,000	5,000,000
Closing Balance	49,121,600	44,121,600
Securities Premium Account		
Opening Balance	380,544,000	380,544,000
Closing Balance	380,544,000	380,544,000
Surplus		
Opening balance	297,174,455	215,496,495
(+) Net Profit/(Net Loss) For the current year	114,276,451	98,127,651
(-) Proposed Dividends	9,786,480	9,786,480
(-) Dividend Tax	1,663,212	1,663,212
(-) Transfer to Reserves	5,000,000	5,000,000
Closing Balance	395,001,214	297,174,455
Total	828,166,814	725,340,055

3) Long term borrowings

a. Secured Long term Borrowings

Long Term Borrowings	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Term loans		
From Bank	—	—
From Other	3,844,753	4,077,078
Secured Long Term Borrowings	3,844,753	4,077,078

b. Unsecured Long term Borrowings

Long Term Borrowings	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Term loans		
From other parties	4,279,955	4,312,455
From Related parties	17,809,639	17,984,624
Unsecured Long Term Borrowings	22,089,594	22,297,079

c. The secured loan from others includes loans from finance companies. The rate of interest on these loans ranges from 10.50 % pa to 13 % pa. The repayment period of these loans ranges from 36 months. These loans are secured against the asset under finance.

d. Unsecured long term loans include corporate loan from related parties & others.

4) Deferred Tax Liability
a. Details of the deferred tax liability

Particulars	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Deferred tax liability		
Depreciation	26,622,675	42,066,279
Total DTL	26,622,675	42,066,279
Deferred tax asset		
Diallowance under Income Tax	—	—
Total DTA	—	—
Net Deferred Tax Liability	26,622,675	42,066,279

b Policy relating to accounting of deferred tax liability is disclosed at Para no (h) (ii) to the notes on significant accounting policy.

5) Other long term Liabilities
Other Long Term Liabilities

	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Other long term liability	—	2,926,160
Securities Trade Deposits From Customers	29,733,404	30,040,282
Security Deposits From Employee	10,000	239,000
Total	29,743,404	33,205,442

6) Short term Borrowing
a. Secured Short term Borrowings

Short Term Borrowings	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Loans repayable on demand		
from banks	403,677,264	468,972,969
	403,677,264	468,972,969

b. Unsecured Short term Borrowings

Loans repayable on demand		
from banks	76,444,341	80,047,788
Total	76,444,341	80,047,788

c. The demand loans form Bank includes working capital loan from State Bank of India. This loan is secured against all changeable current assets and by a collateral security by way of 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. charge on residual fixed assets of the company. this 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-2014 ₹	As at 31-Mar-2013 ₹
Current maturities of long-term debt	4,364,399	36,170,996
Other payables		
Expense payable	48,555,302	35,471,442
Statutory Liabilities	16,915,217	13,731,968
Other Current Liability	55,515,180	31,545,186
Proposed Dividend and Dividend Tax	11,449,692	11,449,692
Total	132,435,392	92,198,288
Total	136,799,791	128,369,285



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8) Short term provisions

a Details of short term provisions

Short Term Provisions	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Provision for employee benefits	—	—
Others		
income Tax Provision (Net of Advance tax)	1,436,603	4,295,039
	1,436,603	4,295,039
Total	1,436,603	4,295,039

9) Fixed Assets

a. Fixed Asset Details

Sr.	Fixed Assets	Gross Block			Accumulated Depreciation				Net Block		
		As at 31-Mar-2013 ₹	Additions during the year ₹	Adjustment ₹	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹	Depreciation charge for the year ₹	Adjustment during the year ₹	As at 31-Mar-2014 ₹	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
a	Tangible Assets										
	Land	75,930,613	—	—	75,930,613	—	—	—	—	75,930,613	75,930,613
	Leased Hold Land	900,000	—	225,000	675,000	—	—	—	—	675,000	900,000
	Buildings	123,943,769	991,729	—	124,935,498	22,274,424	3,482,471	—	25,756,895	99,178,603	101,669,345
	Plant and Equipment	158,955,106	7,921,704	—	166,876,810	52,871,703	7,771,396	—	60,643,099	106,233,711	106,083,403
	Furniture and Fixtures	19,853,538	1,467,170	—	21,320,708	10,170,655	1,568,245	—	11,738,900	9,581,808	9,682,883
	Vehicles	27,793,568	3,473,961	4,717,723	26,549,806	11,451,486	2,773,866	2,633,422	11,591,930	14,957,876	16,342,082
	Office equipment	6,958,032	—	—	6,958,032	1,411,964	63,007	—	1,474,971	5,483,061	5,546,068
	Electrical Installation	8,250,656	127,538	—	8,378,194	4,796,961	397,342	—	5,194,303	3,183,891	3,453,695
	Computers	20,652,666	—	—	20,652,666	13,822,088	3,406,171	—	17,228,259	3,424,407	6,830,578
	Total	443,237,948	13,982,102	4,942,723	452,277,327	116,799,281	19,462,498	2,633,422	133,628,357	318,648,970	326,438,667
	Previous Year	424,641,639	21,506,674	2,910,365	443,237,948	99,101,801	18,602,969	905,492	116,799,278	326,438,670	325,539,838
b	Intangible Assets										
	Computer software	16,422,443	498,089	—	16,920,532	8,529,503	3,331,434	—	11,860,937	5,059,595	7,892,940
	Total	16,422,443	498,089	—	16,920,532	8,529,503	3,331,434	—	11,860,937	5,059,595	7,892,940
	Previous Year	9,903,285	6,519,158	—	16,422,443	6,338,363	2,191,140	—	8,529,503	7,892,940	3,564,922
	Total	459,660,391	14,480,191	4,942,723	469,197,859	125,328,784	22,793,932	2,633,422	145,489,294	323,708,565	334,331,607
c	Capital Work In Progress	23,723,263	—	—	23,723,263	—	23,723,263	23,723,263	—	23,723,263	23,723,263
	Total	23,723,263	—	—	23,723,263	—	—	—	—	23,723,263	23,723,263
	Previous Year	41,360,519	—	21,370,665	19,989,854	—	—	—	—	19,989,854	41,360,519
	Total	483,383,654	14,480,191	4,942,723	492,921,122	125,328,784	22,793,932	2,633,422	145,489,294	347,431,828	358,054,870
	Previous Year figures	475,905,443	28,025,832	24,281,030	479,650,245	105,440,164	20,794,109	905,492	125,328,781	354,321,464	370,465,279

b Policy relating to accounting of fixed assets is disclosed at Para no (a) to the notes on significant accounting policy.

10) Non Current Investments

a. Summarized information of investments

Particulars	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Other Investments		
Investment in Equity instruments of other companies	9,200	9,200
Investment in equity instruments of Subsidiary companies	112,100,000	112,100,000
Other Investments	10,000	10,000
Total	112,119,200	112,119,200

b Summarized details of quoted and unquoted investments and market values in case of quoted investments

Aggregate of Quoted Investment	—	—
Aggregate of Unquoted Investment	112,119,200	112,119,200
Market Value of Quoted Investment	—	—

10) Non Current Investments [Contd...]

c Extent of investment in subsidiary companies

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
Lincoln Parenteral Limited	62.00%	62.00%
Zulinc Healthcare Limited	100.00%	100.00%

d Policy relating to accounting of investments is disclosed at Para no (i) to the notes on significant accounting policy.

e **Details of Other Investments**

Sr. No.	Name of the Body Corporate	No. of Shares / Units		Face Value		Amount (₹)		Whether stated at Cost Yes / No	If not valued at cost than Basis of Valuation
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13		
a	Investment in Equity Instruments								
	Unquoted								
	Navnirman Co operative Bank Limited	320	320	25	25	8,000	8,000	Yes	NA
	Vijay Co Operative Bank Limited	20	20	10	10	200	200	Yes	NA
	Naroda Industrial Co Operative Bank Limited	40	40	25	25	1,000	1,000	Yes	NA
	Total					9,200	9,200		
b	Investment in Subsidiary Companies								
	Lincoln Parenteral Limited	6,200,000	6,200,000	10	10	111,600,000	111,600,000	Yes	NA
	Zulinc Healthcare Limited	50,000	50,000	10	10	500,000	500,000	Yes	NA
	Total					112,100,000	112,100,000		
	Investment in Equity Instruments					112,109,200	112,109,200		
c	Other Investments								
	N.S.C. A/C.					10,000	10,000	Yes	NA
	Total					112,119,200	112,119,200		

11) Long Term Loans and Advances

a Details of Long Term Loans and Advances

Long Term Loans and Advances	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Capital Advances		
Unsecured, considered good	2,496,875	2,666,433
<i>Capital Advances</i>	<u>2,496,875</u>	<u>2,666,433</u>
Security Deposits		
Unsecured, considered good	21,255,359	25,080,745
<i>Security Deposits</i>	<u>21,255,359</u>	<u>25,080,745</u>
Inter Corporate Deposits		
Unsecured, considered good	82,190,434	111,981,000
<i>Other loans and advances (specify nature)</i>	<u>82,190,434</u>	<u>111,981,000</u>
Total	105,942,668	139,728,178

**LINCOLN****12) Inventories**

Inventories	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Raw Material	33,588,607	23,900,351
Packing Material	18,729,009	16,076,629
Work in Progress	16,716,461	15,873,024
Finished Goods	139,364,245	119,319,275
Total	208,398,323	175,169,279

13) Trade Receivable

Trade Receivables	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Outstanding for a period not exceeding six months from the date they are due		
Unsecured, considered good	63,39,89,833	624,521,481
Net of provision	63,39,89,833	624,521,481
Outstanding for a period exceeding six months from the date they are due		
Unsecured, considered good	237,781,941	81,162,354
Unsecured, considered doubtful	10,742,343	23,806,749
	24,85,24,284	104,969,103
Less: Provision for doubtful debts	12,049,642	49,642
Provision for sales return	8,100,000	—
Total of provision	20,149,642	104,919,461
Total	862,364,476	729,440,942

14) Cash and Bank Balance**a. Cash and cash Equivalent**

Cash and cash equivalents	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Balances with banks	40,015,270	94,504,027
Cash on hand	5,894,664	949,991
Total	45,909,934	95,454,019

b. Other Cash Balance

Other Cash Balance	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Margin money	9,106,372	3,255,000
Bank deposits with more than 12 months maturity	19,528,989	49,914,849
Total	28,635,361	53,169,849

15) Short-term loans and advances**a. Details of advance**

Short-term loans and advances	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Loans and advances to related parties		
Unsecured, considered good	300,735,014	349,316,091
Loans and advance to other parties		
Unsecured, considered good	132,480,599	63,297,035
Balance With Government Authorities		
Unsecured, considered good	49,940,526	33,582,627
Total	483,156,139	446,195,753

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

Due From	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Company in which officer or director is a Director	300,735,014	349,316,091
Total	300,735,014	349,316,091

16) Revenue

a. Details of revenue

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Sale of products	2,073,225,403	1,908,226,057
Sale of services	7,774,181	10,279,034
Other operating revenues	37,093,875	30,752,035
total	2,118,093,459	1,949,257,127
Less: Excise duty	33,191,428	32,332,040
Total	2,084,902,031	1,916,925,086

- b Policy relating to accounting of revenue is disclosed at Para no. (g) to the note relating to disclosure of significant accounting policy.

17) Other Income

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Interest income	7,624,645	7,246,249
Net gain/loss on sale of investments	—	10,936,868
subsidy income	1,936,408	—
Dividend Income	4,128	17,064
Exchange Rate Difference	—	19,821,429
Insurance Claim	—	2,216,274
Scrape Sales	—	4,080
Other Miscellenious Income	221,048	6,720,571
Training income	462,868	—
Bad Debt recovery	3,983,820	—
Total	14,232,917	46,962,534

18) Cost of Material Consumed

a. Details of Material consumption under broad heads

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Raw Material		
Stock at the beginning of the financial year	23,900,351	44,011,561
Purchase during the year	301,559,528	209,999,086
Other direct purchase costs	8,347,728	—
Total	333,807,607	254,010,647
Stock at the end of the financial year	33,588,607	23,900,351
<i>Cost of Consumption of Raw Material</i>	300,218,999	230,110,296
Packing Materials		
Stock at the beginning of the financial year	16,076,629	22,857,548
Purchase during the year	107,438,512	120,433,364
Other direct purchase costs	7,521,333	1,800,068
Total	131,036,474	145,090,980
Sold during the year	—	17,449,698
Stock at the end of the financial year	18,729,009	16,076,629
<i>Cost of Consumption of Packing Materials</i>	112,307,465	111,564,653
Total consumption of Raw Material	412,526,464	341,674,949


18) Cost of Material Consumed [Contd...]
b. Details of Material consumed under broad heads

Sr.	CODE	MATERIAL NAME	For the year ended on 31-03-2014	For the year ended on 31-03-2013
1	1PM01BP	PARACETAMOL B.P. / I.P.	57,611,235	24,256,619
2	1CS071	CEFTRIAXONE SODIUM STER	8,257,006	13,988,890
3	1QBAT	ALPHA.BETA.ARTEETHER	10,671,385	12,511,985
4	1DS03BP	DICLOFENAC SODIUM B.P. / I.P.	8,415,579	8,398,311
5	1CF03A	CIPROFLOXACIN HCL EQ. CIPROFLOXACIN BP.	12,227,500	7,608,492
6	1QBAT1	ARTEMETHER	115,999	6,817,727
7	1CPSS1	CHLORAM.SODIUM SUCCI.STER	-	6,108,818
8	1ML01	MENTHOL (CRYSTAL)	3,784,050	5,861,285
9	1IB01BP	IBUPROFEN B.P.	10,934,701	5,776,097
10	1CT02USP	CEFIXIME (TRIHYDRATE) USP	4,644,350	5,449,489
11	1AZ04USP	AZITHROMYCIN I.P & U.S.P.	6,750,876	5,110,843
12	1MP01	MISOPROSTOL	-	4,849,834
13	1ARSP	ARTESUNATE (STERILE POWDER)	668,868	4,266,734
14	1PANP	PARA AMINO PHINOL	-	-
		OTHER	288,444,916	230,669,824
Total			412,526,464	341,674,948

19) Purchase of Trading Stock
a. Details of Purchase of Trading Stock

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Purchase of Stock In Trade		
Purchase during the year	1,057,819,848	921,145,523
<i>Purchase of Stock In Trade</i>	1,057,819,848	921,145,523

b. Details of purchase of trading stock under broad head

PRODUCT	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
TRADING		
TABLETS	182,270,445	107,965,154
CAPSULES	29,565,219	27,598,027
CREAM IN TUBES	16,327,260	18,249,564
DRY POWDER INJECTION	65,792,024	28,827,952
LIQUID IN BOTT.	136,221,281	94,793,039
LIQUID INJECTION	112,985,526	61,087,560
CHEMICAL	514,658,093	556,440,852
RMPPM	-	26,183,376
TOTAL	1,057,819,848	921,145,523

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

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Trading Goods		
Stock at the Beginning of the financial year	64,437,268	69,868,655
Stock at the End of the financial year	81,557,299	64,437,268
<i>Trading Goods</i>	<u>- 17,120,031</u>	<u>5,431,387</u>
Finished Goods		
Stock at the Beginning of the financial year	54,882,007	61,484,503
Stock at the End of the financial year	57,849,258	54,882,007
<i>Finished Goods</i>	<u>- 2,967,251</u>	<u>6,602,496</u>
Work in Progress		
WIP at the Beginning of the financial year	15,873,024	15,607,722
WIP at the End of the financial year	16,716,461	15,873,024
<i>Work in Progress</i>	<u>- 843,437</u>	<u>- 265,302</u>
Summary		
Inventory at the Beginning of the financial year	135,192,299	146,960,880
Inventory at the End of the financial year	156,123,018	135,192,299
Change in inventory	- 20,930,719	11,768,581

21) Employee benefits expense

Employee Benefits Expense	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Personnel Expenses	152,155,629	151,969,768
Contribution to Staff Welfare Fund	3,402,184	2,913,996
Staff welfare expenses	6,319,616	4,839,399
Total	161,877,429	159,723,163

a) Expense Recognized during the year

Particulars	2013-14	2012-13
Current service cost	475023	484,529
Interest on obligation	419929	431,361
Expected return on plan assets	-498670	- 433,101
Net actuarial losses (gains) recognized in year	-376020	- 931,549
Total	20,262	- 448,760

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

Particulars	2013-14	2012-13
Opening defined benefit obligation	5090048	5,074,830
Service cost	419929	484,529
Interest cost	475023	431,361
Actuarial losses (gains)	-395199	- 886,537
Benefits paid	-424846	- 14,135
Closing Defined Benefit Obligation	5164955	5,090,048

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

Particulars	2013-14	2012-13
Opening fair value of plan assets	5731834	5,095,306
Expected return	498670	433,101
Actuarial gains and (losses)	-19179	45,012
Contributions by employer	—	172,550
Benefits paid	-424846	- 14,135
Closing balance of fair value of plan assets	5786479	5,731,834

d) Liability recognized in the financial statement

Particulars	2013-14	2012-13
Opening fair value of plan assets	5,164,955	5,090,048
Expected return	5,786,479	5,731,834
Liability(Asset) recognized in financial statement	- 621,524	- 641,786

e) Actuarial Assumptions

Particulars	2013-14	2012-13
Indian Assured Lives Mortality(2006-08) Ultimate	(2006-08)	(2006-08)
Discounted rate Per Annum	9.31%	8.50%
Expected Return on Plan Assets (Per Annum)	8.70%	8.50%
Future Salary Growth (Per Annum)	6.50%	6.50%
Attrition Rate	2.00%	2.00%
Retirement Age	58 Years	58 Years

22) Finance Cost

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Interest expense	44,375,952	65,185,472
Bank Commission	8,657,042	6,405,899
Total	53,032,995	71,591,371

23) Other Expenses

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Manufacturing Expenses		
Power and Fuel	15,602,213	14,732,424
Labour Charges	5,061,120	22,015,291
Laboratory goods & Testing Charges	9,073,509	6,774,512
Factory Expenses		
Consumption Of Stores And Spares	773,056	3,327,392
Electrical Expense	864,310	829,886
Factory Expenses	1,766,852	2,284,507
Inspection Fees	103,300	1,139,551
Laboratory Expenses	—	1,500
Licence Fee Expense	748,451	1,250,442
Loading & Unloading Charges	68,323	6,701
Maintainance & Repairs Exp. A/c	2,359,367	—
Machinery & Spares Tools	3,566,990	2,359,196
Machinery Repairs & Maintenance	1,160,706	593,048
Polution Control Exp.	112,500	1,111
Service Charges A/c	11,100	2,800
Research & Development Exp.	250,000	635,818
Total Manufacturing Expenses	41,521,797	55,954,178
Administrative Expenses		
Audit Fee	900,000	730,340
Computer Exps	1,347,053	1,356,628
Conveyance & Vehicle Exps.	2,666,448	2,669,868
Donation	840,552	107,802
Insurance	1,454,893	1,713,853
Legal and Registration Exps.	10,580,871	8,260,128
Office Exps.	1,709,540	3,565,106
Post & Telephone Exps.	4,366,408	3,890,187
Professional & Consulting Fees	8,933,048	9,788,562
Rent,Rate & Taxes	9,831,104	16,776,278
Repairs & Maintanance	3,376,789	6,407,319
Other Expenses	1,060,197	—
Stationery, Printing & Xerox	2,566,484	2,683,067
Prior Period Expenses	3,670,188	3,141,272
Loss On Sales Of Assets	1,358,060	768,641
Loss On Sales Of Export Licence	292,643	196,906
Total Administrative Expenses	54,954,278	62,055,957
Selling and Distribution Expenses		
Travelling Expenses	90,827,193	67,764,487
Transportation Expenses	9,727,583	13,958,793
Advertisement Expenses	721,278	789,689
Sales Promotion & Marketing Expenses	52,969,813	90,982,551
Exchange Rate Difference	3,164,678	—
Sales Commission	20,687,531	22,424,853
Provision for Bad and Doubtful debt	12,000,000	10,000,000
Total Selling and Distribution Expenses	190,098,076	205,920,373
Total Other Expenses	286,574,151	323,930,509


24 Other details to Balance Sheet

- a 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 ₹ 10 Each.
- b 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
- c In the opinion of the board, the current assets are approximately of the value stated if realized in the ordinary course of business. The provision for the depreciation and for all known Liabilities are adequate and not in excess of amount reasonably necessary. There are no Contingent Liabilities other than stated.
- d Balance of Trade Receivables & Loans and Advances is subject to confirmation by them.

Other Informations - Profit and Loss Statement

- e Details of Payment to Auditors

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Audit Fee	600,000	450,000
Taxation Work	300,000	150,000
for management services	—	130,340
Total	900,000	730,340

- f Details of Prior period Items

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Purchase Exp.	605,310	383,434
Other Revenue Expenses	388,798	693,230
Selling and Distribution Expenses	2,676,080	2,064,608
Total	3,670,188	3,141,272

- g Earnings per share

Particulars		For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Basic			
Profit attributable to equity shareholders	₹	114,276,451	98,127,651
Nominal Value of equity share	₹	10	10
Weighted average number of ordinary equity shares for Basic EPS	No.	16,310,800	16,310,800
Basic EPS	₹	7.01	6.02
Diluted			
Profit attributable to equity shareholders	₹	114,276,451	98,127,651
Add : interest/dividend on convertible instruments	₹	—	—
Profit after tax for Diluted EPS	₹	114,276,451	98,127,651
Weighted average number of ordinary equity shares for Basic EPS	No	16,310,800	16,310,800
Add: Adjustment for conversion option	No	—	—
Weighted average number of ordinary equity shares for Diluted EPS	No	16,310,800	16,310,800
Diluted EPS		7.01	6.02

- h CIF Value of Import

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Raw Materials	86,841,335	33,032,442
Total	86,841,335	33,032,442

i. Earnings in foreign currency

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Export of goods calculated on F.O.B. basis;	547,843,957	489,638,231
Total	547,843,957	489,638,231

j. Expenditure in foreign currency

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Product Registration and related expenses	7,989,570	7,988,545
Total	7,989,570	7,988,545

k Details of Contingent Liability

The Company has received Following Demand Notice From Tax Authority

SR NO	Department	Year	Amount Involved	Current status
1	Service Tax	2008-09	1,289,227	Central Excise & service Tax Appealant Tribunal, Western Zonal bench Ahmedabad.

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	Zullinc Healthcare Limited	Subsidiary Company
6	Sunmed Corporation 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	Kalpnaben 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	Manshi A. Patel	Relative of Key Managerial Person
26	Avis Travells	Controlled by Key Managerial Persons

b) Details of Transactions with related parties

Sr.	Name of Party	Nature of Transaction	Amount Involved	
			2013-14	2012-13
1	Lincoln Parenteral Limited	Purchase	239,394,314	57,618,608
		Sales	15,255,487	14,428,699
		Loan Given	—	180,330,859
		Loan Repaid	87,205	—
2	Avis Travels	Travelling Expenses	4,658,549	2,265,105
3	Downtown Travels Pvt. Ltd.	Travelling Expenses	1,217,549	436,358
		Loan Given	348,243	11,586,453
		Loan Repaid	348,243	12,736,453
4	Downtown Finance Pvt. Ltd.	Interest Expenses	900,000	955,220
		Loan Taken	—	900,000
		Loan Repaid	318,220	555,220
5	Sunmed corporation Pvt. Ltd	Paid for service	216,790	—
		Interest Expenses	162,011	1,824,149
		Purchase	17,903,804	—
		Loan Taken	—	16,382,416
6	Zullinc Healthcare Limited	Loan Given	216,761	125,889,536
		Repayment Received	—	5,000,000
7	Mahendra G. Patel	Remuneration	1,235,000	1,235,000
8	Rajnikant G. Patel	Remuneration	1,235,000	1,235,000
9	Hasmukh I. Patel	Remuneration	1,235,000	1,235,000
10	Arvind G. Patel	Remuneration	—	487,000

c) Details of Closing Balances

Sr.	Name of party	As at	
		31-Mar-2014	31-Mar-2013
1	Lincoln Parenteral Limited	183,412,359	183,499,564
2	Avis Travels	– 855,496	– 386,850
3	Downtown Travels Pvt. Ltd.	1,057,067	1,086,919
4	Downtown Finance Pvt. Ltd.	– 9,619,560	– 9,937,780
5	Sunmed corporation Pvt. Ltd Loan A/c	– 3,162,217	– 3,000,206
6	Sunmed corporation Pvt. Ltd Trading A/c	– 19,469,897	– 5,039,638
7	Zullinc Healthcare Limited	166,113,493	165,896,732

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 OF R & D

Particulars	2013-14		2012-13	
	₹		₹	
	Capital	Revenue	Capital	Revenue
Building Construction	0		433804	
Plant & Machinery	3153637		5838868	
Furniture & Fixture	197172		22620	
Personnel Expenses		13514731		12140637
Material Consumption		1577134		2513896
Direct Expenses		8531466		7283661
Depreciation		4578527		3618831
Administration Expenses		2762211		4461015
TOTAL	3350809	30964069	6295292	30018040

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	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Segment Revenue						
From External Customers	1,586,915,965	1,775,573,410	504,373,290	162,410,937	2,091,289,255	1,937,984,347
Segment Result	172,108,335	157,033,987	441,098	98,246	172,549,433	157,132,233
Carrying amount of segment Assets	1,835,999,860	2,042,210,934	273,332,234	76,021,556	2,109,332,094	2,118,232,490
Segment liability	974,586,307	1,102,600,067	218,238,454	75,339,229	1,192,824,761	1,177,939,296
Cost incurred to acquire segment assets	14,480,191	31,759,241	—	—	14,480,191	31,759,241
Non cash Expenses considered in segment result						
Depreciation	22,793,932	20,794,109	—	—	22,793,932	20,794,109
Other non cash expenses	(418,640)	(404,944)	—	—	- 418,640	- 404,944

d) Reconciliation with financial statement

Particulars	Reportable Segments		Un allocable reconciling items		As per financial statement	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Revenue	2,091,289,255	1,937,984,347	7624645	18183116	2,098,913,900	1,956,167,463
Result	172,549,433	157,132,233	(58,272,983)	(59,004,582)	114,276,450	98,127,651
Assets	2,109,332,094	2,118,232,490	—	—	2,109,332,094	2118232490
Liability	1,192,824,761	1,177,939,296	28,059,278	46361319	1,220,884,039	1224300615

e) Secondary Segment.

Particulars	Export		Domestic		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Segment revenue from external customers	547,843,957	489,638,231	1,551,069,943	1,466,529,232	2,098,913,900	1,956,167,463
Carrying amount of segment Assets	2,109,332,094	2118232490	—	—	2,109,332,094	2118232490

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 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 : 30th May, 2014
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel (Managing Director)

R.G.Patel (Jt. Managing Director)

H.I.Patel (Whole Time Director)

Date : 30th May, 2014
Place : Ahmedabad

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of Lincoln Pharmaceuticals Limited.

We have audited the accompanying consolidated financial statements of Lincoln Pharmaceuticals Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the basis for qualified opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the consolidated Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of subsidiary companies whose financial statements reflect total assets of ₹ 8809.50 Lakh, as at March 31, 2014, total revenues of ₹ 2853.45 Lakh and net cash inflows amounting to ₹ 53.27 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.

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

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

Place : Ahmedabad
Date : 30th May, 2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	163,108,000	163,108,000
(b) Reserves and surplus	2	825,015,891	729,922,985
2 Minority Interest	3	37,054,054	41,750,481
3 Non-current liabilities			
(a) Long-term borrowings	4	192,354,339	170,660,932
(b) Deferred tax liabilities (Net)	5	39,748,398	47,489,120
(c) Other Long term liabilities	6	29,743,404	33,205,442
3 Current liabilities			
(a) Short-term borrowings	7	484,645,832	549,020,757
(b) Trade payables		665,100,373	475,108,523
(c) Other current liabilities	8	152,999,295	155,747,669
(d) Short-term provisions	9	-	2,749,331
TOTAL		<u><u>2,589,769,585</u></u>	<u><u>2,368,763,240</u></u>
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	10		
(a) Tangible assets		604,235,243	600,036,641
(b) Intangible assets		46,490,031	49,323,376
(c) Capital work-in-progress		23,723,263	23,723,263
(b) Non-current investments	11	4,056,600	4,056,600
(c) Long-term loans and advances	12	416,920,044	459,545,553
2 Current assets			
(a) Inventories	13	238,410,158	193,271,261
(b) Trade receivables	14	882,318,113	747,903,178
(c) Cash and Bank Balance			
Cash and cash equivalents	15	49,702,780	93,919,034
Other Cash and bank balance	15	54,811,493	57,538,821
(d) Short-term loans and advances	16	269,101,860	139,445,510
TOTAL		<u><u>2,589,769,585</u></u>	<u><u>2,368,763,240</u></u>

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 : 30th May, 2014
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel (Managing Director)

R.G.Patel (Jt. Managing Director)

H.I.Patel (Whole Time Director)

Date : 30th May, 2014
Place : Ahmedabad

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

Particulars	Refer Note No.	For the year ended on 31-Mar-2014	For the year ended on 31-Mar-2013
Revenue from operations	17	2,112,669,359	1,946,982,540
Other income	18	17,160,760	63,984,760
Total Revenue		2,129,830,119	2,010,967,300
Cost of materials consumed	19	530,205,992	391,112,592
Purchases of Stock-in-Trade	20	898,980,190	871,510,787
Changes in inventories of finished goods WIP and Stock-in-Trade	21	- 31,409,861	8,103,589
Employee benefits expense	22	189,471,420	177,090,313
Finance costs	23	69,698,945	78,404,837
Depreciation and amortization expense	9	35,265,175	26,484,280
Other expenses	24	316,905,258	344,421,318
Total expenses		2,009,116,668	1,897,127,716
Profit before tax		120,713,451	113,839,581
Tax expense:			
Current tax		26,608,002	22,805,000
Deferred tax		- 7,740,722	- 4,308,422
Total Tax Expense		18,867,280	18,496,578
Profit (Loss) for the period Before Minority Interest		101,846,171	95,343,003
Profit Attributable to minority Interest		- 4,696,426	- 1,279,896
Profit (Loss) for the period		106,542,597	96,622,899
Earnings per equity share:	24(g)		
Basic		6.53	5.92
Diluted		6.53	5.92

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 : 30th May, 2014
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel (*Managing Director*)

R.G.Patel (*Jt. Managing Director*)

H.I.Patel (*Whole Time Director*)

Date : 30th May, 2014
Place : Ahmedabad

CONSOLIDATED CASH FLOWS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Particulars	2013-14	2012-13
Cash flow from Operations		
Net Profit for the Year	101,846,172	95,343,004
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation & Amortization	35,490,175	26,484,280
Profit on sale of Investments	0	-17,823,192
Provision for Taxation	26,608,002	22,805,000
Provision for Bad debt	12,000,000	10,000,000
Provision for Sales Return	8,100,000	0
Profit/loss on sale of Fixed Assets	1,358,060	768,641
Deffered Tax	-7,740,745	-4,308,422
Provision For gratuity	0	404,944
Expenses Reported under other activity head	80,777,813	58,502,947
Income Reported under other activity head	-10,521,616	-7,263,313
Cash flow from Operating Activities	247,917,861	184,913,889
Changes in current assets & current liability		
(Increase)/ Decrease in Current Liability	208,806,302	27,160,539
(Increase)/ Decrease in Current Assets	-384,400,456	-350,749,923
Net cash from operating activities of Continuing operations	72,323,707	-138,675,495
Tax Paid	25,939,230	17,312,000
Net cash from operations- (A)	46,384,477	-155,987,495
Cash flow from Investing Activities		
Payments for property & equipments	-39,164,712	-187,935,012
Sale of Property & Equipment	726,241	0
Other Investment	42,435,718	17,947,192
Dividend Received	4,128	17,064
Interest Received	10,517,488	7,246,249
Net cash from Investing Activities- (B)	14,518,863	-162,724,507
Cash flow from Financing Activities		
Increase/ (Decrease) in Borrowings	-24,341,781	362,847,479
Dividend Paid	-11,449,692	-11,374,092
Interest Paid	-69,328,121	-58,502,947
Net cash from Financing Activities-(C)	-105,119,594	292,970,440
Net Increase / (decrease) in cash & cash equivalents- A+B+C	-44,216,254	-25,741,562
Cash & cash equivalents at the beginning of the year	93,919,034	119,660,596
Cash & cash equivalents at the end of the year	49,702,780	93,919,034
Net Increase / (decrease) in cash & cash equivalents	-44,216,254	-25,741,562

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 : 30th May, 2014
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel (Managing Director)

R.G.Patel (Jt. Managing Director)

H.I.Patel (Whole Time Director)

Date : 30th May, 2014
Place : Ahmedabad

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, 31,2014.
- 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 31/03/2014	Proportion of shareholding as on 31/03/2013
Zullinc Healthcare Limited	India	100%	100%
Lincoln Parenteral Limited	India	62%	62%

NOTES TO FINANCIAL STATEMENTS

1) Share Capital

a. Details of Share Capital

Share Capital	As at 31-Mar-2014		As at 31-Mar-2013	
	Number	₹	Number	₹
Authorized				
Equity Shares				
Equity Share of Rs. 10 Each	20,000,000	200,000,000	20,000,000	200,000,000
	20,000,000	200,000,000	20,000,000	200,000,000
Issued, Subscribed & Paid up				
Equity Shares				
Equity Share of Rs. 10 Each	16,310,800	163,108,000	16,310,800	163,108,000
	16,310,800	163,108,000	16,310,800	163,108,000
Total	16,310,800	163,108,000	16,310,800	163,108,000

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

Particulars	As at 31-Mar-2014		As at 31-Mar-2013	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	16,310,800	163,108,000	16,308,400	163,084,000
Shares Issued during the year	—	—	—	—
Shares held by new subsidiary	—	—	—	—
Shares Disposed by subsidiary	—	—	2,400	24,000
Shares outstanding at the end of the year	16,310,800	163,108,000	16,310,800	163,108,000

c. Share holding details of the company As at 31-Mar-2014 and name of persons holding more than 5% shares.

Name of Shareholder/Company	No. of Shares held	
	As at 31-Mar-2014	As at 31-Mar-2013
Advent Tradelink Pvt. Ltd.	1,869,000	1,869,000
Digital Biotech Pvt. Ltd.	2,100,000	2,100,000
Unichem Dyes and Drugs Pvt. Ltd.	1,846,460	1,846,460
Total	5,815,460	5,815,460

2) Reserves & Surplus

Reserves & Surplus	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Capital Reserves		
Opening Balance	3,651,023	3,500,000
Closing Balance	3,651,023	3,500,000
General Reserve		
Opening Balance	55,871,600	42,621,600
(+) Current Year Transfer	5,000,000	5,000,000
Closing Balance	60,871,600	47,621,600
Securities Premium Account		
Opening Balance	380,544,000	380,544,000
Closing Balance	380,544,000	380,544,000
Surplus		
Opening balance	298,257,385	218,084,175
(+) Net Profit/(Net Loss) For the current year	106,542,597	96,622,902
(+) Transfer from Reserves		
(-) Proposed Dividends	9,786,480	9,786,480
(-) Dividend Tax	1,663,212	1,663,212
(-) Transfer to Reserves	5,000,000	5,000,000
Closing Balance	379,949,268	298,257,385
Total	825,015,890	729,922,982

3) Minority Interest

Particulars	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Minority Interest Attributable to 38% of share holders of Lincoln Parental Ltd	37,054,054	41,750,481

4) Long term borrowings
a. Secured Long term Borrowings

Long Term Borrowings	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Term loans		
From Bank	158,149,587	140,525,137
From Other	3,844,753	40,77,078
Secured Long Term Borrowings	161,994,340	144,077,078

b. Unsecured Long term Borrowings

Long Term Borrowings	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Term loans		
from other parties	4,293,955	4,336,455
From Related parties	26,066,043	22,247,399
Unsecured Long Term Borrowings	30,359,998	26,583,854

c The secured laon from ohers includes loans from finance companies.The rate of interest on these loans ranges from 10.50 % pa to 13 % pa.The repayment period of these loans ranges from 36 months. these laons are secured against the asset under finance.

d Unsecured long term laons includes corporate loan from related parties & others.

e First Exclusive Charge in favour of the Bank by way of hypothication of the company's entire stockof raw materials, semi-finished and finished goods, consumable stores and spares and such other movables including book- debts, bills, in the form and in the manner satisfactory to the bank.

f First charge on the Fixed Assets company, both present and future ranking pari passu with ICICI Bank Limited, Singapore.

g First Charge by way of Equity mortgage of Factory Land at Khatraj, having market value not less than Rs. 20 million.

h Corporate Guarantee of Lincoln Pharmaceuticals Limited having network of Rs. 988 million at March 31, 2010.

i Pledge of 0.8 million shares of Lincoln Pharmaceuticals Limited to be created.

j Unconditional and irrevocable personal Guarantee of Directores.



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5) Deferred Tax Liability

Details of the deferred tax liability

Particulars	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
a Details of the deferred tax liability		
Deferred tax liability		
Depreciation	39,748,398	47,489,120
Total DTL	39,748,398	47,489,120
Deferred tax asset		
Diallowance under Income Tax	—	—
Total DTA	—	—
Net Deferred Tax Liability	39,748,398	47,489,120

6) Other long term Liabilities

Other Long term liabilities	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Other long term liability	—	2,926,160
Securities Trade Deposits From Customers	29,733,404	30,040,282
Security Deposits From Employee	10,000	239,000
Total	29,743,404	33,205,442

7) Short term Borrowing

a. Secured Short term Borrowings

Short Term Borrowings	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Loans repayable on demand		
from banks	408,201,491	468,972,969

b. Unsecured Short term Borrowings

Short Term Borrowings	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Loans repayable on demand		
from banks	76,444,341	80,047,788

c The demand loans form Bank includes working capital loan from State Bank of India. This loan is secured against all changeable current assets and by a collateral security by way of 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. 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-2014 ₹	As at 31-Mar-2013 ₹
Current maturities of long-term debt	4,364,399	36,170,996
Other payables		
Expense payable	63,784,916	59,260,589
Statutory Liabilities	17,885,107	17,321,205
Other Current Liability	55,515,180	31,545,186
Proposed Dividend and Dividend Tax	11,449,692	11,449,692
Total	148,634,896	119,576,672
Total	152,999,295	155,747,669

9) Short term provisions
a Details of short term provisions

Short Term Provisions	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Provision for employee benefits	—	—
income Tax Provision (Net of Advance tax)	—	2,749,331
	—	2,749,331
Total	—	2,749,331

10) Fixed Assets
a. Fixed Asset Details

Sr.	Fixed Assets	Gross Block			Accumulated Depreciation				Net Block	
		As at 31-Mar-2013 ₹	Additions during the year ₹	Adjustment during the year ₹	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹	Depreciation charge for the year ₹	Adjustment during the year ₹	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
a	Tangible Assets									
	Land	76,380,613	—	—	76,380,613	—	—	—	76,380,613	76,380,613
	Leased Hold Land	900,000	—	225,000	675,000	—	—	—	675,000	900,000
	Buildings	214,634,102	8,964,180	—	223,598,282	29,553,110	6,530,850	—	36,083,960	187,514,322
	Plant and Equipment	349,889,296	24,058,119	—	373,947,415	56,959,938	16,873,986	—	73,833,924	300,113,491
	Furniture and Fixtures	23,337,131	1,795,166	—	25,132,297	11,271,205	1,568,245	—	12,839,450	12,292,847
	Vehicles	28,837,351	3,473,961	4,717,723	27,593,589	12,495,268	3,001,213	2,633,422	12,863,059	14,730,530
	Office equipment	6,958,032	—	—	6,958,032	1,411,964	63,007	—	1,474,971	5,483,061
	Electrical Installation	8,250,656	127,538	—	8,378,194	4,796,961	397,342	—	5,194,303	3,183,891
	Computers	21,208,256	22,680	—	21,230,936	13,870,350	3,499,098	—	17,369,448	3,861,488
	Total	730,395,437	38,441,644	4,942,723	763,894,358	130,358,796	31,933,741	2,633,422	159,659,115	604,235,243
	Previous Year	439,265,142	294,040,660	2,910,365	730,395,437	106,971,146	24,293,140	905,492	130,358,794	600,036,643
b	Intangible Assets									
	Goodwill	41,430,436	—	—	41,430,436	—	—	—	41,430,436	41,430,436
	Computer software	16,422,443	498,089	—	16,920,532	8,529,503	3,331,434	—	11,860,937	5,059,595
	Total	57,852,879	498,089	—	58,350,968	8,529,503	3,331,434	—	11,860,937	46,490,031
	Previous Year	51,433,721	6,519,158	—	57,952,879	6,338,363	2,191,140	—	8,529,503	49,423,376
	Total Previous year	490,698,863	300,559,818	2,910,365	788,348,316	113,309,509	26,484,280	905,492	138,888,297	649,460,019
	Total	788,248,316	38,939,733	4,942,723	822,245,326	138,888,299	35,265,175	2,633,422	171,520,052	650,725,274
c	Capital Work In Progress	23,723,263	—	—	23,723,263	—	—	—	23,723,263	23,723,263
	Total	23,723,263	—	—	23,723,263	—	—	—	23,723,263	23,723,263
	Previous Year	135,111,838	3,733,409	115,121,984	23,723,263	—	—	—	23,723,263	135,111,838
	Total	811,971,579	38,939,733	4,942,723	845,968,589	138,888,299	35,265,175	2,633,422	171,520,052	674,448,537
	Previous Year figures	625,810,701	304,293,227	118,032,349	812,071,579	113,309,509	26,484,280	905,492	138,888,297	673,183,282

b Policy relating to accounting of fixed assets is disclosed at Para no (c) to the notes on significant accounting policy.
11) Non Current Investments
a. Summarized information of investments

Particulars	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Other Investments		
Investment in Equity instruments of other companies	4,009,200	4,009,200
Other Investments	47,400	47,400
Total	4,056,600	4,056,600

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

Aggregate of Quoted Investment	—	—
Aggregate of Unquoted Investment	4,056,600	4,056,600
Market Value of Quoted Investment	—	—

c. Policy relating to accounting of investments is disclosed at Para no k to the notes on significant accounting policy.



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11) Non Current Investments [Contd...]

d. Details of Other Investments

Sr. No.	Name of the Body Corporate	No. of Shares / Units		Face Value		Amount (₹)		Whether stated at Cost Yes / No	If not valued at cost than Basis of Valuation
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13		
a	Investment in Equity Instruments								
	Unquoted								
	Navnirman Co operative Bank Limited	320	320	25	25	8,000	8,000	Yes	NA
	Vijay Co Operative Bank Limited	20	20	10	10	200	200	Yes	NA
	Naroda Industrial Co Operative Bank Limited	40	40	25	25	1,000	1,000	Yes	NA
	Aesculapius Remedies Ltd	400,000	400,000	10	10	4,000,000	4,000,000	Yes	NA
	Total					4,009,200	4,009,200		
b	Other Investments								
	N.S.C. A/C.					29,000	29,000	Yes	NA
	Navnirman Co operative Bank shares	736	736	25	25	18,400	18,400		
	Other non-current investments					47,400	47,400		
	Total					4,056,600	4,056,600		

12) Long Term Loans and Advances

a Details of Long Term Loans and Advances

Long Term Loans and Advances		As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Capital Advances			
Unsecured, considered good		3,638,414	3,807,972
<i>Capital Advances</i>		<u>3,638,414</u>	<u>3,807,972</u>
Security Deposits			
Unsecured, considered good		21,255,359	25,080,745
<i>Security Deposits</i>		<u>21,255,359</u>	<u>25,080,745</u>
Inter Corporate Deposits			
Unsecured, considered good		392,026,271	430,656,837
<i>Inter Corporate Deposits</i>		<u>392,026,271</u>	<u>430,656,837</u>
Total		416,920,044	459,545,553

13) Inventories

Inventories	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Raw Material	41,338,745	33,686,487
Packing Material	26,846,572	20,727,483
Work in Progress	20,208,923	17,229,197
Finished Goods	150,015,917	121,628,094
Total	238,410,158	193,271,261

14) Trade Receivable

Trade Receivables	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Outstanding for a period not exceeding six months from the date they are due		
Unsecured, considered good	650,792,263	624,424,258
Net of provision	650,792,263	624,424,258
Outstanding for a period exceeding six months from the date they are due		
Unsecured, considered good	240,933,149	99,721,813
Unsecured, considered doubtful	10,742,343	23,806,749
	251,675,492	123,528,562
Less: Provision for doubtful debts	12,049,642	49,642
Provision for sales return	8,100,000	—
Total of provision	20,149,642	123,478,920
Total	882,318,313	747,903,178

15) Cash and Bank Balance
a. Cash and cash Equivalent

Cash and cash equivalents	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Balances with banks	43,567,204	92,851,265
Cash on hand	6,135,576	1,067,769
Total	49,702,780	93,919,034

b. Other Cash Balance

Other Cash Balance	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Margin money	35,282,504	7,623,972
Bank deposits with more than 12 months maturity	19,528,989	49,914,849
Total	54,811,493	57,538,821

16) Short-term loans and advances
a. Details of advance

Short-term loans and advances	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Loans and advances to related parties		
Unsecured, considered good	29,552,780	7,000
Loans and advance to other parties		
Unsecured, considered good	154,939,781	72,789,768
Balance With Government Authorities		
Unsecured, considered good	84,294,303	66,623,742
Income Tax Provision Net of Advance Tax	314,996	—
Total	269,101,860	139,445,510

**LINCOLN****16) Short-term loans and advances (Contd...)**

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

Due From	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Company in which officer or director is a Director	29,552,780	7,000
Total	29,552,780	7,000

17) Revenue

- a. Details of revenue

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Sale of products	2,098,544,572	1,931,353,495
Sale of services	12,985,972	17,863,003
Other operating revenues	44,875,321	34,366,905
total	2,156,405,865	1,983,583,404
Less:		
Excise duty	43,736,506	36,600,864
Total	2,112,669,359	1,946,982,540

- b. Policy relating to accounting of revenue is disclosed at Para no (i) to the notes relating to disclosure of significant accounting policy.

18) Other Income

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Interest income (short term investment)	10,552,488	7,246,249
Net gain/loss on sale of investments	—	17,823,192
subsidy income	1,936,408	—
Dividend Income	4,128	18,168
Exchange Rate Difference	—	19,821,429
Insurance Claim	—	2,216,274
Scrape Sales	—	4,080
Other Miscellenious Income	221,048	16,220,571
Training income	462,868	—
Bad Debt recovery	3,983,820	—
Outward transportation	—	634,798
Total	17,160,760	63,984,760

19) Cost of Material Consumed

a. Details of Material consumption under broad heads

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Raw Material		
Stock at the beginning of the financial year	33,686,487	44,238,397
Purchase during the year	368,908,928	249,433,172
Other direct purchase costs	8,351,761	—
Total	410,947,176	293,671,569
Stock at the end of the financial year	41,338,745	33,686,487
<i>Cost of Consumption of Raw Material</i>	369,608,431	259,985,081
Packing Materials		
Stock at the beginning of the financial year	20,727,483	22,868,672
Purchase during the year	159,072,733	144,633,441
Other direct purchase costs	7,643,918	1,802,578
Total	187,444,133	169,304,691
Sold during the year	—	17,449,698
Stock at the end of the financial year	26,846,572	20,727,483
<i>Cost of Consumption of Packing Materials</i>	160,597,561	131,127,510
Total consumption of Raw Material	530,205,992	391,112,592

20) Purchase of Trading Stock

a. Details of Purchase of Trading Stock

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Purchase of Stock In Trade		
Purchase during the year	898,980,190	871,510,788
<i>Purchase of Stock In Trade</i>	898,980,190	871,510,788



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

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Trading Goods		
Stock at the Beginning of the financial year	64,437,268	69,868,655
Stock at the End of the financial year	81,557,299	64,437,268
<i>Trading Goods</i>	<u>- 17,120,031</u>	<u>5,431,387</u>
Finished Goods		
Stock at the Beginning of the financial year	57,190,826	61,484,503
Stock at the End of the financial year	68,500,930	57,190,826
<i>Finished Goods</i>	<u>- 11,310,104</u>	<u>4,293,677</u>
Work in Progress		
WIP at the Beginning of the financial year	17,229,197	15,607,722
WIP at the End of the financial year	20,208,923	17,229,197
<i>Work in Progress</i>	<u>- 2,979,726</u>	<u>- 1,621,475</u>
Summary		
Inventory at the Beginning of the financial year	138,857,291	146,960,880
Inventory at the End of the financial year	170,267,152	138,857,291
Change in inventory	- 31,409,861	8,103,589

22) Employee benefits expense

Employee Benefits Expense	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Personnel Expenses	179,175,908	169,182,132
Contribution to Staff Welfare Fund	4,068,740	3,143,020
Staff welfare expenses	6,226,772	4,765,161
Total	189,471,420	177,090,313

b Policy relating to accounting of employee benefit expnse is disclosed at Para no (g) to the note relating to disclosure of significant accounting policy.

23) Finance Cost

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Interest expense	60,814,196	71,918,476
Bank Commission	8,884,749	6,486,361
Total	69,698,945	78,404,837

24) Other Expenses

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Manufacturing Expenses		
Power and Fuel	32,808,324	19,867,061
Labour Charges	5,265,359	22,418,010
Laboratory goods & Testing Charges	9,431,082	6,872,962
Factory Expenses		
Consumption Of Stores And Spares	1,262,242	4,504,800
Electrical Expense	1,236,084	1,334,776
Factory Expenses	2,759,791	4,032,829
Inspection Fees	103,300	1,506,421
Laboratory Expenses	—	1,500
Licence Fee Expense	748,451	1,320,930
Loading & Unloading Charges	68,323	6,701
MAINTAINANCE & REPAIRS EXP.A/C	2,411,407	218,732
Machinery & Spares Tools	4,934,151	3,088,388
Machinery Repairs & Maintenance	3,802,496	938,942
Polution Control Exp.	112,500	1,111
SERVICE CHARGES A/C	11,100	2,800
Research & Development Exp.	250,000	635,818
Building Maint & Repair Exp.	305,736	91,970
Total Manufacturing Expenses	65,510,346	66,843,750
Administrative Expenses		
Audit Fee	944,577	775,340
Computer Exps	1,412,916	1,442,397
Conveyance & Vehicle Exps.	2,722,580	2,739,158
Donation	840,552	107,802
Insurance	1,676,834	1,988,672
Legal and Registration Exps.	10,639,099	8,328,849
Office Exps.	1,716,408	3,607,361
Post & Telephone Exps.	4,377,562	3,939,856
Professional & Consulting Fees	10,238,041	11,072,555
Rent,Rate & Taxes	13,679,633	18,944,546
Repairs & Maintanance	3,376,789	6,407,319
Other Expenses	1,060,197	314,871
Stationery, Printing & Xerox	3,055,763	3,316,853
Prior Period Expenses	3,678,485	3,141,272
Loss On Sales Of Assets	1,358,060	768,641
Loss On Sales Of Export Licence	292,643	196,906
Profit/loss on share (Long Term)	—	59,281
Total Administrative Expenses	61,070,139	67,151,679
Selling and Distribution Expenses		
Travelling Expenses	90,945,444	68,270,637
Transportation Expenses	9,740,494	14,117,017
Advertisement Expenses	721,278	789,689
Sales Promotion & Marketing Expenses	53,065,348	94,823,692
Exchange Rate Difference	3,164,678	—
Sales Commission	20,687,531	22,424,853
Provision for Bad and Doubtful debt	12,000,000	10,000,000
Total Selling and Distribution Expenses	190,324,773	210,425,888
Total Other Expenses	316,905,258	344,421,318



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25) Other Information

- 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 current assets are approximately of the value stated if realized in the ordinary course of business. The provision for the depreciation and for all known Liabilities are adequate and not in excess of amount reasonably necessary. There are no Contingent Liabilities other than stated.
- Balance of Trade Receivables & Loans and Advances is subject to confirmation by them.

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Audit Fee	644,577	495,000
Taxation Work	300,000	150,000
for management services	—	130,340
Total	944,577	775,340

- Details of Prior period Items

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Purchase Exp.	605,310	383,434
Other Revenue Expenses	388,798	693,230
Selling and Distribution Expenses	2,676,080	2,064,608
Administrative Expense	8,297	—
Total	3,678,485	3,141,272

- Earnings per share

Particulars		For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Basic			
Profit attributable to equity shareholders	₹	106,542,597	96,622,899
Nominal Value of equity share	₹	10	10
Weighted average number of ordinary equity shares for Basic EPS	No.	16,310,800	16,310,800
Basic EPS	₹	6.53	5.92
Diluted			
Profit attributable to equity shareholders	₹	106,542,597	96,622,899
Add : interest/dividend on convertible instruments	₹	—	—
Profit after tax for Diluted EPS	₹	106,542,597	96,622,899
Weighted average number of ordinary equity shares for Basic EPS	No	16,310,800	16,310,800
Add: Adjustment for conversion option	No	—	—
Weighted average number of ordinary equity shares for Diluted EPS	No	16,310,800	16,310,800
Diluted EPS		6.53	5.92

f. CIF Value of Import

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Raw Materials	86,841,335	33,032,442
Total	86,841,335	33,032,442

g. Earnings in foreign currency

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Export of goods calculated on F.O.B. basis;	640,381,963	496,720,035
Total	640,381,963	496,720,035

h. Expenditure in foreign currency

Particulars	For the year ended on 31-Mar-2014 ₹	For the year ended on 31-Mar-2013 ₹
Product Registration and related expenses	7,989,570	7,988,545
Total	7,989,570	7,988,545

i. Related party disclosures

a) List of related parties

Sr.	Name of related Party	Nature of relation
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	Sunmed Corporation Pvt Ltd	Controlled by Key Managerial Persons
5	Mahendra G. Patel	Key Managerial Person
6	Rajnikant G. Patel	Key Managerial Person
7	Hasmukh I. Patel	Key Managerial Person
8	Arvind G. Patel	Key Managerial Person
9	Kailashben M. Patel	Relative of Key Managerial Person
10	Munjil M. Patel	Relative of Key Managerial Person
11	Mansiben M. Patel	Relative of Key Managerial Person
12	Nidhi M. Patel	Relative of Key Managerial Person
13	Kalpnaben R. Patel	Relative of Key Managerial Person
14	Ashish R. Patel	Relative of Key Managerial Person
15	Shivani A. Patel	Relative of Key Managerial Person
16	Siddharth R. Patel	Relative of Key Managerial Person
17	Dharmisthaben H. Patel	Relative of Key Managerial Person
18	Jigar H. Patel	Relative of Key Managerial Person
19	Hansaben A. Patel	Relative of Key Managerial Person
20	Amar A. Patel	Relative of Key Managerial Person
21	Binal A. Patel	Relative of Key Managerial Person
22	Anand A. Patel	Relative of Key Managerial Person
23	Manshi A. Patel	Relative of Key Managerial Person
24	Avis Travells	Controlled by Key Managerial Persons
25	Vaishali Jigar Patel	Relative of Key Managerial Person
26	Anirudha H. Patel	Relative of Key Managerial Person

b) Details of Transactions with related parties

Sr.	Name of Party	Nature of Transaction	2013-14	2012-13
1	Avis Travels	Travelling Expenses	4,658,549	2,265,105
2	Downtown Travels Pvt. Ltd.	Travelling Expenses	1,217,549	436,358
		Loan Taken	348,243	11,586,453
		Loan Repaid	680,243	12,736,453
3	Downtown Finance Pvt. Ltd.	Interest Expenses	900,000	955,220
		Loan Taken	—	900,000
		Loan Repaid	318,220	555,220
4	Sunmed Corporation Pvt Ltd (Formerly Known As Allantis Exim Pvt Ltd)	Paid for service	—	—
		Interest Expenses	216,790	1,824,149
		Sales	162,011	—
		Loan Given	17,903,804	16,382,416
		Purchase	17,903,804	—
5	Indus Hospital	Repayment Received	—	925,000
6	Arth Print Pack	Purchase	2,161,678	3,037,788
7	Mahendra G. Patel	Remuneration	1,235,000	1,140,000
8	Rajnikant G. Patel	Remuneration	1,235,000	1,140,000
9	Hasmukh I. Patel	Remuneration	1,235,000	1,140,000
10	Arvind G. Patel	Remuneration	140,000	472,000
		Professional Income	700,000	490,000
		Loan Taken	82,070	—
		Loan Repaid	82,070	—
11	Mansi A. Patel	Salary	—	314000
12	Munjal m. patel	Salary	—	450000
		Loan Given	211600	—
		Loan Repaid	211600	—
13	Ashish R. patel	Salary	—	240000
14	Anand A. Patel	Director Remuneartion	630000	630000
		Loan Taken	72940	—
		Loan Repaid	72940	—
15	Hansaben A.Patel	Director Remuneartion	—	120000

c) Details of Closing Balances

Sr.	Name of party	As at 31-Mar-2014	As at 31-Mar-2013
1	Avis Travels	– 855,496	386,850
2	Downtown Travels Pvt. Ltd.	1,057,067	63,081
3	Downtown Finance Pvt. Ltd.	– 9,619,560	– 9,937,780
4	Sunmed corporation Pvt. Ltd Loan A/c	3,000,206	3,000,206
5	Sunmed corporation Pvt. Ltd Trading A/c	– 19,469,897	– 5,039,638
6	Arth Print Pack	801,117	8,715

j 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 OF R & D

Particulars	2013-14 ₹		2012-13 ₹	
	Capital	Revenue	Capital	Revenue
Building Construction	0		433804	
Plant & Machinery	3153637		5838868	
Furniture & Fixture	197172		22620	
Personnel Expenses		13514731		12140637
Material Consumption		1577134		2513896
Direct Expenses		8531466		7283661
Depreciation		4578527		3618831
Administration Expenses		2762211		4461015
TOTAL	3350809	30964069	6295292	30018040

k Segment Reporting
a) Primary Segment:

The company is in the business of

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

b) Secondary Segment:

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

- Domestic Sales
- Export Sales

c) Details Primary Segments

Particulars	Pharmaceutical		Chemical		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Segment Revenue						
From External Customers	1,872,260,938	1,836,437,548	504,373,290	162,410,937	2,376,634,228	1,928,787,353
Segment Result	167,380,938	155,529,262	441,098	98,246	167,822,036	155,627,508
Carrying amount of segment Assets	2,708,372,676	2,312,598,433	273,332,234	76021556	2,981,704,910	2,388,619,989
Segment liability	1,737,246,277	1,373,888,456	218,238,454	75339229	1,955,484,731	1,449,227,685
Cost incurred to acquire segment assets	14,480,191	31,759,241	—	—	14,480,191	31,759,241
Non cash Expenses considered in segment result						
Depreciation	35,265,175	20,794,109	—	—	35,265,175	20,794,109
Other non cash expenses	(418,640)	(404,944)	—	—	(418,640)	(404,944)

d) Reconciliation with financial statement

Particulars	Reportable Segments		Un allocable reconciling items		As per financial statement	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Revenue	2,376,634,228	1,928,787,353	7,624,645	18,183,117	2,384,258,873	1,946,970,470
Result	167,822,036	155,627,508	(65,975,865)	(59,004,606)	101,846,171	96,622,902
Assets	2,981,704,910	2,388,619,989	2,342,169	—	2,984,047,079	2388619989
Liability	1,955,484,731	1,449,227,685	41,776,695	46,361,319	1,997,261,427	1495589004

e) Secondary Segment.

Particulars	Export		Domestic		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Segment revenue from external customers	640,381,964	496,720,035	1,458,531,936	1,450,250,435	2,098,913,900	1,946,970,470
Carrying amount of segment Assets	2,294,166,417	21,17,38000	—	—	2,294,166,417	21,17,38000

l 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.

m 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 : 30th May, 2014
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel (Managing Director)

R.G.Patel (Jt. Managing Director)

H.I.Patel (Whole Time Director)

Date : 30th May, 2014
Place : Ahmedabad

LINCOLN PHARMACEUTICALS LIMITED
[CIN:L24230GJ1995PLC024288]

 Regd. Office: "LINCOLN HOUSE", B/H. Satyam Complex,
 Science city Road, Sola, Ahmedabad – 380 060.

Phone: 079-67778000 Fax: 079-67778062 • Email: info@lincolnpharma.com • website: www.lincolnpharma.co.in

ATTENDANCE SLIP

 I /We hereby record my / our presence at the Annual General Meeting of the Company to be held at: "LINCOLN HOUSE", B/H. Satyam Complex, Science city Road, Sola, , Ahmedabad – 380060 on Tuesday the 30th day of September, 2014 at 10.30 a.m.

Full name of the Member : _____

Folio No : _____ DP ID No. _____ Client ID NO. _____

No. of shares held : _____

Full name of the Proxy : _____

Member's /Proxy's Signature : _____

Note:

1. Please complete the Folio / DP ID-Client No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Electronic copy of the Annual Report for 2013-14 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form are being sent to all the Members whose email address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2013-14 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode (s) to all Members whose email address is not registered or have requested for a hard copy.

LINCOLN PHARMACEUTICALS LIMITED
[CIN:L24230GJ1995PLC024288]

 Regd. Office: "LINCOLN HOUSE", B/H. Satyam Complex,
 Science city Road, Sola, Ahmedabad – 380 060.

Phone: 079-67778000 Fax: 079-67778062 • Email: info@lincolnpharma.com • website: www.lincolnpharma.co.in

PROXY FORM
FORM NO. MGT-11

(Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rule 2014)

Name of the Member (s)	:	_____
Registered Address	:	_____
E-mail Id	:	_____
Folio / DP ID Client ID No.	:	_____

I /We being the member (s) holding _____ Shares of the above named Company hereby appoint:

(1) Name : _____ Address : _____

Email ID : _____ Signature : _____ or failing him / her:

(2) Name : _____ Address : _____

Email ID : _____ Signature : _____ or failing him / her:

(3) Name : _____ Address : _____

Email ID : _____ Signature : _____

 as my /our proxy to attend and vote for my / our behalf at the **Annual General Meeting** to be held on Tuesday, 30th September, 2014 at 10.30 A.M. at: "LINCOLN HOUSE", B/H. Satyam Complex, Science city Road, Sola, , Ahmedabad – 380 060 and at any adjournment thereof in respect of resolutions as are indicated below ** I wish my above proxy to vote in the manner as indicated in the box below:

[P.T.O.]

Resolution No.	Particulars of Resolution	Optional	
		For	Against
	ORDINARY BUSINESS		
1.	Adoption of Financial Statements for the year ended 31 st March, 2014		
2.	Declaration of Dividend on equity shares for the Financial Year 2013-14.		
3.	Re-appointment of Shri Arvindbhai G. Patel, Director who retires by rotation.		
4.	Re-appointment of Shri Kishor M. Shah, Director who retires by rotation.		
5.	Re-appointment of M/s. Chandulal M. Shah & Co. Chartered Accountants as Statutory Auditors.		
	SPECIAL BUSINESS		
6.	Appointment of Shri Maganbhai R. Patel as an Independent Director.		
7.	Appointment of Shri Ishwarlal A. Patel as an Independent Director.		
8.	Appointment of Shri Pirabhai R. Suthar as an Independent Director.		
9.	Appointment of M/s. Kiran J. Mehta & co. – Cost Accountants as Cost Auditors.		
10.	Special Resolution under Section 180 (1)(c) of the Companies Act, 2013 for borrowing amount not exceeding Rs. 300.00 Crores.		
11.	Special Resolution under Section 180 (1)(a) of the Companies Act, 2013 for creating a mortgage/ charge on the movable and immovable properties of the Company.		

Signed this _____ day of _____ 2014

Signature of Shareholder _____

Signature of Proxy holder (s) _____

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
3. **It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Appointing the proxy does not prevent a shareholder from attending the meeting in person if he so wishes.
5. Please complete all details including details of member (s) in the above box before submission.

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REGISTERED OFFICE

“LINCOLN HOUSE”
B/h. Satyam Complex
Science City Road
Sola Ahmedabad-380 060 (Guj.) India
Phone : +91-79-67778000
Fax : +91-79-67778062
CIN L24230GJ1995PLC024288
E-mail : info@lincolnpharma.com
www.lincolnpharma.co.in

PLANT

10, 12, 13, Trimul Estate,
At. Khatraj, Ta. Kalol,
Dist. Gandhinagar, GUJARAT
Phone : 02764-305000
Fax : 02764-281809
E-mail : khatraj@lincolnpharma.com

LINCOLN PHARMACEUTICALS LIMITED

Regd. Office Address: "LINCOLN HOUSE", B/h. Satyam Complex,
Science City Road, Sola, Ahmedabad-380060
CIN: L24230GJ1995PLC024288

Phone No.: 079-67778000, Fax No.: 079-67778062, E mail: info@lincolnpharma.com

Form A

Pursuant to clause 31(a) of Listing Agreement

1.	Name of the Company	LINCOLN PHARMACEUTICALS LIMITED
2.	Annual Financial statements for the year ended	31 st March, 2014
3.	Type of Audit Observation	Un-qualified/Matter of Emphasis
4.	Frequency of qualification	N.A.
5.	Signed By:	

For Chandulal M. Shah & Co.,
Firm Registration No. 101698W]
Chartered Accountants


B. M. Zinzuvadia
Partner
Mem. No. 109606

FOR LINCOLN PHARMACEUTICALS LIMITED


CEO/MD


CFO


**Audit Committee
Chairman**



Place: Ahmedabad
Date: 02.09. 2014

Place: Ahmedabad
Date: 02.09.2014

