

## **LINCOLN PHARMACEUTICALS LIMITED**

**Regd. Office Address**

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

**CIN**

: L24230GJ1995PLC024288

**Website**

: www.lincolnpharma.com

**E mail**

: info@lincolnpharma.com

**Phone No.**

: 079-67778000, Fax No.: 079-67778062

### **Form A**


#### **Auditor's Report – Clause 31(a) of Listing Agreement**

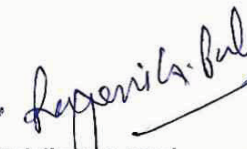
1.	Name of the Company	<b>LINCOLN PHARMACEUTICALS LIMITED</b>
2.	Annual Financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit Observation	Un-qualified/Matter of Emphasis
4.	Frequency of qualification	N.A.
5.	Signed By:	


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

  
**B. M. Zinzuvadia**  
Partner  
Membership No. 109606

**FOR LINCOLN PHARMACEUTICALS LIMITED**

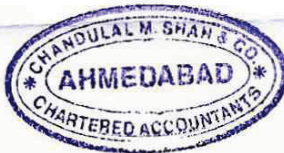
  
**Mahendra G. Patel**  
Managing Director

  
**Rajnikant G. Patel**  
Jt. Managing Director

  
**Ishwar A. Patel**  
Chairman  
Audit Committee

Date: 01/09/2015  
Place: Ahmedabad

Date: 01/09/2015  
Place: Ahmedabad



Dare to  
Dream **Big**



**21<sup>ST</sup>** ANNUAL REPORT  
2014-2015



# R<sub>x</sub> Tinnex™

Caroverine 20 mg Capsules

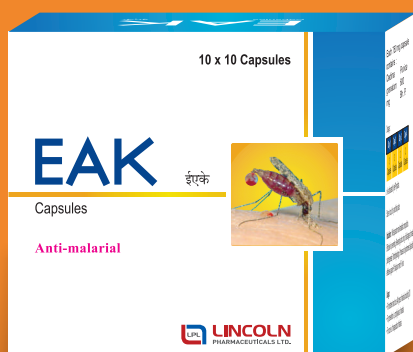
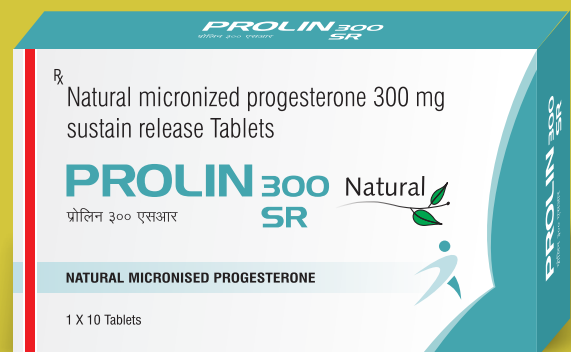


# NAMCOLD-DX

Dextromethorphan Polistirex 30 mg Suspension

# PROLIN 300 SR

Natural Micronized Progesterone 300 mg SR Tablets



# EAK

Each 750 mg capsule contains :

Dalimba	Punica granatum	600 mg	Bh.P.
Harsingar	Nyctanthes arbor-tristis	75 mg	Bh.P.
Sindhav	Sodii chloridum	37.5 mg	Bh.P.
Sanchal	Unaqua Sodium chloride	37.5 mg	Bh.P.

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**CORPORATE INFORMATION**
**[CIN : L24230GJ1995PLC024288]**
**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 Munjal M. Patel	<i>Whole time Director</i>
Shri Aashish R. Patel	<i>Whole time Director</i>
Shri Ishwarlal A. Patel	<i>Director</i>
Shri Maganbhai R. Patel	<i>Director [upto 23<sup>rd</sup> May, 2015]</i>
Shri Pirabhai R. Suthar	<i>Director</i>
Smt. Meha M. Patel	<i>Director [from 04<sup>th</sup> August, 2015]</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  
Chartered Accountants

**REGISTERED OFFICE**

"LINCOLN HOUSE"  
B/h. Satyam Complex, Science City Road,  
Sola, Ahmedabad-380060.  
E-mail : [info@lincolnpharma.com](mailto:info@lincolnpharma.com)  
Website : [www.lincolnpharma.com](http://www.lincolnpharma.com)

**PLANT**

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

**LINCOLN PHARMACEUTICALS LIMITED**

Regd. Office: LINCOLN HOUSE, Behind Satyam Complex, Science City Road, Sola, Ahmedabad – 380060  
CIN: L24230GJ1995PLC024288; Ph: 079 6777-8000; Fax: +91-79-6777 8062 www.lincolnpharma.com;

**NOTICE**

**NOTICE** is hereby given that the 21<sup>st</sup> Annual General Meeting of the Members of **Lincoln Pharmaceuticals Limited** will be held on Wednesday, the 30<sup>th</sup> day of September, 2015 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 Financial Statements including Balance Sheet as on March 31, 2015, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year 2014-15.
3. To appoint a Director in place of Shri Hasmukhbhai I. Patel (holding DIN: 00104834), who retires by rotation and being eligible offers himself for re-appointment.
4. 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.
5. To appoint M/s. J. T. Shah & Co. Chartered Accountants, (Firm Registration Number: 109616W), as the Statutory Auditors of the company and to fix their remuneration

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 the section 139(8) of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), appointment of M/s. J. T. Shah & Co. Chartered Accountants, (Firm Registration Number: 109616W), who were appointed by the Board of directors as the Statutory Auditors of the Company w.e.f. July 13, 2015 till the conclusion of this Annual General Meeting of the Company, to fill the casual vacancy caused by the resignation of M/s. Chandulal M. Shah & Co., Chartered Accountants, (FRN 101698W), the Statutory auditors of the Company be and is hereby approved at a remuneration as may be mutually agreed to, between the Board of Directors of the Company and M/s. J. T. Shah & Co. Chartered Accountants.

**RESOLVED FURTHER THAT** pursuant to the provisions of the section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 and The Companies (Audit & Auditors) Rules 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. J. T. Shah & Co. Chartered Accountants, (Firm Registration Number: 109616W) be and are hereby appointed as the Statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) to the conclusion of next AGM on the remuneration as may be mutually agreed to, between the Board of Directors of the Company and M/s. J. T. Shah & Co., Chartered Accountants.

**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 Section 161 and any other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company, Mr. Munjal M. Patel (DIN: 02319308), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. November 14, 2014 and in respect of whom the Company has received a notice from a member of the company proposing the candidature, who holds office up to the date of ensuing Annual General meeting, be and is hereby appointed as a director of the company.

**RESOLVED FURTHER THAT** the Board 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.”

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 Section 161 and any other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company, Mr. Aashish R. Patel (DIN: 01309017), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. November 14, 2014 and in respect of whom the Company has received a notice from a member of the company proposing the candidature, who holds office up to the date of ensuing Annual General meeting, be and is hereby appointed as a director of the company.

**RESOLVED FURTHER THAT** the Board 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.

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 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 [“the Act”] [including any statutory modifications or re-enactments thereof, for the time being in force] and the Articles of Association of the Company, consent of the members be and is hereby accorded for the appointment of Mr. Munjal M. Patel (DIN: 02319308) as a Whole Time Director of the Company for a period of five years with effect from 14<sup>th</sup> November, 2014

on a remuneration as recommended by the Nomination and Remuneration Committee based on his performance evaluation and as approved by the Board of Directors, which shall be within the overall limits prescribed under the provisions of the Act from time to time and on the terms and conditions, benefits and perquisites, as set out in the explanatory statement to this notice.

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary contained hereinabove, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, remuneration by way of salary and perquisites shall not exceed the aggregate of the annual remuneration as provided in the explanatory statement or maximum remuneration payable as per the limits set out in Section II of Part II of Schedule V of the Act, whichever is lower as the Minimum Remuneration.

**RESOLVED FURTHER THAT** Mr. Munjal M. Patel shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient and proper in the best interest of the Company.

**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 sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 [“the Act”] [including any statutory modifications or re-enactments thereof, for the time being in force] and the Articles of Association of the Company, consent of the members be and is hereby accorded for the appointment of Mr. Aashish R. Patel (DIN: 01309017) as a Whole Time Director of the Company for a period of five years with effect from 14<sup>th</sup> November, 2014 on a remuneration as recommended by the Nomination and Remuneration Committee based on his performance evaluation and as approved by the Board of Directors, which shall be within the overall limits prescribed under the provisions of the Act from time to time and on the terms and conditions, benefits and perquisites, as set out in the explanatory statement to this notice.

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary contained hereinabove, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, remuneration by way of salary and perquisites shall not exceed the aggregate of the annual remuneration as provided in the explanatory statement or maximum remuneration payable as per the limits set out in Section II of Part II of Schedule V of the Act, whichever is lower as the Minimum Remuneration.

**RESOLVED FURTHER THAT** Mr. Aashish R. Patel shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient and proper in the best interest of the Company.

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

**RESOLVED THAT** Ms. Meha M. Patel (DIN: 07254852), who was appointed by the Board of Directors as an Additional Director of the Company (and categorized as ‘Independent Director’) with effect from August 4, 2015, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“Act”), and in respect of whom the Company has received a notice in writing along with a deposit of Rs.1,00,000/- from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company and who has submitted a declaration that she meets the criteria for independence as provided in Section 149 (6) of the Act, be and is hereby appointed pursuant to the provisions of Sections 149 and 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, if any, of the Act, as an Independent Director of the Company for a period of 5 years, such 5 years computed from the date of her first appointment, i.e. August 4, 2015, subject to her compliance with the requirements as prescribed under the Act with regard to an Independent Director and such other provisions as may be applicable, if any, from time to time, and further during the tenure of appointment, the said Independent Director shall not be liable to retire by rotation pursuant to Section 152 of the Act.

**RESOLVED FURTHER THAT** the Board 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.”

**11. To consider and if thought fit, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“the Act”) and Clause 49(VII) of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded to the Audit Committee and the Board of Directors to authorize the management of the Company to enter into Agreement/transaction(s) as may be appropriate, with M/s. Lincoln Parenteral Limited (Subsidiary Company), and M/s. Sunmed Corporation Private Limited, being related parties as define under Section 2(76) of the Act, for sale/purchase of goods, materials and job work, if any, on such terms and conditions as may be mutually agreed upon between the Company and M/s. Lincoln Parenteral Limited (subsidiary Company) & M/s. Sunmed Corporation Private Limited, for an amount not exceeding in aggregate ₹ 50 Crore (Rupees Fifty Crore only) and ₹ 25 Crore (Rupees Twenty Five Crore Only) respectively in each financial year.

**RESOLVED FURTHER THAT** consent of the members be and is accorded for ratification of the aforesaid related party transactions already entered into by the Company exceeding the threshold limits as specified in Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014 and which are material in nature in terms of Clause 49(VII) of the Listing Agreement.

**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 or expedient to give effect to this resolution.”



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

**RESOLVED THAT** pursuant to provisions of section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, the consent of the members be and is hereby accorded to ratify the remuneration decided by the Board of Directors based on the recommendation of the Audit Committee of ₹ 1,10,000 p.a. plus out of pocket expense to M/s. Kiran J. Mehta & Company, Cost Accountants (Firm Registration No.: 000025) Ahmedabad appointed by the Board of Directors to conduct the audit of cost records relating to the products, manufactured by the Company for the Financial year ending on 31<sup>st</sup> March, 2016.

**Notes:**

1. The Explanatory Statements, pursuant to provisions of Section 102 of the Companies Act, 2013 [“the Act”] and rules made thereunder, in respect of special business as set out in the Notice.
2. The Register of Members and Share Transfer Books will remain closed from Saturday, 26th September, 2015 to Wednesday, 30th September, 2015 [both days inclusive] for the purpose of Annual General Meeting and payment of dividend, if declared at meeting.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF, ON A POLL ONLY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding 50 [fifty] and holding in aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than ten per cent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting i.e. by 10.30 a.m. on Monday, 28<sup>th</sup> September, 2015. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.

4. Corporate members intending to send their authorized representatives to attend the meeting pursuant to section 113 of the Act are requested to send the Company a certified copy of Board Resolution / Authorization together with specimen signatures authorizing their representative to attend and vote on their behalf at the meeting.
5. Pursuant to the provisions of Section 124 (5) and 125 of the Companies Act, 2013, 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 2007-2008 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 2007-2008 are requested to make their claims to the Company without any delay.

6. Members holding shares in demat form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service [NECS], Electronic Clearing Services [ECS] mandates, nominations, power of attorneys, change in address, change of name, email address, contact numbers, etc. to their Depository Participant [DP]. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agents to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Sharepro Services (India) Private Limited, Registrar and Transfer Agents of the Company.
7. Details under clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/reappointment at the Meeting is annexed herewith:

Name of Director	Date of Birth	Date of Appointment	Qualification and Expertise	Shareholding in the Company
Shri Hasmukhbhai I. Patel	08-12-1958	20-01-1995	B.Sc.	1.37%
Shri Arvindbhai G. Patel	29-09-1950	03-02-1995	B.E. (Electrical)	0.68%
Shri Munjal M. Patel	26-06-1982	14-11-2014	MBA	2.62%
Shri Aashish R. Patel	12-05-1981	14-11-2014	MBA	3.25%
Smt. Meha M. Patel	28-06-1990	04-08-2015	MBBS	Nil

- Shri Arvindbhai is brother of Shri Mahendra G. Patel, MD and Shri Rajnikant G. Patel, Jt. MD of the Company.
- Shri Munjal M. Patel is son of Shri Mahendra G. Patel, MD and Shri Aashish R. Patel is son of Shri Rajnikant G. Patel, Jt. MD of the Company.

8. Members / proxies are requested to bring the attendance slip send herewith duly filled in for attending the meeting and members are also requested to bring the copy of Annual Report, to the meeting.
9. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Circulars, etc. from the Company electronically.**

Members may also note that the Notice of the Meeting and the Annual Report will also be available on the Company's website [www.lincolnpharma.com](http://www.lincolnpharma.com) for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection at any time between 10:00 a.m. to 1:00 p.m. on any working day except Saturday upto the date of 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.

#### **Voting through electronic means:**

In compliance with provisions of section 108 of the Act and Rule 20 of The Companies [Management and Administration] Rules, 2014 and clause 35B of the Listing Agreement, the Company is pleased to provide its members the facility of 'remote e-voting' to exercise their right to vote at the 21<sup>st</sup> Annual General Meeting (AGM). Necessary arrangements have been made by the Company with Central Depository Services [India] Limited [CDSL] to facilitate e-voting. The detailed process, instructions and manner for availing e-Voting facility is as below under notes.

- i. The Board of Directors has appointed Shri Umesh Parikh, Proprietor of M/s. Umesh Parikh & Associates, Practicing Company Secretary, (Membership No. 4152) as the Scrutinizer to scrutinize the remote e-voting process and voting process at AGM in a fair and transparent manner.
- ii. The Scrutinizer shall, immediately after the conclusion of poll at the meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman, who shall counter sign the same.
- iii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.lincolnpharma.com](http://www.lincolnpharma.com) and on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited [BSE] and Ahmedabad Stock Exchange Limited [ASE], where the equity shares of the Company are listed.
- iv. The facility for voting, through polling paper shall also be made available at the venue of the 21<sup>st</sup> AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Poll Paper shall be treated as invalid. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
- v. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose names is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date i.e. 23<sup>rd</sup> September, 2015 only shall be entitled to avail facility of remote e-voting and poll process at the venue of the meeting.
- vi. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote after following the instructions for e-voting as provided in the Notice convening the Meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and password for casting your vote.
- vii. Shri Dushyantbhai Nayak, Incharge Share & Securities of the Company, shall be responsible for addressing all the grievances in relation to 21<sup>st</sup> Annual General Meeting including e-voting. His contact details are - Email: [cs@lincolnpharma.com](mailto:cs@lincolnpharma.com), Phone No. : 079 -67778081

#### **The instructions for shareholders voting electronically are as under:**

- i) The e-voting period commences on Saturday, 26th September, 2015 [10:00 a.m.] and ends on Tuesday, 29th September, 2015 [5:00 p.m.]. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23<sup>rd</sup> September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii) Click on Shareholders.
- iv) Now Enter your User ID
  - a. For CDSL : 16 digits beneficiary ID,
  - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.



vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on Cover letter.</li> <li>In case the sequence 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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend\Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

viii) After entering these details appropriately, click on "SUBMIT" tab.

ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that 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.

x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi) Click on the **EVSN i.e. 150807008** for LINCOLN PHARMACEUTICALS LIMITED on which you choose to vote.

xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv) 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.

xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same or shall be e-mailed for the scrutinizer on [e-voting@parikh-dave.com](mailto:e-voting@parikh-dave.com)

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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

#### **CONTACT DETAILS:**

<b>Company</b>	LINCOLN PHARMACEUTICALS LTD
<b>Registrar and transfer agent</b>	Sharepro Services (INDIA) Pvt. Ltd.
<b>E-voting Agency</b>	Central Depository Services (India) Limited E-mail ID : <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>
<b>Scrutinizer</b>	Umesh G. Parikh (Proprietor of M/s. Umesh Parikh & Associates), Practicing Company Secretary Email id: <a href="mailto:evoting@parikhdave.com">evoting@parikhdave.com</a>

**DATE : 4<sup>th</sup> August, 2015**

**PLACE : AHMEDABAD**

**REGISTERED OFFICE:**

"LINCOLN HOUSE"

B/h. Satyam Complex,  
Science City road, Sola,  
Ahmedabad - 380060

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

**(MAHENDRA G. PATEL)  
MANAGING DIRECTOR  
(DIN: 00104706)**

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

##### **Item No: 6**

The Board of Directors of the Company at its Meeting held on November 14, 2014, appointed Mr. Munjal M. Patel as an Additional Director of the Company with effect from November 14, 2014, pursuant to Section 161(1) of the Companies Act, 2013. In terms of the provisions of Section 161 of the Companies Act, 2013, Mr. Munjal M. Patel will hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice from member of the Company along with the deposit of requisite amount under Section 160 of the Act proposing candidature of Mr. Munjal M. Patel as Director of the Company.

Your Directors recommend passing of the proposed resolution.

Mr. Munjal M. Patel himself and Mr. Mahendra G. Patel - Managing Director being relative are concerned or interested in the Resolution, except them none of other directors, KMP or their relatives are concerned or interested, financially or otherwise in the proposed resolution.

The proposed resolution doesn't relate to or affect any other company.

##### **Item No: 7**

The Board of Directors of the Company at its Meeting held on November 14, 2014 appointed Mr. Aashish R. Patel as an Additional Director of the Company with effect from November 14, 2014, pursuant to Section 161(1) of the Companies Act, 2013. In terms of the provisions of Section 161 of the Companies Act, 2013, Mr. Aashish R. Patel will hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice from member of the Company along with the deposit of requisite amount under Section 160 of the Act proposing candidature of Mr. Aashish R. Patel as Director of the Company.

Your Directors recommend passing of the proposed resolution.

Mr. Aashish R. Patel himself and Mr. Rajnikant G. Patel - Jt. Managing Director being relative are concerned or interested in the Resolution, except them none of other directors, KMP or their relatives are concerned or interested, financially or otherwise in the proposed resolution.

The proposed resolution doesn't relate to or affect any other company.

##### **Item No: 8**

Mr. Munjal M. Patel has been appointed as Whole-time Director of the Company with effect from 14<sup>th</sup> November, 2014 which requires approval of the members in the General Meeting.

A summary of the material terms and conditions relating to appointment of Mr. Munjal M. Patel as Whole-time Director are as follows:

Term: for a period of five years from 14<sup>th</sup> November, 2014.



**LINCOLN**

**(A) SALARY:**

₹ 95,000/- per month with suitable breakup as per the policy of the Company. He shall be entitled for annual increment depending upon work performance, working of the Company etc. as may be decided by Board from time to time. The first annual increment will fall due on 1st April, 2015.

**(B) PERQUISITES:**

In addition to the salary as described in (A) above, he shall be eligible for the following perquisites, which shall not be included in the computation of ceiling on remuneration specified hereinabove.

- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (ii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- (iii) Encashment of leave at the end of the tenure.

**(C) Other benefits as available to the Senior Executives of the Company.**

Your Directors recommend passing of the proposed resolution.

Mr. Munjal M. Patel himself and Mr. Mahendra G. Patel - Managing Director being relative are concerned or interested in the Resolution, except that none of other directors, KMP or their relatives are concerned or interested, financially or otherwise in the proposed resolution.

The proposed resolution doesn't relate to or affect any other company.

**Item No: 9**

Mr. Aashish R. Patel has been appointed as Whole-time Director of the Company with effect from 14<sup>th</sup> November, 2014 which requires approval of the members in the General Meeting.

A summary of the material terms and conditions relating to appointment of Mr. Aashish R. Patel as Whole-time Director are as follows:

Term: for a period of five years from 14<sup>th</sup> November, 2014.

**(A) SALARY:**

₹ 1,16,000/- per month with suitable breakup as per the policy of the Company. He shall be entitled for annual increment depending upon work performance, working of the Company etc. as may be decided by Board from time to time. The first annual increment will fall due on 1st April, 2015.

**(B) PERQUISITES:**

In addition to the salary as described in (A) above, he shall be eligible for the following perquisites, which shall not be included in the computation of ceiling on remuneration specified hereinabove.

- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (ii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- (iii) Encashment of leave at the end of the tenure.

**(C) Other benefits as available to the Senior Executives of the Company.**

Your Directors recommend passing of the proposed resolution.

Mr. Aashish R. Patel himself and Mr. Rajnikant G. Patel - Jt. Managing Director being relative are concerned or interested in the Resolution, except that none of other directors, KMP or their relatives are concerned or interested, financially or otherwise in the proposed resolution.

The proposed resolution doesn't relate to or affect any other company.

**Item No. 10**

Ms. Meha M. Patel has been appointed as an Additional Director (categorized as Independent Director) by the Board of Directors of the Company at the Board Meeting held on August 4, 2015, who holds office upto the date of Annual General Meeting.

Ms. Meha M. Patel is holding a Degree of M.B.B.S. and has given a declaration to the Board that she meets the criteria of independence as provided under section 149(6) of the Act. Considering the qualification, positive attributes, expertise and independence, the Nomination and Remuneration Committee and the Board of Directors of the Company have recommended her appointment as an Independent Director, for the afore said period of 5 years with effect from August 4, 2015.

A notice has been received from a member of the Company proposing Ms. Meha M. Patel as a candidate for the office of Director of the Company, along with prescribed amount of deposit with each notice.

Except Ms. Meha M. Patel being 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.

The proposed resolution doesn't relate to or affect any other company.

#### Item No: 11

The Company is inter-alia, engaged in the business of Manufacturing, Marketing and distribution of pharmaceutical products. The Company in the ordinary course of its business is entering into transaction relating to Sale/Purchase of various Goods/Materials and Jobwork with M/s. Lincoln Parenteral Limited (subsidiary Company) and M/s. Sunmed Corporation Private Limited, who are Related Parties within the meaning of Section 2(76) of the Act and Clause 49(VII) of the Listing Agreement.

The transactions with the aforesaid related parties are entered into in the ordinary course of business and on arm's length price. However, for abundant caution and as a good corporate practice, your Directors thought it fit to get the approval of members.

Details of proposed transactions relating to sale/purchase of goods, materials and job work with M/s. Lincoln Parenteral Limited & M/s. Sunmed Corporation Private Limited for period of three years with effect from 1<sup>st</sup> October, 2015 will be on following terms and conditions:

The particulars of the contracts/arrangements/transactions are as under:

Name of the Related Party	1. M/s. Lincoln Parenteral Limited 2. M/s. Sunmed Corporation Private Limited
Name of Director(s) or KMP who is/are related	1. None 2. Mr. Munjal M. Patel
Nature of Relationship	1. Subsidiary Company 2. Related Party
Nature of contracts/arrangements/transactions	Sale/purchase of goods, materials and job work
Material terms of the contracts/arrangements/ transactions	At prevailing prices on arms length basis and on Industry practice terms.
Monetary Value	1. Up to ₹ 50 Crore in each financial year. 2. Up to ₹ 25 Crore in each financial year
Any other information relevant or important for the members to make a decision on the proposed transactions	None

#### Item No: 12

The Board of Directors on the recommendation of the Audit Committee, appointed M/s. Kiran J. Mehta & Company, Cost Accountants (Firm Registration No.: 000025) Ahmedabad appointed by the Board of Director to conduct the audit of cost records relating to the products, manufactured by the Company for the Financial year ending on 31<sup>st</sup> March, 2016.

As per the provisions of section 148[3] of the Act read with Rule 14 of The Companies [Audit and Auditors] Rules, 2014, the remuneration fixed by the Board of Directors is to be ratified by the Members of the Company.

Accordingly, consent of the Members of the Company is sought for passing the Resolution for ratification of remuneration payable to the Cost Auditors for the financial year ending on 31<sup>st</sup> March, 2016.

Your Directors recommend passing of the proposed resolution.

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

**DATE : 4<sup>th</sup> August, 2015**

**PLACE: AHMEDABAD**

**REGISTERED OFFICE:**

"LINCOLN HOUSE"

B/h. Satyam Complex,

Science City road, Sola,

Ahmedabad - 380060

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

**(MAHENDRA G. PATEL)  
MANAGING DIRECTOR  
(DIN: 00104706)**

## DIRECTORS' REPORT

To,  
The Members,

Your Directors have pleasure in presenting the 21<sup>st</sup> Annual Report together with the Audited Financial Statements and Auditors' report thereon for the year ended 31<sup>st</sup> March, 2015.

### FINANCIAL RESULTS

The operating results of the Company for the year ended on 31<sup>st</sup> March, 2015 are briefly indicated below:

	Year 2014-15	(₹ In Lac) Year 2013-14
Profit Before Depreciation and Taxation	2209.72	1482.34
Less: Depreciation	293.01	227.94
Less: Provision For Taxation – Current/F.B.T	385.25	266.08
Less: Deferred Tax	54.15	-154.44
<b>Profit after Taxation</b>	<b>1477.30</b>	<b>1142.76</b>
Add: Balance brought forward	3950.01	2971.74
<b>Profit available for appropriation</b>	<b>5427.31</b>	<b>4114.50</b>
<b>APPROPRIATION</b>		
1. Proposed Dividend	163.11	97.86
2. Dividend Tax	33.85	16.63
3. General Reserve	50.00	50.00
4. Reduction in Carrying Value of Fixed Assets as per Schedule II of Companies Act 2013.	58.48	0.00
<b>Net Balance carried to Balance Sheet</b>	<b>5121.87</b>	<b>3950.01</b>

### OPERATIONS / STATE OF COMPANY'S AFFAIRS

During the year under review, your company has performed well and achieved total revenue of ₹ 22,859.79 lac (Previous year ₹ 20,991.35 lac). There is increase in net profit from previous year of ₹ 1142.76 lac to ₹ 1477.30 lac in the year under review. Further details are given in Management Discussions and Analysis Report, which forms part of Annual Report.

### TRANSFER TO RESERVES

The Company has transferred a sum of ₹ 50.00 Lac to General Reserve in the current year (previous year ₹ 50.00 Lac).

### DIVIDEND

Your Directors are pleased to recommend dividend of ₹ 1.00 (@10%) per equity share of face value of ₹10/- each of the Company for the year ended on 31-03-2015 (Previous year @6%)

### DIRECTORS

#### 1. Retirement by rotation:

In accordance with the provisions of section 152[6] of the Act and in terms of Articles of Association of the Company, Shri Hasmukhbhai I. Patel (holding DIN: 00104834) and Shri Arvindbhai G. Patel (holding DIN: 00104885) will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Board recommends their reappointment.

#### 2. Appointment:

Shri Munjal M. Patel (DIN 02319308) and Shri Aashish R. Patel (DIN: 01309017) have been appointed as Additional Directors and as Whole Time Directors w.e.f. 14<sup>th</sup> November, 2014, subject to the approval of the Members at the ensuing Annual General Meeting.

Resolutions proposing approval of appointments for the same have been set out in notice.

Ms. Meha M. Patel (DIN 07254852) has been appointed as an Additional Director (categorized as Independent Director) w.e.f. August 4, 2015, a Resolution proposing her appointment as an Independent Director of the company has been placed in the Notice for obtaining approval of the Members at the ensuing Annual General Meeting.

### 3. Cessation:

Shri Maganbhai R. Patel (DIN- 00452855), Independent Director of the Company passed away on 23<sup>rd</sup> May, 2015.

The Board places on record its appreciation for contributions and guidance provided by him during his tenure as an Independent Director of the Company.

### 4. Independent Directors:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

### 5. Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder, Schedule IV of the Act and clause 49 of the Listing Agreement, the Board has carried the evaluation of its own performance, individual Directors, its Committees, on the basis of attendance, contribution and various criteria as recommended by the Nomination and Remuneration Committee of the Company.

The Board has also evaluated the composition of Board, its committees, experience and expertise, performance of specific duties and obligations, governance issues, etc. The Directors expressed their satisfaction with the evaluation process.

The performance of each of the non-independent directors (including the chair person) was also evaluated by the Independent Directors at the separate meeting held of Independent Directors of the Company.

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Directors Appointment and Remuneration policy of the Company comprising the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters has been provided as under:

### a. Criteria determining the qualifications, positive attributes and independence of a Director and Policy for appointment and removal:

#### INDEPENDENT DIRECTORS:

##### • Qualifications of Independent Director:-

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, medical, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.

##### • Positive attributes of Independent Directors:-

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

##### • Independence of Independent Directors:-

An Independent director should meet the requirements of Section 149, Schedule IV of the Companies Act, 2013 and Clause 49(II) (B) of the Listing Agreement.

#### OTHER DIRECTORS AND SENIOR MANAGEMENT

- i. The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or at Senior Management level and recommend to the Board his / her appointment.
- ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The said Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- iii. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years. Moreover any person appointed shall not continue in the Company if the evaluation of his performance is not satisfactory to the said committee.

#### Rationale for Remuneration Framework:

- i. **Internal Ratios:** The Compensation package for employees at levels lower than Executive Directors should be revised in the form of performance increments, structural improvements and Cost of Living Adjustments at regular intervals. This will lead to a compressing of the compensation differential between the lowest and highest levels of executive management.
- ii. **Compliance & Risk Parameters:** In view of company law regulations, the compliance roles of Executive Directors far outweigh that of any other level, and consequently the risk parameters associated with these jobs are of a significantly higher level as compared to the junior levels and accordingly the remuneration should be paid.

**b. Remuneration Pattern:****EXECUTIVE DIRECTORS:**

**Structure:** A summary of the structure set is as mentioned below:

Components	Item	Description	Policy
Base Salary	<ul style="list-style-type: none"> <li>Reflects the person's experience, criticality of the role with the Company and the risk factor involved</li> </ul>	<ul style="list-style-type: none"> <li>Consolidated Salary fixed for each financial year</li> <li>This component is also used for paying retiral benefits</li> <li>Paid on a monthly basis</li> </ul>	Normally positioned as the highest as compared to the other components.
Short-term incentive	<ul style="list-style-type: none"> <li>Based totally on the performance of the Director</li> </ul>	<ul style="list-style-type: none"> <li>Variable component of the remuneration package</li> <li>Paid on an annually basis</li> </ul>	Determined by the Nomination and Remuneration Committee after year-end based on the evaluation of performance against the pre-determined financial and non- financial metrics
Long-term incentive	<ul style="list-style-type: none"> <li>Drive and reward delivery of sustained long-term performance</li> </ul>	<ul style="list-style-type: none"> <li>Variable long-term remuneration component.</li> </ul>	Determined by the Nomination and Remuneration Committee and distributed on the basis of time, level and performance
Retiral Benefits	<ul style="list-style-type: none"> <li>Provide for sustained contribution</li> </ul>	<ul style="list-style-type: none"> <li>Accrues depending on length on service.</li> </ul>	Paid post separation from the Company as per the Rules of the Provident Fund and Gratuity Acts

**KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT AND OTHER EMPLOYEES:**

- (1) "Senior Management" shall mean the personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.
- (2) The remuneration package of the Key Management and Senior Management and Other Employees comprises of :
  - (a) **Fixed Remuneration:** This includes a Monthly Salary such as Consolidated Pay, Variable House Rent Allowance, Compensatory Allowance, Utility Allowance, Interest Subsidy on Housing Loans;
  - (b) **Annual Allowances:** This consists of Leave Travel Allowance, Medical Reimbursement and House Maintenance Allowance
  - (c) **Retirals:** This includes Provident Fund, Gratuity and Superannuation, if any.

**Non-Executive Directors:**

The Board is responsible for setting policy in relation to the Non-Executive Directors' fees and reviews them periodically. General policy is to provide fees in line with market practice for similar Non-Executive Director roles in the comparable corporates and institutions in India. Fees paid to the Non-Executive Directors also take account of the Company's complexity, the significant travel and time commitments required for attending Board and other meetings in India and the risk profile of the Company. The Remuneration to the non-executive Directors should be determined as per the provisions of the Companies Act, 2013 and related rules framed thereunder. However the Nomination and Remuneration Committee may from time to time suggest the payment and revision in the same as and when necessary.

**c. Remuneration Mix:**

The total remuneration package is designed to provide an appropriate balance between fixed and variable components with focus on Performance Related Pay so that strong performance is incentivized but without encouraging excessive risk taking

The Board has approved a policy for Directors Appointment and Remuneration in the meeting held on 14<sup>th</sup> August, 2014 and has been uploaded on the website i.e. [www.lincolnpharma.com](http://www.lincolnpharma.com)

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134(5) of the Act, and based on the representations received from the management, the directors hereby confirm that:

- i. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit of the Company for that period.

- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the annual accounts ongoing concern basis.
- v. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **NUMBER OF BOARD MEETINGS OF THE BOARD:**

The Board of Directors, during the year 2014-2015 duly met 6 times on (1)24<sup>th</sup> April, 2014 (2)30<sup>th</sup> May, 2014 (3)14<sup>th</sup> August, 2014 (4)14<sup>th</sup> November, 2014 (5) 29<sup>th</sup> December, 2014 and (6) 13<sup>th</sup> February, 2015 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

#### **INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY:**

The Company has internal control systems commensurate with the size, scale and complexity of its business operations. The scope and functions of internal auditor are defined and reviewed by the Audit committee. The internal auditor reports to the Chairman of the Audit Committee. The internal auditor assesses opportunities for improvement of business processes, systems and controls, to provide recommendations, which can add value to the organization.

#### **MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY:**

No material changes or commitments, affecting the financial position of the Company have occurred between the end of the financial year of the company to which the financial statements relate, i.e. 31<sup>st</sup> March, 2015 and the date of the Board's Report.

#### **DEPOSITS**

The Company has not accepted deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the financial statements.

#### **ISSUE OF CONVERTIBLE WARRANTS**

After the closure of the year, the Company has issued 36,89,200 warrants convertible into equal number of equity share of the company within a period of 18 months from the date of issue and complied with applicable laws and provisions.

#### **SUBSIDIARY COMPANY**

The Company has two subsidiaries, namely M/s. Zullinc Healthcare Limited (WOS) and M/s. Lincoln Parenteral Limited. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). Further there has been no material change in the nature of business of the subsidiaries.

Those Shareholders who are interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company.

Performance and financial position of the subsidiary companies is given as under and in "Annexure-I".

#### **PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES**

Subsidiaries of the Company are engaged in the business of manufacturing and Trading of Pharmaceutical products. The Company's wholly owned subsidiary named Zullinc Healthcare Limited earned other income of ₹ 42.78 lac (Previous year Nil). There is increase in net profit from previous year of ₹ (-0.71) lac to ₹ 10.06 lac in the year under review. The Company's subsidiary named Lincoln Parenteral Limited earned revenue of ₹ 6877.21 lac (Previous year ₹ 2853.45 lac). There is increase in net profit from previous year of ₹ (-123.59) lac to ₹ 16.78 lac in the year under review.

In terms of proviso to sub section (3) of Section 129 of the Act, the salient features of the financial statement of the subsidiaries is set out in the prescribed form AOC-1, which forms part of the annual report.

#### **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 2015-16 to both the Stock Exchanges.





## **LINCOLN**

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### **RISK MANAGEMENT POLICY**

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. For details, please refer to the Management Discussion and Analysis report which form part of the Board Report.

### **RELATED PARTY TRANSACTIONS**

All transactions entered into with Related parties as defined under the Act and clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of section 188 of the Act. There were no materially significant transactions with related parties during the financial year which were in the conflict of interest of the Company at large. Suitable disclosures as required by the Accounting Standard [AS 18] have been made in the notes to the Financial Statements.

The Board has approved policies on Related Party Transactions and Material Subsidiary and the same have been uploaded on the website i.e. [www.lincolnpharma.com](http://www.lincolnpharma.com)

Related Party Transactions of the companies are given in Form AOC-2 in "**Annexure-II**".

### **CORPORATE SOCIAL RESPONSIBILITY**

Your Company aims to remain essential to the society with its social responsibility, strongly connected with the principle of sustainability, an organization based not only on financial factors, but also on social and environmental consequences.

It is responsibility of your Company to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interest of Stakeholders. Your Company had contributed and still contributing towards development of public facilities.

The Board has approved a policy for Corporate Social Responsibility in the meeting held on 14<sup>th</sup> November, 2014 and same has been uploaded on the website i.e. [www.lincolnpharma.com](http://www.lincolnpharma.com)

As required under Section 135 of the Companies Act, 2013 and to demonstrate the responsibilities towards Social upliftment in structured way, the Company has formed a Policy to conduct the task under CSR, during the year 2014. The Annual Report on CSR activities is annexed herewith as "**Annexure III**"

### **HUMAN RESOURCES**

Many initiatives have been taken to support business through organizational efficiency, process change support and various employee orientation programmes which has helped the Organization achieve higher productivity levels. A significant effort has also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement.

### **VIGIL MECHANISM**

Pursuant to provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors has approved the Policy on Vigil Mechanism/ Whistle Blower Policy, in the meeting held on 14<sup>th</sup> November, 2014. Through this policy Directors, Employees or business associates may report the unethical behavior, malpractices, wrongful conduct, frauds, violations of the Company's code etc. to the Chairman of the Audit Committee.

The Vigil Mechanism/Whistle Blower Policy of the Company has been uploaded on the website i.e. [www.lincolnpharma.com](http://www.lincolnpharma.com)

### **DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **DISCLOSURE UNDER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

Details pertaining to remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as "**Annexure VII**" to this report.

### **AUDITORS:**

#### **1. COST AUDITOR:**

M/s. Kiran J. Mehta & Company, Cost Accountants, Ahmedabad, have been appointed to conduct cost audit for the year ended on 31<sup>st</sup> March, 2016.

## 2. STATUTORY AUDITOR:

Your Directors would like to inform you that M/s. Chandulal M. Shah & Co., Chartered Accountants, (FRN 101698W) has resigned as the statutory Auditors of the company.

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and auditors) Rules, 2014, any casual vacancy caused in the office of the statutory auditors of the Company shall be filled by the Board of Directors within thirty days of such resignation, but if such casual vacancy is due to resignation of the Statutory Auditors, such appointment shall also be approved by the Company at a General Meeting convened within three months of the appointment made by the board and the auditor shall hold the office till the conclusion of the General Meeting approving such appointment. Considering the casual vacancy in the office of statutory Auditors, the Company has approached M/s. J. T. Shah & Co. Chartered Accountants, (Firm Registration Number: 109616W) to act as the Statutory auditors of the Company and they have confirmed their eligibility and willingness to accept office, as proposed in the Resolution placed in the Notice.

In view of the above, the Statutory Auditors of your Company, M/s. J. T. Shah & Co. Chartered Accountants, (Firm Registration Number: 109616W) shall hold office from the date of their appointment by the Board of Directors till the conclusion of this Annual General Meeting and shall, subject to your approval, hold the office of Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the company.

## 3. SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Rahul Agarwal & Associates, Practising Company Secretaries, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as **"Annexure - IV"**.

### EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY AUDITORS-

- With regard to the auditors' observation for records of Fixed Assets, the Company is in process of updating of its records.
- With regard to the auditors' observation for strengthening of internal control system, the management has already appointed Internal Auditor and taking adequate steps to strengthen the internal control system.
- With regard to the auditors' observation for payment of statutory dues, the Company has already paid all undisputed statutory dues as on date and taking appropriate action that no delay occurs for the payment of statutory dues in future.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as **"Annexure V"**

### EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **"Annexure VI"**.

### CORPORATE GOVERNANCE REPORT, MANAGEMENT DISCUSSION & ANALYSIS

As per Clause 49 of the listing agreement entered into with the stock exchanges, Corporate Governance Report with Auditors' certificate thereon and Management Discussion and Analysis report are given in **Annexure - "VIII"**.

### ACKNOWLEDGEMENT

The Directors gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

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

Place : Ahmedabad  
Date : 04<sup>th</sup> August, 2015

**Mahendra G. Patel**  
(Managing Director)  
(DIN: 00104706)

**Hasmukhbhai I. Patel**  
(Whole-Time Director)  
(DIN: 00104834)



**FORM AOC – 1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries

**Part "A": Subsidiaries**

(Amount in ₹)

Name of the subsidiary	Zullinc Healthcare Limited (wholly owned subsidiary)	Lincoln Parenteral Limited (subsidiary company)
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015	1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR
Share Capital	500,000	100,000,000
Reserves and Surplus	7,568,143	(811,284)
Total Assets	45,401,504	765,145,449
Total Liabilities (Excluding Share Capital & Reserves and Surplus)	37,333,361	665,956,733
Investments (Other than subsidiary)	15,000	22,400
Turnover (Including Other Income)	4,277,517	687,720,525
Profit Before Taxation	1,258,118	5,528,913
Provision for Taxation	2,52,000	3,850,867
Profit After Taxation	1,006,118	1,678,046
Proposed Dividend	-	-
% of shareholding	100%	70.08%

**Notes:**

- There is no subsidiary which is yet to commence operations.
- There is no subsidiary which has been liquidated or sold during the year.

The amounts given in the table above are from the annual accounts made for the respective financial year end for each of the company.

**Part "B": Associates and Joint Venture – Not Applicable**

For **J. T. SHAH & CO.**  
Chartered Accountants  
[FRN NO. 109616W]

**J. T. SHAH**  
Partner  
Mem No. 3983  
Date : 04<sup>th</sup> August, 2015  
Place : Ahmedabad

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

**M.G. Patel** (Managing Director)  
**R.G. Patel** (Jt. Managing Director)  
**H.I. Patel** (Whole Time Director)  
Date : 04<sup>th</sup> August, 2015  
Place : Ahmedabad

**ANNEXURE 'II' TO DIRECTOR'S REPORT**
**Form No. AOC-2**
**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**
**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**
**1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable**

S. NO	Name of the related party and nature of relationship	Nature of contracts /arrangements /transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Justification for entering into such contracts / arrangements / transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which special resolution was passed in General meeting u/s 188(1)
	A	B	C	D	E	F	G	H

**2. Details of material contracts or arrangement or transactions at arm's length basis:**
**(₹ in Lac)**

Sr. No.	Name of the related party	Nature of relationship	Nature of contracts /arrangements /transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
	A		B	C	D	E	F
1	Lincoln Parental Limited	Subsidiary Company	Purchase of pharmaceutical products  Sales of Raw materials and pharmaceutical products	1 <sup>st</sup> April,2014 to 31 <sup>st</sup> March,2015	1601.66  822.11	N.A.	NIL
2	Avis Travels	Controlled by KMP	Air Ticket Booking and others.	1 <sup>st</sup> April,2014 to 31 <sup>st</sup> March,2015	46.01	N.A.	NIL
3	Down Town Travels Private Limited	Controlled by KMP	Car Rental etc.	1 <sup>st</sup> April,2014 to 31 <sup>st</sup> March,2015	9.43	N.A.	NIL
4	Sunmed Corporation Pvt. Ltd.	Controlled by KMP	Purchase of packing materials	1 <sup>st</sup> April,2014 to 31 <sup>st</sup> March,2015	495.60	N.A.	NIL

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

Place : Ahmedabad  
Date : 04<sup>th</sup> August,2015

**Mahendra G. Patel**  
(Managing Director)  
(DIN: 00104706)

**Hasmukhbhai I. Patel**  
(Whole-Time Director)  
(DIN: 00104834)



### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

The Company has its CSR Policy within broad scope laid down in Schedule VII to the Act, as projects / programs / activities, excluding activities in its normal course of business. The policy is duly approved by the Board of Directors.

**1. Details of the CSR policy are available on website of the company.**

**Weblink:** [www.lincolnpharma.co.in](http://www.lincolnpharma.co.in)

**2. Composition of the CSR Committee:**

- i. Mr Mahendra G. Patel, Managing Director and member
- ii. Mr Rajnikant G. Patel, Jt. Managing Director and member
- iii. Mr Iswarlal A. Patel, Independent Director and member

**3. Average net profit of the Company for last three financial years:**

Average net profit: ₹ 8,73,56,594.00

**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**

The Company is required to spend ₹ 17,47,132.00 towards CSR.

**5. Details of CSR spend for the financial year:**

- a. Total amount spent for the financial year: ₹ 17,47,132.00
- b. Amount unspent, if any: NIL
- c. Manner in which the amount spent during the financial year is detailed below:

(Amount in ₹)

Sr. No.	Amount spent: Direct or through implementing agency	Activities	Amount Outlay (Budget) Project or ProgramsWise	Amount Spent on theproject or programs	Cumulative Expenditure upto reporting period
1.	Tathastu Foundation (Charitable Trust)	Healthcare, education to backward area, safe drinking water	15,00,000	15,00,000	15,00,000
2	Shree Sarswati Kanya Kelvani Mandal	Promoting Education, empowering women	2,00,000	2,00,000	17,00,000
3	Blind People Association (India)	Promoting preventive health care,	10,000	10,000	17,10,000
4	Dr. Jit Maheta Balshala Trust	Education to rural	12,132	12,132	17,22,132
5	Pavitra Dham	Ensuring environmental sustainability	25,000	25,000	17,47,132

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**A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY**  
**(Approved by the Board of Directors on 14<sup>th</sup> November, 2014)**

Lincoln Pharmaceuticals Limited, as a good corporate citizen, has adopted CSR as strategic tool for sustainable growth and has decided to contribute to the development of the communities as a whole. In doing so the Company aims at building a better, sustainable way of life for the weaker sections of society. The focus areas in which LPL plans to work includes Education, Health care and Environmental Sustainability. The objectives of the Company for the above activities are as follows:-

**1. Education:**

Our endeavour is to spark the desire for learning and enlighten minds. We have initiated to fulfill this objective by way of providing quality education initiatives or by financial assistance to the poor and needy students, undertaking to impart vocational training, adult education programs, girl education, other related infrastructure etc.

**2. Health care:**

Our goal is to render quality health care facilities which we have initiated to provide by way of undertaking preventive healthcare programs by way of including but not limited to setting various camps and related infrastructure services, providing of sanitation and making available safe drinking water, etc.

**3. Environmental Sustainability:**

We aim at providing livelihood in an environmentally sustainable manner. For addressing this objective we have initiated afforestation, planting of trees, maintain public garden, playground cleanliness and such other like programs, activities towards maintaining ecological balance, quality of soil, air and water, conservation of natural resources, etc.



**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2015

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

To,  
The Members,  
**LINCOLN PHARMACEUTICALS LIMITED**  
"LINCOLN HOUSE", Behind Satyam Complex,  
Science City Road, Sola, Ahmedabad – 380 060

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

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

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

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / The Securities and Exchange Board of India (Share Based Employees Benefits), Regulations, 2014 (Effective from 28<sup>th</sup> October, 2014);  
Not applicable as the Company has not issued any options/ shares under the said Regulations during the year under review.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;  
Not applicable as Company has not issued any Debt Securities during the year under review.
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and  
Not applicable as the Company has not delisted any of its shares from any of the Stock Exchanges during the year under review.
  - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2008;  
Not applicable as the Company has not bought back any of its securities during the year under review.
- 6) The following specifically other applicable laws to the Company:
  - (a) Factories Act, 1948;

- (b) Industries (Development & Regulation) Act, 1951;
- (c) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc;
- (d) Act prescribed under prevention and Control of Pollution;
- (e) Act prescribed under Environmental Protection;
- (f) Land revenue laws of respective States;
- (g) Labour Welfare Act of Respective States;
- (h) Trade Marks Act 1999 & Copy Right Act, 1957;
- (i) The Legal Metrology Act, 2009;
- (j) Acts as prescribed under Direct Tax and indirect Tax;
- (k) Acts as prescribed under shop and Establishment Act of various local authorities.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (not applicable as not notified during the year under review.)
- (ii) The Listing Agreements entered into by the Company with BSE limited and Ahmedabad Stock Exchange Limited.

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

**We further report that:**

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

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

Decisions at the meetings of Board of Directors / Committees of the Company were carried through on the basis of majority. There were no dissenting views by any member of Board / Committee in the meetings held during the year under review.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** Company has obtained necessary approval of members to mortgage its properties and to borrow money in excess of paid up share capital and free reserve of the company i.e. up to ₹ 300.00 Crore (Rupees Three Hundred Crore Only) in compliance of the provisions of section 180 (1) (a) and 180(1) (c) of the Companies Act, 2013 respectively during the audit period under review.

**We further report that** there were no other instances of:

- a) Public/Right issue of shares/ debentures/sweat equity, etc.
- b) Redemption / buy-back of securities
- c) Merger / amalgamation / reconstruction, etc.
- d) Foreign technical collaborations

**FOR RAHUL AGARWAL & ASSOCIATES  
COMPANY SECRETARIES**

**RAHUL AGARWAL  
PROPRIETOR**

**Place : Ahmedabad  
Date : 04<sup>th</sup> August, 2015**

**ACS No. 35598 C P No.: 13202**

**Note :** This report is to be read with our letter of even date which is annexed as “Annexure-A” and forms and integral part of this report.



To,  
The Members,  
**LINCOLN PHARMACEUTICALS LIMITED**  
"LINCOLN HOUSE", Behind Satyam Complex,  
Science City Road, Sola, Ahmedabad – 380 060.

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

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

**FOR RAHUL AGARWAL & ASSOCIATES  
COMPANY SECRETARIES**

**Place : Ahmedabad**  
**Date : 04<sup>th</sup> August, 2015**

**RAHUL AGARWAL  
PROPRIETOR**  
**ACS No. 35598 C P No.: 13202**

**ANNEXURE 'V' TO DIRECTOR'S REPORT**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**  
**[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]**

<b>(A) Conservation of energy-</b>		
(i)	the steps taken or impact on conservation of energy;	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.
(ii)	the steps taken by the company for utilizing alternate sources of energy;	Company has installed the Windmill at Porbandar, Gujarat.
(iii)	the capital investment on energy conservation equipments	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.
<b>(B) Technology absorption-</b>		
(i)	the efforts made towards technology absorption;	Company has always been making best effort towards technology absorption, adaptation and innovation to improve the quality.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	It improves the quality of company's products being manufactured and reduce the cost of production.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year:-	<b>N.A</b>
	(a) the details of technology imported;	<b>N.A</b>
	(b) the year of import	<b>N.A</b>
	(c) whether the technology been fully absorbed	<b>N.A</b>
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	<b>N.A</b>

**iv. The expenditure incurred on Research and Development.**

(Amount in ₹)

<b>S. No.</b>	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
1.	Capital Expenditure	26,635,627	3,350,809
2.	Revenue Expenditure	45,995,140	30,964,069
3.	TOTAL	72,630,766	34,314,878
4.	Total R&D expenditure as a percentage of total turnover	3.25%	1.65%

**LINCOLN****C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

(₹ In Lacs)

S. No.	Particulars	Current Year	Previous Year
1.	Inflow of Foreign Exchange	6,403.82	6,940.80
2.	Outgo of Foreign Exchange	948.31	1,445.86

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

Place : Ahmedabad  
Date : 04<sup>th</sup> August, 2015

**Mahendra G. Patel**  
(Managing Director)  
(DIN: 00104706)

**Hasmukhbhai I. Patel**  
(Whole-Time Director)  
(DIN: 00104834)

**ANNEXURE 'VI' TO DIRECTOR'S REPORT**
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended 31.03.2015

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

**FORM NO. MGT - 9**
**1. Registration and other details**

<b>CIN</b>	L24230GJ1995PLC024288
<b>Registration Date:</b>	20/01/1995
<b>Name of the Company:</b>	LINCOLN PHARMACEUTICALS LIMITED
<b>Category / Sub-category of the Company:</b>	COMPANY LIMITED BY SHARES
<b>Registered Office Details:</b>	LINCOLN HOUSE , Behind Satyam Complex, Science City Road, Sola, Ahmedabad - 380060
<b>Whether Listed Company:</b>	YES
<b>Name, Address and contact details of RTI, if any:</b>	SHAREPRO SERVICES (INDIA) PRIVATE LIMITED 416-420, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad-380006

**2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

<b>Sr. No.</b>	<b>Name and Description of main products</b>	<b>NIC Code of the Product/ service</b>	<b>% to total turnover of the company</b>
1.	Pharmaceutical products	2423	100%

**3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

<b>Sr. No</b>	<b>NAME AND ADDRESS OF THE COMPANY</b>	<b>CIN</b>	<b>SUBSIDIARY</b>	<b>% of shares held</b>	<b>Applicable Section</b>
1.	Zullinc Healthcare Limited LINCOLN HOUSE,B/h. Satyam Complex, Science City Road, Sola, Ahmedabad-380060	U24230GJ2008PLC055251	Wholly owned Subsidiary	100%	2(87)
2.	Lincoln Parenteral Limited LINCOLN HOUSE,B/h. Satyam Complex, Science City Road, Sola, Ahmedabad-380060	U24231GJ1991PLC015674	Subsidiary	70.08%	2(87)

**4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

<b>Category of Shareholders</b>	<b>No. of Shares held at the beginning of the year</b>				<b>No. of Shares held at the end of the year</b>				<b>% Change during the year</b>
	<b>Demat</b>	<b>Physical</b>	<b>Total</b>	<b>% of Total Shares</b>	<b>Demat</b>	<b>Physical</b>	<b>Total</b>	<b>% of Total Shares</b>	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
g) Individual/ HUF	42,40,051	0	42,40,051	25.99	48,69,127	0	48,69,127	29.85	3.86
h) CentralGovt	0	0	0	0	0	0	0	0	0
i) State Govt(s)	0	0	0	0	0	0	0	0	0
j) BodiesCorp.	10,91,100	0	10,91,100	6.69	10,91,100	0	10,91,100	6.69	0
k) Banks / FI	0	0	0	0	0	0	0	0	0
l) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total(A) (1):-</b>	<b>53,31,151</b>	<b>0</b>	<b>53,31,151</b>	<b>32.68</b>	<b>59,60,227</b>	<b>0</b>	<b>59,60,227</b>	<b>36.54</b>	<b>3.86</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other –Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total(A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>53,31,151</b>	<b>0</b>	<b>53,31,151</b>	<b>32.68</b>	<b>59,60,227</b>	<b>0</b>	<b>59,60,227</b>	<b>36.54</b>	<b>3.86</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	1,500	0	1,500	0.01	0.01
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total(B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,500</b>	<b>0</b>	<b>1,500</b>	<b>0.01</b>	<b>0.01</b>
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	67,56,442	3,000	67,59,442	41.44	43,95,128	3,000	43,98,128	26.96	14.47
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	19,09,652	1,92,930	21,02,582	12.89	30,32,164	1,90,630	32,22,794	19.76	6.87
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	15,36,412	0	15,36,412	9.42	26,05,463	0	26,05,463	15.97	6.55
c) Others									
a) NRI	5,72,222	2,100	5,74,322	3.52	1,01,434	0	1,01,434	0.62	2.90
b) Clearing Member	5,891	0	5,891	0.04	21,254	0	21,254	0.13	0.9
c) Trust	1000	0	1,000	0.01					0.01
<b>Sub-total(B)(2):-</b>	<b>1,07,81,619</b>	<b>1,98,030</b>	<b>1,09,79,649</b>	<b>67.32</b>	<b>1,01,55,443</b>	<b>193,630</b>	<b>1,03,49,073</b>	<b>63.45</b>	<b>3.87</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1,07,81,619</b>	<b>1,98,030</b>	<b>1,09,79,649</b>	<b>67.32</b>	<b>1,01,56,943</b>	<b>193,630</b>	<b>1,03,50,573</b>	<b>63.46</b>	<b>3.86</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total(A+B+C)</b>	<b>1,61,12,770</b>	<b>1,98,030</b>	<b>1,63,10,800</b>	<b>100.00</b>	<b>1,61,17,170</b>	<b>1,93,630</b>	<b>1,63,10,800</b>	<b>100.00</b>	

**ii) Shareholding of Promoters**

Sr No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mahendra G. Patel	1,14,000	0.70	NIL	1,14,000	0.70	NIL	NIL
2	Kailashben M. Patel	80,000	0.49	NIL	80,000	0.49	NIL	NIL
3	Munjal M. Patel	4,28,000	2.62	NIL	4,28,000	2.62	NIL	NIL
4	Mansi Munjal Patel	8,00,000	4.90	NIL	8,00,000	4.90	NIL	NIL
5	Nidhi M. Patel	54,000	0.33	NIL	54,000	0.33	NIL	NIL
6	Raj nibhai G. Patel	1,05,400	0.65	NIL	305 400	1.87	NIL	1.22
7	Kalpanaben R. Patel	93,100	0.57	NIL	2,93,100	1.80	NIL	1.23
8	Ashish R. Patel	3,29,801	2.02	NIL	5,29,801	3.25	NIL	1.23
9	Shivani B. Shah	NIL	NIL	NIL	2,02,000	1.24	NIL	1.24
10	Siddharth R. Patel	95,000	0.58	NIL	95,000	0.58	NIL	NIL
11	Gulabdas I. Patel	1,22,400	0.75	NIL	1,22,400	0.75	NIL	NIL
12	Shardaben G. Patel	1,09,000	0.67	NIL	1,09,000	0.67	NIL	NIL
13	Arvindbhai G. Patel	1,11,000	0.68	NIL	1,11,000	0.68	NIL	NIL
14	Hansaben A. Patel	1,17,200	0.72	NIL	1,17,200	0.72	NIL	NIL
15	Amar A. Patel	60,000	0.37	NIL	60,000	0.37	NIL	NIL
16	Anand A. Patel	1,32,000	0.81	NIL	1,32,000	0.81	NIL	NIL
17	Hasmukhbhai I. Patel	2,23,600	1.37	NIL	2,23,600	1.37	NIL	NIL
18	Dharmisthaben H. Patel	65,003	0.40	NIL	65,003	0.40	NIL	NIL
19	Yogeshkumar I. Patel	1,15,368	0.71	NIL	1,15,368	0.71	NIL	NIL
20	Meenaben Y. Patel	2,929	0.02	NIL	129	0.00	NIL	0.02
21	Patel Aniruddh Has mukhbhai	51,200	0.31	NIL	51,200	0.31	NIL	NIL
22	Jigar Has mukhbhai Patel	51,200	0.31	NIL	51,200	0.31	NIL	NIL
23	Maheshbhai M. Patel	1,81,900	1.12	NIL	1,81,900	1.12	NIL	NIL
24	Mihirbhai V. Patel	1,15,700	0.71	NIL	1,15,600	0.71	NIL	NIL
25	Manguben I. Patel	94,700	0.58	NIL	93,700	0.57	NIL	0.01
26	Dharmistha B. Patel	2,09,700	1.29	NIL	1,57,900	0.97	NIL	0.32
27	Bhagirath T. Patel	88,700	0.54	NIL	36,200	0.22	NIL	0.32
28	Ishwarlal A. Patel	50,900	0.31	NIL	50,600	0.31	300	0
29	Latikaben V. Patel	11,100	0.07	NIL	100	0.00	NIL	0.07
30	Yoginiben M. Patel	49,800	0.31	NIL	326	0.00	NIL	0.31
31	Renukaben M. Patel	9,700	0.06	NIL	1,73,400	1.06	NIL	1.00
32	Downtown Finance Pvt. Ltd.	1,06,000	0.65	NIL	1,06,000	0.65	NIL	NIL
33	Karnavati Distributors Ltd.	10,100	0.06	NIL	10,100	0.06	NIL	NIL
34	Downtown Travels Pvt. Ltd.	4,75,000	2.91	NIL	4,75,000	2.91	NIL	NIL
35	Sunmed Corporation Pvt. Ltd.	5,00,000	3.07	NIL	5,00,000	3.07	NIL	NIL

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Raj nibhai G. Patel</b> At the beginning of the year Date wise changes during the year 18 <sup>th</sup> March, 2015 – purchase At the End of the year	1,05,400  2,00,000 3,05,400	0.65  1.23 1.88	  3,05,400 3,05,400	  1.88 1.88
2.	<b>Kalpanaben R. Patel</b> At the beginning of the year Date wise changes during the year 18 <sup>th</sup> March, 2015 – purchase At the End of the year	93,100  2,00,000 2,93,100	0.57  1.23 1.80	  2,93,100 2,93,100	  1.80 1.80
3.	<b>Aashish R. Patel</b> At the beginning of the year Date wise changes during the year 18 <sup>th</sup> March, 2015 – purchase At the End of the year	3,29,801  2,00,000 5,29,801	2.02  1.23 3.25	  5,29,801 5,29,801	  3.25 3.25
4.	<b>Shivani B. Shah</b> At the beginning of the year Date wise changes during the year 19 <sup>th</sup> March, 2015 – purchase At the End of the year	2,000  2,00,000 2,02,000	0.01  1.23 1.24	  2,00,000 2,02,000	  1.23 1.24
5.	<b>Meenaben Y. Patel</b> At the beginning of the year Date wise changes during the year 8 <sup>th</sup> April, 2014 – sale 27 <sup>th</sup> November, 2014 – sale 13 <sup>th</sup> January, 2015 – sale At the End of the year	2,929  -100 -1,500 -1,200 129	0.02  0 0.02 0.01 0	  2,829 1,329 129 129	  0.02 0.01 0 0
6.	<b>Manguben I. Patel</b> At the beginning of the year Date wise changes during the year 6 <sup>th</sup> August, 2014 – sale At the End of the year	94,700  -100 93,700	0.58  0 0.58	  93,700 93,700	  0.58 0.58
7.	<b>Dharmistha B. Patel</b> At the beginning of the year Date wise changes during the year 17 <sup>th</sup> March, 2015 – sale At the End of the year	2,09,700  -51,800 1,57,900	1.29  0.32 0.97	  1,57,900 1,57,900	  0.97 0.97
8.	<b>Bhagirath T. Patel</b> At the beginning of the year Date wise changes during the year 20 <sup>th</sup> February, 2015 – sale At the End of the year	88,700  -52,500 36,200	0.54  0.32 0.22	  36,200 36,200	  0.22 0.22

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9.	<b>Ishwarlal A. Patel</b> At the beginning of the year Date wise changes during the year 13 <sup>th</sup> October, 2014 – sale At the End of the year	50,900 -300 50,600	0.31 0 0.31	 50,600 50,600	 0.31 0.31
10.	<b>Mihirbhai V. Patel</b> At the beginning of the year Date wise changes during the year 24 <sup>th</sup> February, 2015 – sale At the End of the year	1,15,700 -100 1,15,600	0.71 0 0.71	 1,15,600 1,15,600	 0.71 0.71
11.	<b>Renukaben M. Patel</b> At the beginning of the year Date wise changes during the year 2 <sup>nd</sup> September, 2014 – transfer At the End of the year	9,700 1,63,700 173400	0.06 1.00 1.06	 1,73,400 1,73,400	 1.06 1.06
12.	<b>Latikaben V. Patel</b> At the beginning of the year Date wise changes during the year 14 <sup>th</sup> April, 2014 – sale 27 <sup>th</sup> January, 2015 – sale At the End of the year	11,100 -1,000 -10,000 100	0.07 0.01 0.06 0	 10,000 100 100	 0.01 0 0
13.	<b>Yoginiben M. Patel</b> At the beginning of the year Date wise changes during the year 29 <sup>th</sup> April, 2014 – sale 11 <sup>th</sup> September, 2014 – sale 13 <sup>th</sup> January, 2015 – sale At the End of the year	49,800 -3,500 -10,174 -35,800 326	0.31 0.02 0.06 0.22 0	 46,300 36,126 326 326	 0.28 0.22 0 0

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

Sr. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
1	Digital Biotech Pvt Ltd	21,00,000	12.87	21,00,000	12.87
2	Advent Tradelink Pvt Ltd	18,69,000	11.46	10,00,700	6.13
3	Vraj Dyes and Drugs Pvt Ltd	18,46,460	11.32	8,68,911	5.33
4	Sharad Kanayalal Shah	4,14,649	2.54	4,62,624	2.84
5	Jayantilal D. Patel	16,400	0.10	3,35,492	2.06
6	Poonam Bankim Desai	1,63,469	1.00	1,50,011	0.92
7	Varsha Sharad Shah	1,32,537	0.81	1,32,537	0.81
8	Neepta Shah	0	0	1,25,700	0.77
9	Yoshovardhan Kamlesh Shah	0	0	80,000	0.49
10	Kamlesh Navinchandra Shah	0	0	80,000	0.49



v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Directors and KMP</b>				
	<b>Shri Mahendra G. Patel</b> At the beginning of the year Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc): At the End of the year	1,14,000 NIL 1,14,000	0.7 NIL 0.7		
	<b>Shri Rajnikant G. Patel</b> At the beginning of the year Date wise changes during the year 18 <sup>th</sup> March, 2015 – purchase At the End of the year	1,05,400 2,00,000 3,05,400	0.65 1.23 1.88	3,05,400 3,05,400	1.88 1.88
	<b>Shri Hasmukhbhai I. Patel</b> At the beginning of the year Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc): At the End of the year	2,23,600 NIL 2,23,600	1.37 NIL 1.37		
	<b>Shri Munjal M. Patel</b> At the beginning of the year Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc): At the End of the year	4,28,000 NIL 4,28,000	2.62 NIL 2.62		
	<b>Shri Aashish R. Patel</b> At the beginning of the year Date wise changes during the year 18 <sup>th</sup> March, 2015 – purchase At the End of the year	3,29,801 2,00,000 5,29,801	2.02 1.23 3.25	5,29,801 5,29,801	3.25 3.25
	<b>Shri Arvind G. Patel</b> At the beginning of the year Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc): At the End of the year	1,11,000 NIL 1,11,000	0.68 NIL 0.68		
	<b>Shri Iswarlal A. Patel</b> At the beginning of the year Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc): At the End of the year	50,600 NIL 50,600	0.31 NIL 0.31		
	<b>Shri Pirabhai R. Suthar</b> At the beginning of the year Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc): At the End of the year	NIL NIL NIL	NIL NIL NIL		
	<b>Shri Kishor M. Shah</b> At the beginning of the year Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc): At the End of the year	4,78,400 NIL 4,78,400	2.93 NIL 2.93		

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	₹ 82,09,152	₹ 2,20,89,594		₹ 3,02,98,746
ii) Interest due but not paid	0	0		0
iii) Interest accrued but not due	0	0		0
<b>Total (i+ii+iii)</b>	<b>₹ 82,09,152</b>	<b>₹ 2,20,89,594</b>	<b>NIL</b>	<b>₹ 3,02,98,746</b>
Change in Indebtedness during the financial year				
• Addition	₹ 34,60,552	₹ 14,40,03,705		₹ 14,74,64,263
• Reduction	₹ 60,80,774	₹ 16,40,25,541		₹ 17,01,06,315
<b>Net Change</b>	<b>₹ (26,20,216)</b>	<b>₹ (2,00,21,836)</b>	<b>NIL</b>	<b>(2,26,42,052)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	₹ 55,88,936	₹ 20,67,758		₹ 76,56,694
ii) Interest due but not paid	0	0		0
iii) Interest accrued but not due	0	0		0
<b>Total (i+ii+iii)</b>	<b>₹ 55,88,936</b>	<b>₹ 20,67,758</b>	<b>NIL</b>	<b>₹ 76,56,694</b>

**6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**
**(Amount in ₹)**

S. No.	Particulars of Remuneration	Name of MD/WT/ Manager					Total Amount
		Mahendra G. Patel - MD	Rajnikant G. Patel – Jt. MD	Hasmukhbhai I. Patel – WTD	Aashish R. Patel – WTD	Munjal M. Patel – WTD	
1.	Gross salary	12,55,000	12,55,000	12,55,000	14,79,200	12,35,000	64,98,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961						
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28,800	28,800	28,800	28,800	28,800	1,44,000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others specify	NIL	NIL	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (A)</b>	<b>12,83,800</b>	<b>12,83,800</b>	<b>12,83,800</b>	<b>15,08,000</b>	<b>12,63,800</b>	<b>66,42,000</b>
	Ceiling as per the Act	1,47,72,979	1,47,72,979	1,47,72,979	1,47,72,979	1,47,72,979	1,47,72,979

**B. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Arvindbhai G. Patel	Iswaralal A. Patel	Pirabhai R. Suthar	Kishor M. Shah	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - Others, specify...	NIL	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (A)	NIL	NIL	NIL	NIL	NIL
	Ceiling as per the Act	NIL	NIL	NIL	NIL	NIL
		NIL	NIL	NIL	NIL	NIL

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	TOTAL
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	94,638* 0 0 0	NIL	94,638
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - Others, specify...	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	<b>Total</b>	NIL	94,638	NIL	94,638

\* Salary is for the part of the year.

**7. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/ compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made if any (give details)
A.COMPANY					
Penalty	NONE				
Punishment					
Compounding					
B.DIRECTORS					
Penalty	NONE				
Punishment					
Compounding					
C.OTHER OFFICERS IN DEFAULT					
Penalty	NONE				
Punishment					
Compounding					

**ANNEXURE 'VII' TO DIRECTOR'S REPORT**

**DISCLOSURE UNDER RULE 5 OF THE COMPANIES  
(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- i. **Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31<sup>st</sup> March, 2015;**

(₹ In Lacs)

Sr. No.	Director	Remuneration	Median Remuneration	Ratio
1.	Shri Mahendrabhai G. Patel	12.83 Lac	2.51 Lac	5.11%
2.	Shri Rajnikant G. Patel	12.83 Lac	2.51 Lac	5.11%
3.	Shri Hashmukhbhai I. Patel	12.83 Lac	2.51 Lac	5.11%
4.	Shri Aashish R. Patel	15.08 Lac	2.51 Lac	6.00%
5.	Shri Munjal M. Patel	12.63 Lac	2.51 Lac	5.03%

- ii. **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;**

Not Applicable

- iii. **The percentage increase in the median remuneration of employees in the financial year;**

14.82%

- iv. **The number of permanent employees on the rolls of company;**

687 Employees.

- v. **The explanation on the relationship between average increase in remuneration and company performance;**

(₹ In Lacs)

Particular	2014-15	2013-14
Total Income	22,859.79	20,991.35
Profit Before Tax	1,916.70	1,254.41
PBT as % of Total Income	8.38%	5.98%

Average increase in remuneration of employees is in line with current year's performance and it is a measure to motivate the employees for better future performance to achieve organization growth expectations.

- vi. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;**

Not Applicable

- vii. **Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;**

(₹ In Lacs)

Particulars	Unit	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014	Variation
Closing rate of share at BSE	(In ₹)	78.40	41.70	88%
EPS	(In ₹)	9.06	7.01	29.24%
Market Capitalization	In ₹/ Lacs	12,787.67	6801.60	88%
Price Earnings ratio	Ratio	8.65	5.95	45.38%

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- viii. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

The average increase in salaries of employees other than managerial personnel in 2014-15 was 36.55%. Percentage increase in the managerial remuneration for the year was NIL.

- ix. **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;**

**Performance of the company:**

(₹ In Lacs)

Particular	2014-15	2013-14
Total Income	22,859.79	20,991.35
Profit Before Tax	1,916.70	1,254.41
PBT as % of Total Income	8.38%	5.98%

**Increase in remuneration of Key Managerial Personnel:**

Not Applicable

- x. **The key parameters for any variable component of remuneration availed by the directors;**

The Whole Time Directors have not availed any Variable remuneration components.

- xi. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;**

None

- xii. **Affirmation that the remuneration is as per the remuneration policy of the company:**

It is affirmed that the remuneration paid is as per the remuneration policy of the company.

**Disclosure under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

There were no employees appointed by the Company who were in receipt of remuneration of ₹ 60 Lac or more Per Annum throughout the year and ₹ 5 Lac or more Per Month for part of the year, Hence the Disclosure under Rule 5(2) is not applicable.

**Disclosure under Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Not Applicable

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

Place : Ahmedabad  
Date : 04<sup>th</sup> August, 2015

**Mahendra G. Patel**  
(Managing Director)  
(DIN: 00104706)

**Hasmukhbhai I. Patel**  
(Whole-Time Director)  
(DIN: 00104834)

## ANNEXURE 'VIII' TO DIRECTOR'S REPORT

## REPORT ON CORPORATE GOVERNANCE

(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 Corporate Governance.**

The Company strongly 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****i) Composition:**

The Board of Directors consists of total 10 Directors. The composition of Board is compiled with requirements 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.

**ii) Board meetings:**

During the year, 6 Board Meetings were held on 24-04-2014, 30-05-2014, 14-08-2014, 14-11-2014, 29-12-2014 and 13-02-2015

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		No. of other Committee Member or Chairman	Attendance at Last AGM	No. of other Directorships
			Held	Attended			
1	Shri Kishor M. Shah	Chairman / Non-Executive / Independent	6	3	—	NO	2
2	Shri Mahendra G. Patel	M.D / Executive	6	6	Chairman-1 Member-3	YES	3
3	Shri Rajnikant G. Patel	Jt. M.D / Executive	6	6	Member-2	YES	1
4	Shri Hasmukh I. Patel	W.T.D / Executive	6	6	Member-1	YES	2
5	Shri Aashish R. Patel	W.T.D / Executive	6	2	—	N.A	1
6	Shri Munjal M. Patel	W.T.D / Executive	6	2	—	N.A	5
7	Shri Arvind G. Patel	Non-Executive / Independent	6	2	Member-1	NO	2
8	Shri Ishwarbhai A. Patel	Non-Executive / Independent	6	6	Chairman-1 Member-4	YES	3
9	Dr. Maganbhai R. Patel	Non-Executive / Independent	6	3	—	NO	1
10	Dr. Pirabhai Suthar	Non-Executive / Independent	6	4	Member-2	YES	1

- Shri Maganbhai R. Patel ceased to be a director due to death as on 23<sup>rd</sup> May, 2015.

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the period under the review.

None of the directors hold membership of board committees (Audit Committee / Nomination and Remuneration Committee) in excess of 10 and chairmanship of committees as aforesaid in excess of 5, across all the Companies (public companies) in which he is a director or member.

**iii) 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 stakeholders relationship 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 31<sup>st</sup> March, 2015 is as follows:

Name Of the Directors	Number Of Equity Shares
Shri Kishor M. Shah	NIL
Dr. Pirabhai Suthar	NIL
Shri. Ishwarbhai A. Patel	50,600
Dr. Maganbhai R. Patel	NIL
Shri. Arvind G. Patel	1,11,000

### 3) Audit Committee

#### i. Terms of Reference:

The Audit Committee discharges such functions and duties which are generally specified under the Companies Act, 2013 and related rules framed there under and clause 49 of the Listing Agreement and section 177 of the Act.

The Scope of audit committee has been revised in the board meeting held on 14<sup>th</sup> August, 2014 as per the companies act 2013 and related rules there under

#### ii. Composition, meetings held and attendance at the meetings during the year:

The Company Secretary is also Secretary to the Audit Committee. During the year, 4(Four) Committee Meetings were held on 30-05-2014, 14-08-2014, 14-11-2014, and 13-02-2015. The composition of the Audit Committee and details of attendance of members of the Committee at the meetings are as under:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Shri Ishwarbhai A. Patel	Chairman–Independent Director,	4	4
Dr. Pirabhai Suthar	Independent Director,	4	4
Shri Mahendra G. Patel	Executive Director.	4	4

The interval between two meetings convened was not more than four months.

The power and role of the Audit Committee are as per the provision of Companies Act, 2013 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.

### 4) 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.

As required under section 178 of the Companies Act, 2013, read with clause of listing agreement(s) the board has constituted the Nomination and Remuneration Committee.

#### i. Terms of reference:

The terms of reference of Nomination and Remuneration Committee inter alia, includes the following:

- a. It shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- b. It shall also formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

**ii. Composition:**

The composition of the Committee and details of attendance of the Committee members at the meetings are given as under. The Committee met on 14<sup>th</sup> November, 2014. All members of the Committee are Non-Executive & independent Directors. The Company Secretary acts as the Secretary to the Committee

Name of the Member	No. of Meetings held	No. of Meetings Attended
Shri Ishwarbhai A. Patel	1	1
Dr. Pirabhai Suthar	1	1
*Shri Maganbhai Patel	1	1
**Shri Kishor M. Shah	1	0

\* Ceased to be a member w.e.f 23<sup>rd</sup> May, 2015.

\*\* Became a member w.e.f 23<sup>rd</sup> May, 2015

**Details of remuneration for the year ended 31-03-2015.****(Amount in ₹)**

Name	Position held during the period	Salary and allowances	Perquisites	Total Remuneration
Shri Mahendra G. Patel	M.D	12,55,000	28,800	12,83,800
Shri. Rajnikant G. Patel	Jt. M.D	12,55,000	28,800	12,83,800
Shri Hasmukh I. Patel	W.T.D	12,55,000	28,800	12,83,800
Shri Aashish R. Patel	W.T.D	14,79,200	28,800	15,08,000
Shri Munjal M. Patel	W.T.D	12,35,000	28,800	12,63,800

- 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.****i. Terms of reference:**

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. The Committee also oversees the functions of the Registrar and Share Transfer Agent.

**ii. Composition**

The Stakeholders Relationship Committee consisting of four Directors:

1. Shri Arvind G. Patel,
2. Shri Mahendra G. Patel,
3. Shri Hasmukh I. Patel,
4. Shri Ishwarbhai A. Patel.

The Company Secretary acts as the Secretary to the Committee.

**6) Corporate Social Responsibility (CSR) Committee**

The terms of reference of the Corporate Social Responsibility Committee (CSR) works on to frame the CSR Policy and review it from time to time when it is necessary so as to indicate the activities to be undertaken by the Company as specified in schedule VII of the Act and Rules made thereunder and to provide guidance on various CSR activities to be undertaken by the Company.

The composition of the CSR Committee as under:

- i. Mr Mahendra G. Patel, Managing Director and member
- ii. Mr Rajnikant G. Patel, Jt. Managing Director and member
- iii. Mr Iswarlal A. Patel, Independent Director and member

**7) Independent Directors:**

As mandated by Clause 49 of Listing Agreement, the Independent Directors meets the criteria of Independence as per Clause 49 (II) B of the Listing Agreement. Formal letter of appointment has also been issued to the Independent Directors. The terms and conditions of their appointment have been posted on the website of the Company - [www.lincolnpharma.com](http://www.lincolnpharma.com)

Schedule IV of the Companies Act, 2013, inter alia, prescribes that the Independent Directors of the Company shall hold at least one meeting in a year.

During the year under review, the independent Directors met on February 13, 2015, inter alia, to discuss:

- Evaluation of performance of Non-independent Directors including chairman of the company and the Board of Directors as a whole;
- Evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.



In this meeting Shri Maganbhai R. Patel was unanimously elected as the Chairman of the Independent Directors meeting.

All the independent Directors except Shri Kishor M. Shah have attended the meeting.

## **8) Risk Management Committee**

As on 31<sup>st</sup> March, 2015 the Risk Management Committee consists of three members. The Committee met once during the financial year under review. Mr. Mahendrabhai G. Patel is the Chairman of the Committee while Mr. Rajnikant G. Patel and Mr. Ishwarlal A. Patel are the members of the Committee. The primary function of the Committee is to review the major risks identified by the Management, along with its mitigation plan, monitoring and reviewing the Company's risk management plan and to apprise the Board on risk assessment and minimization procedures.

## **9) Management Discussion and Analysis:**

### **I. Industry Structure and Developments**

The Company is primarily engaged in the business of manufacturing, marketing and Exports of Pharmaceutical products. In India Pharmaceutical Industry's continuously showing the growth rate of 20% to 22% as a industry as a whole. Looking to the Indian population, there are lot of opportunities for fast development of industries in the upcoming year also. In regulatory market the opportunities are quite open in generic products in the developing countries and lease developed country. There is lots of awareness in the R&D centres in the country's and many new molecules as well as process are developed in the countries. Inspite of the stiff competition in the country and parallel marketing of generic products, growth of sales and turn over is assured. The financial year 2014 - 2015 has remained very excellent in terms of sales and growth of the company.

### **II. Opportunities**

There are number of opportunities available before the company in terms of products as well as sales territories in India where the growth rates are very potential. The Company is focusing on the brand image of the product as well as corporate branding in the markets. There are numbers of Pharma segments available before the company, for chronic medicines as well as non covered segments as present before the company. The company has wide opportunities for trading of products for developed countries and lease developed countires, business association in the field of manufacturing as well as marketing. The company is focusing on the new market area and other many countries by way of restructuring in the existing organization. The future of the Company and its products seems to be excellent in the coming year.

### **III. Outlook**

Our Company expects to increase the market shares in the exiting markets. The company expects to increase volume in the product portfolio. The company is also expects to introduce new products launched by the efforts of R&D centre. The company is expanding its marketing structure covering all geographical area. The company is focusing on the various divisions like Pharma, Teresa and Lord's for the category of the product segment and concentrating on focused marketing by dedicated marketing teams. The Company continues to work on innovative strategies to broaden access to its medicines and strives to identify new growth opportunities to deliver strong performance.

### **IV. 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.

### **V. Internal Control Systems and their adequacy**

The Company has an adequate system of Internal Control relating to purchase of stores, raw materials, plant & machineries, equipments & various components and for the sale of goods commensurate with the size of the Company and nature of business. Company policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorized, recorded and reported correctly. Systems are regularly reviewed to ensure effectiveness.

### **VI. Financial Performance**

The financial performance of the company is remained excellent in terms total revenue and profit after Tax. The company has successfully managed the funds out of the internal accruals and less dependence of the external borrowing from Bank and others. The management expects that the financial position of the company will be stronger in the coming years due to the better prospective future of the company due to various steps taken by the Company.

### **VII. Material Developments in Human Resources / Industrial Relations**

The Pharmaceutical industry is knowledge driven, considering this aspect; we continue to build our team with high quality talent. The Company regards its employees as a great asset and accords high priority to training and development of employees.

## 10) General Body Meetings

The last three Annual General Meetings were held as under:

### Annual General Meeting:

Financial Year ended	Date	Time	Venue
31-03-2014	30-09-2014	10.30 A.M	"LINCOLN HOUSE" B/h. Satyam Complex, Science City Road, Sola, Ahmedabad - 380060
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

- During the year, the Company has not sought shareholders' approval through Postal Ballot.

## 11) Disclosures.

### A. Disclosure of Accounting Treatment

In the 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.

### B. Related Party Transactions:

All transactions entered into with Related parties as defined under the Act and clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of section 188 of the Act. There were no materially significant transactions with related parties during the financial year which were in the conflict of interest of the Company.

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company i.e. [www.lincolnpharma.com](http://www.lincolnpharma.com).

### C. Code of Conduct:

The Board of Directors has laid down a Code of Conduct applicable to all the Directors and Senior Managers of the Company. The said Code of Conduct has also been posted on the website of the Company. The code ensures prevention of dealing in shares by persons having access to the unpublished price sensitive information.

The Code of Conduct is made available on the website of the Company.

### D. Vigil Mechanism / Whistle Blower Policy:

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 and the Rules made there under and also Clause 49 of the Listing Agreement, Company established a vigil mechanism termed as Whistle Blower Policy, for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy, which also provides for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the chairman of the Audit Committee in exceptional cases.

The Vigil Mechanism / Whistle Blower Policy is devised in such a manner that would enable the stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

The Vigil Mechanism / Whistle Blower Policy is made available on the website of the Company i.e. [www.lincolnpharma.com](http://www.lincolnpharma.com).

### E. Compliance by the Company:

The Company has complied with all the mandatory requirements and adoption of the non-mandatory requirements of this clause of the Listing Agreement with the Stock Exchanges, regulations and guidelines of SEBI.

During last three years, No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets.

## 12) 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.

## 13) Means of Communication

- The Company has published its quarterly results in The Economic Times also placed on company's website.
- The Management discussion & Analysis form part of the Annual Report, which is posted to all the members of the Company.

**14) General Shareholder Information**

Date, time and venue of AGM	30.09.2015, 10.30 A.M. at the Registered office of the company.
Dates of Book Closure	From Saturday, 26.09.2015 to Wednesday 30.09.2015
Listing on Stock Exchanges	BSE Ltd. (BSE) and Ahmedabad Stock Exchange Ltd. (ASE)
Listing Fees	Company has paid fees to both Stock Exchanges as per listing agreement.
Demat Arrangement	With NSDL and CDSL
ISIN NO.	INE405C01035
Stock Exchange's Script Code	BSE Ltd.: No. 531633, Ahmedabad Stock Exchange Ltd. : No. 32428
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	<b>SHAREPRO SERVICES (INDIA) PVT. LTD.</b> 416 to 420, 4 <sup>th</sup> Floor, Dev Nandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad-380006.

**15) Financial Calendar 2015-2016 (tentative)**

Annual General Meeting	: Last week of September, 2015
Results for quarter ending June 30, 2015	: on or before 14 <sup>th</sup> August, 2015
Results for quarter ending September 30, 2015	: on or before 14 <sup>th</sup> November, 2015
Results for quarter ending December 31, 2015	: on or before 14 <sup>th</sup> February, 2016
Results for year ending March 31, 2016 (Audited)	: on or before 30 <sup>th</sup> May, 2016

**16) Listing on Stock-Exchanges**

<b>Name of the Stock-Exchanges</b>	: 1. Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 2. Ahmedabad Stock Exchange Limited Kamdheni Complex, Opp. Sahjanand College, Nr. Polytechnic, Panjarapole, Ahmedabad – 380 015.
<b>Scrip Code</b>	: 1. BSE – 531633 2. ASE - 32428
<b>Listing Fees</b>	: The Company has paid annual listing fees for the financial year 2015–16 to both the Stock Exchanges.

**17) Share price on The Bombay Stock Exchange, Mumbai.**

Sr. No.	Month	High Price (₹)	Low Price (₹)
1	April' 2014	47.90	40.35
2	May'2014	49.45	40.10
3	June'2014	46.30	39.05
4	July'2014	44.30	33.60
5	August'2014	51.95	33.70
6	September'2014	60.00	44.50
7	October'2014	53.50	42.00
8	November'2014	87.00	50.00
9	December'2014	96.90	65.30
10	January'2015	118.40	72.20
11	February'2015	115.90	76.25
12	March'2015	84.00	72.75

**18) Distribution of Shareholding as on 31<sup>st</sup> March 2015**

No. of Shares	No. of Shareholders	% of holders	No. of Shares	% of Shares
Up to 500	7,079	82.08	11,23,288	6.88
501 - 1000	836	9.69	6,96,100	4.27
1001 - 2000	323	3.75	5,17,555	3.17
2001 - 3000	113	1.31	2,90,390	1.78
3001 - 4000	56	0.65	2,03,703	1.25
4001 - 5000	44	0.51	2,14,895	1.32
5001 - 10,000	75	0.87	5,39,254	3.31
10,001 - 20,000	37	0.43	5,13,526	3.15
20,000 and above	61	0.71	1,22,12,089	74.87
<b>TOTAL</b>	<b>8,624</b>	<b>100.00</b>	<b>1,63,10,800</b>	<b>100.00</b>

**19) Shareholding Pattern as on 31<sup>st</sup> March 2015**

Sr. No.	Category	No. of Shares	(%)
1.	NRI	1,01,434	0.62
2.	Financial Institutions/Banks	1,500	0.01
3.	Mutual Funds	0	0
4.	Promoters	59,60,227	36.54
5.	Body Corporate	43,98,128	26.97
6.	Indian Public	58,28,257	35.73
7.	Others	21,254	0.13
	<b>TOTAL</b>	<b>1,63,10,800</b>	<b>100.00</b>

**20) Dematerialization of Shares, Registrar & Transfer Agent & Share Transfer System.**
**I. Share Transfer System**

The process of transfer / transmission / transposition etc. of equity shares in physical form including dispatch of the share certificates is completed within a period of 15 days if the documents are in order in all respects.

**II. Dematerialisation of shares, Registrar & Transfer system:**

The equity shares of the Company are available for dematerialization through National securities depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

There were no transfers pending as on 31<sup>st</sup> March 2015 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.

As on 31<sup>st</sup> March 2015, 98.81% of the Company's total shares representing 1,61,17,170 Shares were held in dematerialized form and the balance 1.19% representing 1,93,630 shares were in paper form.

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**III. Investors Correspondence:**

All shareholders queries are sent to the Company at its Registered office at LINCOLN HIOUSE, B/h, Satyam Complex, Science city Road, Sola, Ahmedabad - 380 060 or to the Registrar & Transfer Agent as aforementioned address.

**21) Secretarial Audit for Reconciliation of Capital:**

Pursuant to SEBI's circular dated 31<sup>st</sup> December, 2002 on Secretarial Audit, a practicing company secretary carried out the said audit for the quarter ended 30<sup>th</sup> June, 2014, 30<sup>th</sup> September, 2014, 31<sup>st</sup> December, 2014 and 31-03-2015. The Audit Report confirms that there is no discrepancy whatsoever in the issued listed and admitted capital of the Company.

**22) Outstanding GDRs / ADRs / Warrants etc.**

There is no outstanding GDRs / ADRs / Warrants as on 31<sup>st</sup> March, 2015.

**23) Certification:**

As per the requirements of Clause 49 of the Listing Agreement, a certificate duly signed, as required was duly placed at the Meeting of Board of Directors of the Company.

**24) Locations**

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

**25) Non-Mandatory Requirements:**

During the financial year 2014-15, the Company has:

- I. The Company has a Non – Executive, Independent Chairman.
- II. The company has appointed separate persons to the post of Chairman and Managing Director.

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**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 31<sup>st</sup> March, 2015.

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

**Place : Ahmedabad**  
**Date : 04<sup>th</sup> August, 2015**

**Mahendra G. Patel**  
(Managing Director)  
(DIN: 00104706)

**Hasmukhbhai I. Patel**  
(Whole-Time Director)  
(DIN: 00104834)

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**SECRETARIAL 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 2015, 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 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 RAHUL AGARWAL & ASSOCIATES  
COMPANY SECRETARIES**

**Place : Ahmedabad  
Date : 04<sup>th</sup> August, 2015**

**RAHUL AGARWAL  
ACS No. 35598  
C P No.: 13202**

## INDEPENDENT AUDITOR'S REPORT

### To The Members of Lincoln Pharmaceuticals Limited

#### Report on the Standalone Financial Statements

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

#### Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

9. As required by "the companies (Auditor's Report) Order 2015" issued by the Central Government of India in term of sub section (11) of section 143 of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us we give in an annexure the statement on the matter specified in the paragraph 3 and 4 of the order.
10. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- 
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
    - ii. The Company does did have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company during the financial year

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

Place : Ahmedabad  
 Date : 30<sup>th</sup> May, 2015

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



## Annexure to Auditors' Report

Refer to the Paragraph 9 of the independent auditor's report of even date to the members of Lincoln Pharmaceuticals Limited. On the financial statements for the year ended on 31<sup>st</sup> March 2015.

### 1. Fixed Asset

- (i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed asset. *The records are not updated since last two years.*
- (ii) The fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.

### 2. Inventory

- (i) Physical verification of inventory has been conducted at reasonable intervals by the management.
- (ii) In our opinion and according to the information and explanation given to us, the procedures of the physical verification followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (iii) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification were not material.

### 3. Unsecured Loan

The company has granted unsecured loans to companies, covered in the register maintained under section 189 of the Companies Act.

The parties have repaid the principal amount as stipulated and have been regular in the payment of interest.

There is no overdue amount of loans granted to companies, firm or other parties covered in the register maintained under section 189 of the Companies Act.

### 4. Internal Controls

*In our opinion and according to the information and explanations given to us, the control system needs to be strengthened to make it commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. We neither have come across nor are we informed of any continuing failure to correct major weakness in the internal control.*

### 5. Acceptance of Depots

The company has not accepted any deposit from the public within the meaning of section 73 to section 76 of the act and the rules made there under during the period under audit.

### 6. Costing Records

We have broadly reviewed the cost record maintained by the company under the maintenance of cost records rules specified by the Central Government under sub section (1) of section 148 of the Act, as we are of the opinion that, prima facie, the prescribed cost records have been made and maintained.

### 7. Statutory dues

- (i) *The company is regular in depositing undisputed statutory dues including sales-tax, duty of customs, duty of excise, value added tax. The company is also regular except in some cases, in depositing provident fund, employees' state insurance and any other statutory dues, TDS, wealth tax and service tax with the appropriate authorities.*
- (ii) According to the information and explanation given to us and as per the records of the company examined by us, the details of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax etc, not deposited on account of dispute are as under.

Name of Statute	Nature of dues	Amount of Demand	Amount not deposited	Financial year to which it relate	Authority/forum where the dispute is pending
Service Tax	Service Tax	12,89,227	12,89,227	2008-09	Custom, Excise & Service Tax Appellate Tribunal, Western Zonal B

- (iii) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Act and rules made there under has been transferred to such fund within time.

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**8. Cash Losses**

The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in this financial year and in the immediately preceding financial year.

**9. Default in Repayments**

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

**10. Guarantee for loans taken by others**

The company has given a guarantee on the loan obtained by its partly owned subsidiary company. According to the information and explanation given to us, we are of the opinion that the terms and condition thereof are not prima facie prejudicial to the interest of the company.

**11. Application of term loan**

Based on the information and explanations given by the management, term loans obtained by the company, were applied for the purpose for which loans were obtained.

**12. Fraud**

During the course of our examination of the books of the company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us we have neither come across to any material fraud on or by the company nor we are informed of any such cases by the management.

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

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

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2015

## BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	163,108,000	163,108,000
(b) Reserves and surplus	2	950,353,129	828,166,814
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	4,350,866	25,934,347
(b) Deferred tax liabilities (Net)	4	30,487,343	26,622,675
(c) Other Long term liabilities	5	30,229,840	29,743,404
<b>3 Current liabilities</b>			
(a) Short-term borrowings	6	476,490,346	480,121,605
(b) Trade payables		132,930,148	502,024,691
(c) Other current liabilities	7	108,158,507	125,350,099
(d) Short-term provisions	8	33,554,409	20,986,295
TOTAL		<u><u>1,929,662,589</u></u>	<u><u>2,202,057,930</u></u>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	9		
(a) Tangible assets		328,237,274	318,648,969
(b) Intangible assets		4,813,971	5,059,595
(c) Capital work-in-progress		25,463,134	23,723,263
(b) Non-current investments	10	126,367,430	112,119,200
(c) Long-term loans and advances	11	126,221,838	328,355,514
<b>2 Current assets</b>			
(a) Inventories	12	192,847,798	208,398,322
(b) Trade receivables	13	833,437,052	870,464,475
(c) Cash and Bank Balances			
Cash and Cash equivalents	14 (a)	36,113,011	45,909,934
Other Bank Balances	14 (b)	25,798,408	28,635,361
(e) Short-term loans and advances	15	230,362,672	260,743,296
TOTAL		<u><u>1,929,662,589</u></u>	<u><u>2,202,057,930</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 : Saturday, May 30, 2015  
Place : Ahmedabad

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

**M.G.Patel** (Managing Director)

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

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

Date : 30 May 2015  
Place : Ahmedabad

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2015**

Particulars	Refer Note No.	For the year ended on 31-Mar-2015	For the year ended on 31-Mar-2014
Revenue from operations	16	2,232,599,122	2,084,902,031
Other income	17	53,379,987	14,232,917
<b>Total Revenue</b>		<b>2,285,979,109</b>	<b>2,099,134,948</b>
Cost of materials consumed	18	434,974,463	412,526,464
Purchases of Stock-in-Trade	19	981,461,432	1,057,819,848
Changes in inventories of finished goods WIP and Stock-in-Trade	20	19,348,936	- 20,930,719
Employee benefits expense	21	158,543,298	135,899,636
Finance costs	22	63,474,068	53,032,995
Depreciation and amortization expense	9	29,301,362	22,793,932
Other expenses	23	407,205,294	312,551,944
<b>Total expenses</b>		<b>2,094,308,852</b>	<b>1,973,694,099</b>
<b>Profit before tax</b>		<b>191,670,257</b>	<b>125,440,849</b>
Tax expense:			
Current tax		38,525,000	26,608,002
Deferred tax		5,415,472	(15,443,604)
Total Tax Expense		43,940,472	11,164,398
<b>Profit (Loss) for the period</b>		<b>147,729,785</b>	<b>114,276,451</b>
Earnings per equity share:	24(g)		
Basic		9.06	7.01
Diluted		9.06	7.01

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 : Saturday, May 30, 2015  
Place : Ahmedabad

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

**M.G.Patel** (Managing Director)

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

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

Date : 30 May 2015  
Place : Ahmedabad

## CASH FLOWS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

Particulars	For the year ended on 31-Mar-2015	For the year ended on 31-Mar-2014
<b>Cash flow from Operations</b>		
Net Profit Before Tax & Extra-Ordinary Items.	191,670,257	125,440,849
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation & Amortization	29,301,362	23,018,932
Provision for Bad debt	14,000,000	12,000,000
Provision for Sales Return	2,229,815	8,100,000
(Profit)/loss on sale of Fixed Assets	-3,738,864	1,358,060
(Profit)/loss on sale of Non Current Investments	1,200	0
Unrealized Foreign Exchange Gain	-6,999,568	0
Expenses Reported under other activity head	59,595,303	64,339,569
Income Reported under other activity head	-25,022,397	-7,593,773
<b>Cash flow from Operating Activities Before Working Capital Changes</b>	<b>261,037,108</b>	<b>226,663,637</b>
<b>Changes in current assets &amp; current liability</b>		
(Increase)/ Decrease in Trade receivables	39,257,239	-153,023,534
(Increase)/ Decrease in loans & advances	222,901,454	-12,425,898
(Increase)/ Decrease in Inventory	15,550,524	-33,229,044
Increase/ (Decrease) in Trade Payables	-369,094,543	64,471,611
Increase/ (Decrease) in Other Long term Liability	-19,535,399	0
Increase/ (Decrease) in Other Current liability	-27,284,349	25,485,205
<b>Net cash from operating activities of Continuing operations</b>	<b>122,832,033</b>	<b>117,941,977</b>
Tax Paid	34,643,919	25,939,230
<b>Net cash from operations- (A)</b>	<b>88,188,114</b>	<b>92,002,747</b>
<b>Cash flow from Investing Activities</b>		
Payments for property & equipments	-37,242,453	-14,705,191
Sale of Property & Equipment	1,012,000	726,241
Sale of Other Investment	4,037,331	33,785,510
Investment In Shares of Subsidiary Company	-14,249,430	0
Dividend Received	2,064	4,128
Interest Received	885,059	7,589,645
<b>Net cash from Investing Activities- (B)</b>	<b>-45,555,429</b>	<b>27,400,333</b>
<b>Cash flow from Financing Activities</b>		
Increase/ (Decrease) in Borrowings	-1,561,645	-104,607,596
Dividend Paid (Including Dividend Distribution Tax)	-11,449,692	-11,449,692
Interest Paid	-39,418,271	-52,889,877
<b>Net cash from Financing Activities-('C)</b>	<b>-52,429,608</b>	<b>-168,947,165</b>
<b>Net Increase / (decrease) in cash &amp; cash equivalents- A+B+C</b>	<b>-9,796,923</b>	<b>-49,544,085</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>45,909,934</b>	<b>95,454,019</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>36,113,011</b>	<b>45,909,934</b>
<b>Net Increase / (decrease) in cash &amp; cash equivalents</b>	<b>-9,796,923</b>	<b>-49,544,085</b>

### Notes to Cash Flow Statements

- All Figures with negative sign are outflows.
- The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statement
- Cash and Cash Equivalents included in Cash Flow Statement comprise of Following

#### **Cash & Bank Balances**

Balances With Banks

Cash On Hand

#### **Other Bank Balances**

Bank Balances Earmarked For Dividend

#### **Cash & Cash Equivalent As Restated in Cash Flow Statement**

- |   |   |                   |                   |
|---|---|-------------------|-------------------|
| 4 | Cash and Cash Equivalents at the end (beginning) of the period include Bank Balances which are earmarked for Dividend ₹ 1,440,491 (1,472,637) hence not available for use of Company. | 33,596,164        | 38,542,634        |
|   |   | 1,076,356         | 5,894,664         |
|   |   | 1,440,491         | 1,472,637         |
|   |   | <b>36,113,011</b> | <b>45,909,934</b> |

As per our report of even date

For **Chandulal M Shah & Co.**

Chartered Accountants

[FRN NO. 101698W]

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

**M.G.Patel** (Managing Director)

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

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

**B.M. Zinzuvadia**

Partner

Mem No. 109606

Date : Saturday, May 30, 2015

Place : Ahmedabad

Date : 30 May 2015

Place : Ahmedabad

## Statement of significant accounting policies

### 1. Corporate Information

The Lincoln Pharmaceuticals Limited ('the Company') is a listed company, incorporated under the provisions of the Companies Act 1956, having its registered office in the State of Gujarat, India. The shares of the company are listed on BSE and ASE. The company is engaged in the business of manufacturing and trading of pharmaceutical products. The company has two subsidiary companies, namely, Zullinc Healthcare Limited a wholly owned subsidiary company engaged in the business of pharmaceutical products and Lincoln Parenteral Limited, partially owned subsidiary company engaged in the business of pharmaceutical products.

### 2. Basis of Preparation:

These financial statements are prepared on accrual basis of accounting, following historical cost convention, in accordance with the provisions of the Companies Act, 2013 ('the Act'), accounting principles generally accepted in India and comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

### 3. Presentation and disclosure of financial statements

The accounts are presented in accordance with the revised Schedule III notified under the Act.

### 4. 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.

### 5. 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.

### 6. Depreciation

Depreciation on fixed assets is provided on straight line method at the rates derived based on the life specified under Schedule II to the Companies Act, 2013. In respect of fixed assets purchased during the period, depreciation is provided on a pro-rata basis from the date on which such asset is ready to be put to use.

Individual assets costing less than Rs.5,000 are fully depreciated in the year of capitalization.

### 7. Leases

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised. The company has entered into finance lease agreements for computer Equipments & Software, vehicle hire etc.

A leased asset is depreciated on straight-line basis over the useful life of the asset or the useful life prescribed in Schedule II to the Act, whichever is shorter. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the leased asset is depreciated on straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life prescribed in Schedule II to the Act.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis

over the lease term. These agreements are cancellable by giving a short notice by either of the parties to the agreement. There are no subleases. There are no restrictions imposed by lease agreement/arrangements.

#### **8. 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.

#### **9. 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.

#### **10. 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

#### **11. 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.

#### **12. 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.

#### **13. 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.

## **14. 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.

## **15. 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.

## **16. 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.

## **17. 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.

## **18. Segment Reporting**

The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers.

## **19. Cash Flow Statement**

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statement and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the cash flow statement consist of cash on hand and short-term investments with an original maturity of three months or less.



## NOTES TO FINANCIAL STATEMENTS

### 1) Share Capital

#### a. Details of Share Capital

Share Capital	As at 31-Mar-2015		As at 31-Mar-2014	
	Number	₹	Number	₹
<b>Authorized</b>				
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
<b>Issued, Subscribed &amp; Paid up</b>				
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
<b>Total</b>	<b>16,310,800</b>	<b>163,108,000</b>	<b>16,310,800</b>	<b>163,108,000</b>

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

Particulars	As at 31-Mar-2015		As at 31-Mar-2014	
	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	<b>16,310,800</b>	<b>163,108,000</b>	<b>16,310,800</b>	<b>163,108,000</b>

#### c. Share holding details of the company As at 31-Mar-2015 and name of persons holding more than 5% shares.

Name of Shareholder/Company	No. of Shares held	
	As at 31-Mar-2015	As at 31-Mar-2014
<b>Names of person holding more than 5% shares</b>		
Advent Tradelink Pvt. Ltd.	1,000,700	1,869,000
Digital Biotech Pvt. Ltd.	2,100,000	2,100,000
Vraj Dyes and Drugs Pvt. Ltd.	868,911	1,846,460
<b>Total</b>	<b>3,969,611</b>	<b>5,815,460</b>

- 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 through disinvestment by promoters of their quota in the equity.

**2) Reserves & Surplus**

<b>Reserves &amp; Surplus</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
<b>Capital Reserves</b>		
Opening Balance	3,500,000	3,500,000
Closing Balance	3,500,000	3,500,000
<b>General Reserve</b>		
Opening Balance	49,121,600	44,121,600
(+) Current Year Transfer	5,000,000	5,000,000
Closing Balance	54,121,600	49,121,600
<b>Securities Premium Account</b>		
Opening Balance	380,544,000	380,544,000
Closing Balance	380,544,000	380,544,000
<b>Surplus</b>		
Opening balance	395,001,214	297,174,455
(+) Net Profit/(Net Loss) For the current year	147,729,785	114,276,451
(-) Reduction In Carrying Value of Fixed Assets (Net Of Tax) As Per Schedule II of Companies Act 2013	5,848,071	—
(-) Proposed Dividends	16,310,800	9,786,480
(-) Dividend Tax	3,384,599	1,663,212
(-) Transfer to Reserves	5,000,000	5,000,000
Closing Balance	512,187,529	395,001,214
<b>Total</b>	<b>950,353,129</b>	<b>828,166,814</b>

**3) Long term borrowings**
**a. Secured Long term Borrowings**

<b>Long Term Borrowings</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
<b>Term loans</b>		
From Other	2,283,108	3,844,753
<b>Secured Long Term Borrowings</b>	<b>2,283,108</b>	<b>3,844,753</b>

**b. Unsecured Long term Borrowings**

<b>Long Term Borrowings</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
<b>Long term loans</b>		
from other parties	2,067,758	4,279,955
From Related parties	—	17,809,639
<b>Unsecured Long Term Borrowings</b>	<b>2,067,758</b>	<b>22,089,594</b>

- 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 12 to 36 months. These loans are secured against the asset under finance.


**4) Deferred Tax Liability**

## a. Details of the deferred tax liability

Particulars	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
<b>Deferred tax liability</b>		
Depreciation	32,038,147	26,622,675
<b>Total DTL</b>	<b>32,038,147</b>	<b>26,622,675</b>
<b>Deferred tax asset</b>		
Deferred Tax on account of reduction of carrying value of fixed assets charge to opening balance of retain earnings.	1,550,804	—
<b>Total DTA</b>	<b>1,550,804</b>	<b>—</b>
<b>Net Deferred Tax Liability</b>	<b>30,487,343</b>	<b>26,622,675</b>

b. Policy relating to accounting of deferred tax liability is disclosed at Note No 13 to the notes on significant accounting policy.

**5) Other long term Liabilities**

Other Long Term Liabilities	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
Securities Trade Deposits From Customers	30,229,840	29,733,404
Security Deposits From Employee	—	10,000
<b>Total</b>	<b>30,229,840</b>	<b>29,743,404</b>

**6) Short term Borrowing**

## a. Secured Short term Borrowings

Short Term Borrowings	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
<b>Loans repayable on demand</b>		
from banks	392,650,292	403,677,264
<b>Total</b>	<b>392,650,292</b>	<b>403,677,264</b>

## b. Unsecured Short term Borrowings

Short Term Borrowings	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
<b>Loans repayable on demand</b>		
from banks	83,840,053	76,444,341
<b>Total</b>	<b>83,840,053</b>	<b>76,444,341</b>

c. The demand loans from 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-2015 ₹	As at 31-Mar-2014 ₹
Current maturities of long-term debt	3,305,828	4,364,399
Other payables		
Expense payable	57,465,404	48,555,302
Statutory Liabilities	4,838,266	16,915,217
Other Current Liability	42,549,010	55,515,180
<b>Total</b>	<b>108,158,507</b>	<b>125,350,099</b>

**8) Short term provisions**
**a Details of short term provisions**

<b>Short Term Provisions</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
Income Tax Provision (Net of Advance tax)	3,500,786	1,436,603
Provision for Sales goods return	10,329,815	8,100,000
Proposed Dividend and Dividend Tax	19,723,808	11,449,692
<b>Total</b>	<b>33,554,409</b>	<b>20,986,295</b>

**9) Fixed Assets**
**a. Fixed Asset Details**

<b>Sr.</b>	<b>Fixed Assets</b>	<b>Gross Block</b>			<b>Accumulated Depreciation</b>				<b>Net Block</b>	
	<b>As at 31-Mar-2014 ₹</b>	<b>Additions during the year ₹</b>	<b>Adjustment ₹</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>	<b>Depreciation charge for the year ₹</b>	<b>Adjustment during the year ₹</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
<b>a</b>	<b>Tangible Assets</b>									
	Land	75,930,613	—	—	75,930,613	—	—	—	75,930,613	75,930,613
	Leased Hold Land	675,000	—	—	675,000	—	—	—	675,000	675,000
	Buildings	124,935,498	—	—	124,935,498	25,756,895	3,580,688	- 24,284	29,313,299	95,622,199
	Plant and Equipment	166,876,810	26,000,879	—	192,877,689	60,643,099	9,240,662	4,109,840	73,993,601	118,884,088
	Furniture and Fixtures	20,652,594	3,102,025	—	23,754,619	11,469,767	1,836,710	- 2,548,890	10,757,587	12,997,032
	Vehicles	26,549,806	4,941,415	2,702,951	28,788,270	11,591,930	4,250,325	- 2,289,803	13,552,452	15,235,818
	Office equipment	7,022,932	381,149	—	7,404,081	1,744,105	4,569,312	129,799	6,443,216	960,865
	Electrical Installation	8,378,194	2,034,864	—	10,413,058	5,194,303	322,154	1,271,179	6,787,636	3,625,422
	Computers	21,255,880	3,085,411	—	24,341,291	17,228,259	1,845,049	961,746	20,035,054	4,306,237
	<b>Total</b>	<b>452,277,327</b>	<b>39,545,743</b>	<b>2,702,951</b>	<b>489,120,119</b>	<b>133,628,358</b>	<b>25,644,900</b>	<b>1,609,587</b>	<b>160,882,845</b>	<b>328,237,274</b>
	Previous Year	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
<b>b</b>	<b>Intangible Assets</b>									
	Computer software	16,920,532	3,410,838	—	20,331,370	11,860,937	3,656,462	—	15,517,399	4,813,971
	<b>Total</b>	<b>16,920,532</b>	<b>3,410,838</b>	<b>—</b>	<b>20,331,370</b>	<b>11,860,937</b>	<b>3,656,462</b>	<b>—</b>	<b>15,517,399</b>	<b>4,813,971</b>
	Previous Year	16,422,443	498,089	—	16,920,532	8,529,503	3,331,434	—	11,860,937	5,059,595
	<b>Total</b>	<b>469,197,859</b>	<b>42,956,581</b>	<b>2,702,951</b>	<b>509,451,489</b>	<b>145,489,295</b>	<b>29,301,362</b>	<b>1,609,587</b>	<b>176,400,244</b>	<b>333,051,245</b>
<b>c</b>	<b>Capital Work In Progress</b>									
		23,723,263	8,131,364	6,391,493	25,463,134	—	—	—	—	25,463,134
	<b>Total</b>	<b>23,723,263</b>	<b>8,131,364</b>	<b>6,391,493</b>	<b>25,463,134</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>25,463,134</b>
	Previous Year	23,723,263	—	—	23,723,263	—	—	—	—	23,723,263
	<b>Total</b>	<b>492,921,122</b>	<b>51,087,945</b>	<b>9,094,444</b>	<b>534,914,623</b>	<b>145,489,295</b>	<b>29,301,362</b>	<b>1,609,587</b>	<b>176,400,244</b>	<b>358,514,379</b>
	Previous Year figures	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

**NOTES**

- Pursuant to the Companies Act, 2013 ('the Act'), becoming effective from 1st April, 2014, the Company has reworked depreciation with reference to the estimated useful life of fixed assets prescribed under Schedule II to the Act.
- Based on transitional provision in Note7(b) of Schedule II to the Act, an amount of ₹ 5,848,071/- (net of deferred tax of ₹ 1,550,804/-) has been adjusted against the retained earnings.
- Policy relating to accounting of fixed assets & Depreciation is disclosed at Note No 5 & 6 respectively to the notes on significant accounting policy.

**10) Non Current Investments**
**a. Summarized information of investments**

<b>Particulars</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
<b>Other Investments</b>		
Investment in Equity instruments of other companies	8,000	9,200
Investment in equity instruments of Subsidiary companies	126,349,430	112,100,000
Other Investments	10,000	10,000
<b>Total</b>	<b>126,367,430</b>	<b>112,119,200</b>

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

Aggregate of Quoted Investment	—	—
Aggregate of Unquoted Investment	126,367,430	112,119,200
Market Value of Quoted Investment	—	—



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**10) Non Current Investments [Contd...]**

c Extent of investment in subsidiary companies

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Lincoln Parenteral Limited	70.08%	62.00%
Zulinc Healthcare Limited	100.00%	100.00%

d Policy relating to accounting of investments is disclosed at Para no 14 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
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14		
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	10	10	—	200	Yes	NA
	Naroda Industrial Co Operative Bank Limited	—	40	25	25	—	1,000	Yes	NA
	<b>Total</b>					<b>8,000</b>	<b>9,200</b>		
b	Investment in Subsidiary Companies								
	Lincoln Parenteral Limited	7,149,962	6,200,000	10	10	125,849,430	111,600,000	Yes	NA
	Zulinc Healthcare Limited	50,000	50,000	10	10	500,000	500,000	Yes	NA
	<b>Total</b>					<b>126,349,430</b>	<b>112,100,000</b>		
	<b>Investment in Equity Instruments</b>					<b>126,357,430</b>	<b>112,109,200</b>		
c	Other Investments								
	N.S.C. A/C.					10,000	10,000	Yes	NA
	<b>Other non-current investments</b>					<b>10,000</b>	<b>10,000</b>		
	<b>Total</b>					<b>126,367,430</b>	<b>112,119,200</b>		

**11) Long Term Loans and Advances**

a Details of Long Term Loans and Advances

Long Term Loans and Advances	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
<b>Capital Advances</b>		
Unsecured, considered good	7,215,767	2,496,875
<b>Total</b>	<b>7,215,767</b>	<b>2,496,875</b>
<b>Security Deposits</b>		
Unsecured, considered good	7,804,291	21,255,359
<b>Total</b>	<b>7,804,291</b>	<b>21,255,359</b>
<b>Inter Corporate Deposits</b>		
Unsecured, considered good	36,900,000	248,303,929
<b>Total</b>	<b>36,900,000</b>	<b>248,303,929</b>
<b>Loans and Advance to Other Parties</b>		
Unsecured, considered good	74,301,780	56,299,351
<b>Total</b>	<b>74,301,780</b>	<b>56,299,351</b>
<b>Grand Total</b>	<b>126,221,838</b>	<b>328,355,514</b>

**12) Inventories**

<b>Inventories</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
Raw Material	40,715,842	33,588,607
Packing Material	15,400,186	18,729,009
Work In Progress	14,975,024	16,716,461
Finished Goods	121,756,746	139,364,245
<b>Total</b>	<b>192,847,798</b>	<b>208,398,322</b>

Policy relating to accounting of inventory is disclosed at Note no 9 to the notes on significant accounting policy.

**13) Trade Receivable**

<b>Trade Receivables</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
<b>Outstanding for a period not exceeding six months from the date they are due</b>		
Unsecured, considered good	696,799,173	633,989,833
Net of provision	696,799,173	633,989,833
<b>Outstanding for a period exceeding six months from the date they are due</b>		
Unsecured, considered good	136,637,879	236,474,642
Unsecured, considered doubtful	3,304,136	12,049,642
	139,942,015	248,524,284
Less: Provision for doubtful debts	3,304,136	12,049,642
Total Provisions	3,304,136	12,049,642
<b>Total</b>	<b>833,437,052</b>	<b>870,464,475</b>

Note: As against doubtful debt of ₹ 33.05 lacs (Last Year 120.49 Lacs), the company has provided ₹ 33.05 Lacs (Last year 120.49 lacs).

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

<b>Cash and cash equivalents</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
Balances with banks	33,596,164	38,542,634
Cash on hand	1,076,356	5,894,664
Bank Balances Earmarked for Dividend	1,440,491	1,472,637
<b>Total</b>	<b>36,113,011</b>	<b>45,909,934</b>

**b. Other Cash Balance**

<b>Other Cash Balance</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
Margin money	9,795,175	9,106,372
Bank deposits with more than 12 months maturity	16,003,233	19,528,989
<b>Total</b>	<b>25,798,408</b>	<b>28,635,361</b>

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

<b>Short-term loans and advances</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
<b>Inter Corporate Deposits</b>		
Unsecured, considered good	—	29,552,780
<b>Security Trade Deposits</b>		
Unsecured, considered good	40,000,000	105,068,741
<b>Advances For Goods</b>		
Unsecured, considered good	106,878,146	42,646,715
<b>Loans and advance to other parties</b>		
Unsecured, considered good	26,934,384	33,534,533
<b>Balance With Government Authorities</b>		
Unsecured, considered good	56,550,142	49,940,527
<b>Total</b>	<b>230,362,672</b>	<b>260,743,296</b>



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### 16) Revenue

#### a. Details of revenue

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
Sale of products (Inclusive Excise Duty)	2,214,262,018	2,073,225,403
Sale of services	7,017,181	7,774,181
Other operating revenues	48,200,031	37,093,875
total	2,269,479,230	2,118,093,459
Less: Excise duty	36,880,108	33,191,428
<b>Total</b>	<b>2,232,599,122</b>	<b>2,084,902,031</b>

#### b. Policy relating to accounting of revenue is disclosed at Note no 12 to the notes relating to disclosure of significant accounting policy.

## 17) Other Income

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
Interest income	25,020,333	7,589,645
Net gain/loss on sale of Assets	4,207,024	—
subsidy income	—	1,936,408
Dividend Income	2,064	4,128
Exchange Rate Difference	18,121,827	—
Prior Period Income	4,594,210	—
Scrape Sales	33,460	—
Other Miscellenious Income	723,568	256,048
Training income	677,500	462,868
Bad Debt recovery	—	3,983,820
<b>Total</b>	<b>53,379,987</b>	<b>14,232,917</b>

## 18) Cost of Material Consumed

#### a. Details of Material consumption under broad heads

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
<b>Raw Material</b>		
Stock at the beginning of the financial year	33,588,607	23,900,351
Purchase during the year	308,779,389	301,559,528
Other direct purchase costs	4,933,790	8,347,728
Total	347,301,786	333,807,607
Stock at the end of the financial year	40,715,842	33,588,607
<i>Cost of Consumption of Raw Material</i>	306,585,944	300,218,999
<b>Packing Materials</b>		
Stock at the beginning of the financial year	18,729,009	16,076,629
Purchase during the year	123,092,872	107,438,512
Other direct purchase costs	1,966,823	7,521,333
Total	143,788,704	131,036,474
Stock at the end of the financial year	15,400,186	18,729,009
<i>Cost of Consumption of Packing Materials</i>	128,388,518	112,307,465
<b>Total consumption of Raw Material</b>	<b>434,974,463</b>	<b>412,526,464</b>

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

b. Details of Material consumed under broad heads

Sr.	MATERIAL NAME	For the year ended on 31-03-2015	For the year ended on 31-03-2014
1	PARACETAMOL B.P. / I.P.	77,640,467	57,611,235
2	CEFTRIAXONE SODIUM STER	14,260,419	8,257,006
3	ALPHA.BETA.ARTEETHER	9,237,474	10,671,385
4	DICLOFENAC SODIUM B.P. / I.P.	6,604,614	8,415,579
5	CIPROFLOXACIN HCL EQ. CIPROFLOXACIN BP.	4,232,778	12,227,500
6	ARTEMETHER	4,527,835	115,999
7	MENTHOL ( CRYSTAL)	2,698,811	3,784,050
8	IBUPROFEN B.P.	26,804,690	10,934,701
9	CEFIXIME (TRIHYDRATE) USP	4,192,500	4,644,350
10	AZITHROMYCIN I.P & U.S.P.	5,308,058	6,750,876
11	ARTESUNATE (STERILE POWDER)	512,227	668,868
12	OTHER	278,954,591	288,444,916
<b>Total</b>		<b>434,974,463</b>	<b>412,526,464</b>

**19) Purchase of Trading Stock**

a. Details of Purchase of Trading Stock

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
<b>Purchase of Stock In Trade</b>		
Purchase during the year	981,461,432	1,057,819,848
<i>Purchase of Stock In Trade</i>	<b>981,461,432</b>	<b>1,057,819,848</b>

b. Details of purchase of trading stock under braod head

PRODUCT	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
<b>TRADING</b>		
TABLETS	341,925,464	182,270,445
CAPSULES	73,986,638	29,565,219
CREAM IN TUBES	27,457,325	16,327,260
DRY POWDER INJECTION	101,361,226	65,792,024
LIQUID IN BOTT.	205,168,307	136,221,281
LIQUID INJECTION	231,562,472	112,985,526
CHEMICAL	—	514,658,093
<b>TOTAL</b>	<b>981,461,432</b>	<b>1,057,819,848</b>





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

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
<b>Trading Goods</b>		
Stock at the Beginning of the financial year	81,557,299	64,437,268
Stock at the End of the financial year	74,834,276	81,557,299
<i>Trading Goods</i>	6,723,023	– 17,120,031
<b>Finished Goods</b>		
Stock at the Beginning of the financial year	57,849,258	54,882,007
Stock at the End of the financial year	46,964,782	57,849,258
<i>Finished Goods</i>	10,884,476	– 2,967,251
<b>Work in Progress</b>		
WIP at the Beginning of the financial year	16,716,461	15,873,024
WIP at the End of the financial year	14,975,024	16,716,461
<i>Work in Progress</i>	1,741,437	– 843,437
<b>Summary</b>		
Inventory at the Beginning of the financial year	156,123,018	135,192,299
Inventory at the End of the financial year	136,774,082	156,123,018
Change in inventory	<b>19,348,936</b>	<b>– 20,930,719</b>

**21) Employee benefits expense**

a) Employee Benefits Expense	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
Personnel Expenses	149,987,414	129,790,458
Contribution to Staff Welfare Fund	5,201,954	3,563,689
Staff welfare expenses	3,353,930	2,545,489
<b>Total</b>	<b>158,543,298</b>	<b>135,899,636</b>

b) Policy relating to accounting of employee benefit expnse is disclosed at note no 10 relating to disclosure of significant accounting policy.

c) Details of Employee Benefits

a) Expense Recognized during the year

Particulars	2014-15	2013-14
Current service cost	462,650	475,023
Interest on obligation	480,857	419,929
Expected return on plan assets	(503,424)	(498,670)
Net actuarial losses (gains) recognized in year	(120,118)	(376,020)
<b>Total</b>	<b>319,965</b>	<b>20,262</b>

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

Particulars	2014-15	2013-14
Opening defined benefit obligation	5,164,955	5,090,048
Service cost	462,650	419,929
Interest cost	480,857	475,023
Actuarial losses (gains)- Due to change in Financial Assumptions	341,769	(395,199)
Actuarial losses (gains)- Due to Experience	(728,745)	(424,846)
Closing Defined Benefit Obligation	5,721,486	5,164,955

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

Particulars	2014-15	2013-14
Opening fair value of plan assets	5,786,479	5,731,834
Expected return	503,424	498,670
Actuarial (losses) gains- Due to Experience	(266,858)	(19,179)
Contributions by employer	37,164	—
Benefits paid	—	(424,846)
Closing balance of fair value of plan assets	6,060,209	5,786,479

**d) Liability recognized in the financial statement**

Particulars	2014-15	2013-14
Opening fair value of plan assets	5,786,479	5,731,834
Expected return	503,424	498,670
<b>Liability(Asset) recognized in financial statement</b>	<b>5,283,055</b>	<b>5,233,164</b>

**e) Actuarial Assumptions**

Particulars	2014-15	2013-14
Indian Assured Lives Mortality(2006-08) Ultimate	(2006-08)	(2006-08)
Discounted rate Per Annum	7.94%	9.31%
Expected Return on Plan Assets (Per Annum)	7.94%	8.70%
Future Salary Growth (Per Annum)	6.50%	6.50%
Attrition Rate	2.00%	2.00%
Retirement Age	58 Years	58 Years

**f) Employee Benefit Disclosure**

Particulars	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Defined benefit obligation	5,721,486	5,164,955	5,090,048	5,074,830	5,272,813
Plan asset	6,060,209	5,786,479	5,731,834	5,095,306	3,814,059
Surplus/(Deficit) or Asset (Liability)	338,723	621,524	641,786	20,476	(1,458,754)
Experience adjustments on plan liabilities (Gain)/Loss	(728,745)	(424,846)	(14,135)	(140,282)	(244,858)
Experience adjustments on plan asset (loss)/ Gain	(266,858)	(19,179)	45,012	37,777	(14,521)

**22) Finance Cost**

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
Interest expense	58,043,277	44,375,952
Bank Commission	5,430,791	8,657,042
<b>Total</b>	<b>63,474,068</b>	<b>53,032,995</b>



## LINCOLN

### 23) Other Expenses

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
<b>Manufacturing Expenses</b>		
Power and Fuel	23,668,869	15,602,213
Labour Charges	49,891,384	27,264,785
Laboratory goods & Testing Charges	9,546,850	9,073,509
<b>FACTORY EXPENSES</b>		
Consumption Of Stores And Spares	3,389,128	773,056
Electrical Expense	1,957,473	864,310
Factory Expenses	3,758,355	1,766,852
Inspection Fees	229,981	103,300
Licence Fee & Registration Expense	1,600	748,451
Loading & Unloading Charges	263,577	68,323
Maintainance & Repairs Exp. A/c	4,074,107	2,359,367
Machinery & Spares Tools	3,733,025	3,566,990
Machinery Repairs & Maintenance	1,489,007	1,160,706
Polution Control Exp.	—	112,500
Service Charges A/c	3,396	11,100
Research & Development Exp.	—	250,000
Total Manufacturing Expenses	102,006,752	63,725,463
<b>Administrative Expenses</b>		
Audit Fee	1,200,000	900,000
Computer Exps	1,540,940	1,347,053
Conveyance & Vehicle Exps.	2,492,423	2,666,448
Donation	77,401	840,552
Insurance	569,676	1,454,893
Legal and Registration Exps.	13,629,362	10,580,871
Office Exps.	3,651,100	1,709,540
Post & Telephone Exps.	3,403,670	4,366,408
Professional & Consulting Fees	11,617,492	8,933,048
Rent,Rate & Taxes	26,051,040	9,831,104
Repairs & Maintanance	3,105,441	3,376,789
Security Expenses	2,600,228	3,769,548
Other Expenses	5,587,523	1,064,776
Stationery, Printing & Xerox	2,890,158	2,566,484
Prior Period Expenses	3,414,796	3,670,188
Loss On Sales Of Assets	468,160	1,358,060
Loss On Sales Of Export Licence	1,832,758	292,643
CSR Exps.	1,750,000	—
Total Administrative Expenses	85,882,168	58,728,405
<b>Selling and Distribution Expenses</b>		
Travelling Expenses	112,230,995	90,827,193
Transportation Expenses	14,186,334	9,727,583
Advertisement Expenses	1,467,558	721,278
Sales Promotion & Marketing Expenses	51,366,961	52,969,813
Exchange Rate Difference	—	3,164,678
Sales Commission	26,064,525	20,687,531
Provision for Bad and Doubtful debt	14,000,000	12,000,000
Total Selling and Distribution Expenses	219,316,374	190,098,076
<b>Total Other Expenses</b>	<b>407,205,294</b>	<b>312,551,944</b>

### 23a CSR EXPENSE

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
Gross amount required to be spent by the company during the year.	1,747,132	Nil
<b>Amount spent during the year on</b>		
Construction/acquisition of any asset		
In Cash	Nil	Nil
Yet to be paid	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
On purposes other than above		
In Cash	1,525,000	Nil
Yet to be paid	2,22,132	Nil
<b>Total</b>	<b>1,747,132</b>	<b>Nil</b>

**24 Other details to Balance Sheet**

- a The Board of Directors has proposed a dividend of ₹ 1,63,10,800/- to be distributed to equity share holders at the rate of ₹ 1.00 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-2015 ₹	For the year ended on 31-Mar-2014 ₹
Audit Fee	600,000	600,000
Taxation Work	300,000	300,000
For management services	300,000	—
<b>Total</b>	<b>1,200,000</b>	<b>900,000</b>

- f Details of Prior period Items

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
Purchase Exp.	52,424	605,310
Other Revenue Expenses	1,594,944	388,798
Selling and Distribution Expenses	1,767,428	2,676,080
<b>Total</b>	<b>3,414,796</b>	<b>3,670,188</b>

- g Earnings per share

Particulars		For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
<b>Basic</b>			
Profit attributable to equity shareholders	₹	147,729,785	114,276,451
Nominal Value of equity share	₹	10	10
Weighted average number of ordinary equity shares for Basic EPS	No.	16,310,800	16,310,800
<b>Basic EPS</b>	₹	9.06	7.01
<b>Diluted</b>			
Profit attributable to equity shareholders	₹	147,729,785	114,276,451
Add : interest/dividend on convertible instruments	₹	—	—
Profit after tax for Diluted EPS	₹	147,729,785	114,276,451
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
<b>Diluted EPS</b>		9.06	7.01

#### h CIF Value of Import

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
Raw Materials	86,841,335	136,047,917
<b>Total</b>	<b>86,841,335</b>	<b>136,047,917</b>

#### i. Earnings in foreign currency

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
Export of goods calculated on F.O.B. basis;	640,381,963	694,079,853
<b>Total</b>	<b>640,381,963</b>	<b>694,079,853</b>

#### j. Expenditure in foreign currency

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
Product Registration and related expenses	7,989,570	8,537,888
<b>Total</b>	<b>7,989,570</b>	<b>8,537,888</b>

#### 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.
2	Guarantee on Bank Loan to Subsidiary Company ₹ 14.00 Cr. as on 31/03/2015			

#### l Details of Material amount of Capital Commitments

1	Name Of Supplier	Suzlon Energy Ltd
2	Name of Asset	Wind Mill
3	Gross Value of Asset Sought to be Installed (Approx)	₹ 135,000,000
4	Advance Paid During FY 14-15	₹ 5,100,000
5	Capital Commitment as on 31.03.2015 (Approx)	₹ 129,900,000

#### m Movement in Provision

Particulars	Provision for Sale goods Return For the year ended on 31-Mar-2015 ₹	Provision for Sale goods Return For the year ended on 31-Mar-2014 ₹	Provision for Doubtful Debt For the year ended on 31-Mar-2015 ₹	Provision for Doubtful Debt For the year ended on 31-Mar-2014 ₹
Opening Balance	8,100,000	NIL	12,049,642	49,642
Add : Provision made during year	44,099,298	8,100,000	14,000,000	12,000,000
Less : Provision utilised	41,869,483	—	22,745,506	—
Closing Balance	10,329,815	8,100,000	3,304,136	12,049,642

**n Details of Interest Paid For Finance Lease Agreements**

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
For Purchase of Computer Equipment, Software & Vehicles	820,321	688,200

**o 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	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	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	
			2014-15	2013-14
1	Lincoln Parenteral Limited	Purchase	160,165,676	239,394,314
		Sales	82,211,064	15,255,487
		Security Trade Deposit Given	40,000,000	—
		Loan Repaid	183,412,359	87,205
2	Avis Travels	Travelling Expenses	4,600,642	4,658,549
3	Downtown Travels Pvt. Ltd.	Travelling Expenses	943,148	1,217,549
		Loan Repaid	1,359,434	348,243
4	Downtown Finance Pvt. Ltd.	Interest Expenses	900,000	900,000
		Advance Taken (Bill Discounting)	2,224,688	—
		Loan Repaid	19,936,220	318,220
5	Sunmed corporation Pvt. Ltd	Paid for service	—	216,790
		Interest Expenses	—	162,011
		Purchase	49,559,574	17,903,804
		Loan Repaid	3,162,217	—
6	Zullinc Healthcare Limited	Loan Given	34,200,000	216,761
		Interest Income	3,000,000	—
		Repayment Received	166,113,493	—
7	Mahendra G. Patel	Remuneration	1,283,800	1,235,000
8	Rajnikant G. Patel	Remuneration	1,283,800	1,235,000
9	Hasmukh I. Patel	Remuneration	1,283,800	1,235,000
10	Munjal M. Patel	Remuneration	1,263,800	—
11	Ashish R. Patel	Remuneration	1,508,000	—

c) Details of Closing Balances

Sr.	Name of party	As at	As at
		31-Mar-2015	31-Mar-2014
1	Lincoln Parenteral Limited Trading A/c	2,624,033	183,412,359
2	Lincoln Parenteral Limited- Security Trade Deposit	40,000,000	—
3	Avis Travels	– 70,619	– 855,496
4	Downtown Travels Pvt. Ltd.	1,231,003	1,057,067
5	Downtown Finance Pvt. Ltd.	– 2,224,688	– 9,619,560
6	Sunmed corporation Pvt. Ltd Loan A/c	—	– 3,162,217
7	Sunmed corporation Pvt. Ltd Trading A/c	– 11,283,604	– 19,469,897
8	Zullinc Healthcare Limited	36,900,000	166,113,493

Note : Negative sign denotes credit balance.

p 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	2014-15 ₹		2013-14 ₹	
	Capital	Revenue	Capital	Revenue
Plant & Machinery	22,424,904		3,153,637	
Computers	2,567,009		—	
Furniture & Fixture	1,443,714		197,172	
Patent	200,000		—	
Personnel Expenses		18,362,521		13,514,731
Material Consumption		3,875,470		1,577,134
Direct Expenses		13,743,711		8,531,466
Depreciation		6,399,210		4,578,527
Administration Expenses		3,614,228		2,762,211
<b>TOTAL</b>	<b>26,635,627</b>	<b>45,995,140</b>	<b>3,350,809</b>	<b>30,964,069</b>

**q Segment Reporting**

a Primary Business Segment: There is only one segment namely, Pharmaceuticals Products.

b Secondary Segment:

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

i. Domestic Sales

ii. Export Sales

c Secondary Segment.

Particulars	Export		Domestic		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Segment revenue from external customers	746,404,673	547,843,957	1,457,363,371	1,551,069,943	2,203,768,044	2,098,913,900
Carrying amount of segment Assets	514,357,625	389,084,887	1,405,226,691	1,804,873,043	1,919,584,316	2,193,957,930

d 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.

e 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 : Saturday, May 30, 2015  
Place : Ahmedabad

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

**M.G.Patel** (Managing Director)

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

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

Date : 30 May 2015  
Place : Ahmedabad



## **INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

### **TO THE MEMBERS OF LINCOLN PHARMACEUTICALS LIMITED**

#### **Report on the Consolidated Financial Statements**

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

#### **Management's Responsibility for the Consolidated Financial Statements**

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### **Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### **Other Matters**

7. We did not audit the financial statements / financial information of two subsidiaries whose financial statements / financial information reflect total assets of Rs. 8105.47 Lacs as at 31st March, 2015, total revenues of Rs. 6919.93 Lacs and net cash flows amounting to Rs. 1.95 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these

subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

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

#### **Report on Other Legal and Regulatory Requirements**

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
    - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

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

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

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2015

## ANNEXURE TO THE INDEPENDENT AUDITORS REPORT

Refer to the Paragraph 9 of the independent auditor's report of even date on to the members of Lincoln Pharmaceuticals Limited on the consolidated financial statements for the year ended on 31<sup>st</sup> March 2015.

With respect to Lincoln Pharmaceuticals Limited ('Holding Company'), its subsidiaries as per the information and explanations furnished and based on the report of the auditors, we report as under:

### 1. Fixed Asset

- (i) The holding Company has maintained proper records showing full particulars including quantitative details and situation of fixed asset. *The records are not updated since last two years.* As reported by the auditors of the subsidiary companies, the subsidiary companies have maintained proper records showing full particulars including quantitative details and situation of fixed asset.
- (ii) The fixed assets have been physically verified by the management of holding company and subsidiary companies at reasonable intervals; No material discrepancies were noticed on such verification.

### 2. Inventory

- (i) Physical verification of inventory has been conducted at reasonable intervals by the management of holding company and subsidiary companies.
- (ii) In our opinion and according to the information and explanation given to us and as reported by the auditors of the subsidiary companies, the procedures of the physical verification followed by the management of holding company and subsidiary companies are reasonable and adequate in relation to the size of the company and nature of its business.
- (iii) On the basis of our examination of the inventory records and the reports of the auditors of the subsidiary company, in our opinion, the holding company and subsidiary companies are maintaining proper records of inventory. The discrepancies noticed on physical verification were not material.

### 3. Unsecured Loan

The holding company and subsidiary companies have granted unsecured loans to the parties covered in the register maintained under section 189 of the Companies Act.

The parties have repaid the principal amount as stipulated and have been regular in the payment of interest.

There is no overdue amount of loans granted to companies, firm or other parties covered in the register maintained under section 189 of the Companies Act.

### 4. Internal Controls

*In our opinion and according to the information and explanations given to us, the control system needs to be strengthened to make it commensurate with the size of the company and the nature of its business so far it relates to the holding company, for the purchase of inventory and fixed assets and for the sale of goods.* As reported by the auditors of subsidiary companies, there are adequate internal control commensurate with the size of the company and the nature of their business. We neither have come across nor are we informed of any continuing failure to correct major weakness in the internal control of holding company and subsidiary companies.

### 5. Acceptance of Depots

The holding company and subsidiary companies have not accepted any deposit from the public within the meaning of section 73 to section 76 of the act and the rules made there under during the period under audit.

### 6. Costing Records

We have broadly reviewed the cost record maintained by the holding company under the maintenance of cost records rules specified by the Central Government under sub section (1) of section 148 of the Act, as we are of the opinion that, prima facie, the prescribed cost records have been made and maintained. As reported by the auditors of the subsidiary companies, those companies have maintained cost records under said provision, and opined that, prima facie, the prescribed cost records have been made and maintained by the subsidiary companies.

### 7. Statutory dues

- (i) The holding company is regular in depositing undisputed statutory dues including sales-tax, duty of customs, duty of excise, value added tax. *The holding company is also regular except in some cases, in depositing provident fund, employees' state insurance and any other statutory dues, TDS, wealth tax and service tax with the appropriate authorities.* As reported by auditors of subsidiary companies, those companies, are regular in depositing undisputed statutory dues including sales-tax, duty of

customs, duty of excise, value added tax provident fund, employees' state insurance and any other statutory dues, TDS, wealth tax and service tax with the appropriate authorities, *except one subsidiary company which is regular depositing undisputed statutory dues except, in some cases, in depositing provident fund, employees' state insurance and any other statutory dues, TDS, wealth tax and service tax with the appropriate authorities.*

- (ii) According to the information and explanation given to us and as per the records of the company examined by us and as reported by auditors of subsidiary companies, the details of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax etc, not deposited on account of dispute are as under.

Name of Statute	Nautre of dues	Amount of Demand	Amount not deposited	Financial year to which it relate	Authority/forum where the dispute is pending
Service Tax	Service Tax	12,89,227	12,89,227	2008-09	Custom, Excise & Service Tax Appellate Tribunal, Western Zonal B

- (iii) Based on our verification of records of the holding company and reports of auditors of the subsidiary companies, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Act and rules made there under has been transferred to such fund within time by the holding company and subsidiary companies.

## 8. Cash Losses

The holding and the subsidiary companies have no accumulated losses at the end of the financial year and they have not incurred cash losses in this financial year and in the immediately preceding financial year, except in case of one subsidiary company who have incurred cash loss during immediate preceding financial year

## 9. Default in Repayments

In our opinion and according to the information and explanation given to us, the holding company and the subsidiary companies have not defaulted in repayment of dues to a bank or financial institution. The company has not issued any debenture.

## 10. Guarantee for loans taken by others

The company has given a guarantee on the loan obtained by its partly owned subsidiary company. According to the information and explanation given to us, we are of the opinion that the terms and condition thereof are not prima facie prejudicial to the interest of the company. As reported by the auditors of subsidiary company, no guarantee have been given by subsidiary companies on the loan obtained by the other parties.

## 11. Application of term loan

Based on the information and explanations given by the management and the reports of auditors of subsidiary companies, term loans obtained by the Holding Company and subsidiary company if any, were applied for the purpose for which loans were obtained.

## 12. Fraud

During the course of our examination of the books of the holding company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us we have neither come across to any material fraud on or by the holding company nor we are informed of any such cases by the management. As reported by the auditors of subsidiary companies, they have neither come across to any material fraud on or by those subsidiary companies, nor are they informed of any such cases by the management of those subsidiary companies.

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

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

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2015

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	163,108,000	163,108,000
(b) Reserves and surplus	2	950,004,097	825,015,890
<b>2 Minority Interest</b>	3	29,262,783	37,054,054
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	4	254,794,290	192,354,339
(b) Deferred tax liabilities (Net)	5	46,357,933	39,748,398
(c) Other Long term liabilities	6	30,229,840	29,743,404
<b>4 Current liabilities</b>			
(a) Short-term borrowings	7	506,740,323	484,645,832
(b) Trade payables		453,082,113	665,100,373
(c) Other current liabilities	8	115,208,610	141,549,603
(d) Short-term provisions	9	31,496,832	19,234,694
<b>TOTAL</b>		<b>258,0284,821</b>	<b>2,597,554,589</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	10		
(a) Tangible assets		603,390,893	604,235,243
(b) Intangible assets		52,820,289	46,490,031
(c) Capital work-in-progress		25,463,134	23,723,263
(b) Non-current investments	11	55,400	4,056,600
(c) Long-term loans and advances	12	124,698,813	428,419,395
<b>2 Current assets</b>			
(a) Inventories	13	218,183,810	238,410,158
(b) Trade receivables	14	1,190,146,799	890,418,113
(c) Cash and Bank Balances			
(d) Cash and Cash equivalents	15 (a)	40,101,162	49,702,780
Other Bank Balances	15 (b)	74,993,197	54,811,493
(e) Short-term loans and advances	16	250,431,323	257,287,513
<b>TOTAL</b>		<b>258,0284,821</b>	<b>2,597,554,589</b>

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 : Saturday, May 30, 2015  
Place : Ahmedabad

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

**M.G.Patel** (Managing Director)

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

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

Date : 30 May 2015  
Place : Ahmedabad

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2015**

Particulars	Refer Note No.	For the year ended on 31-Mar-2015	For the year ended on 31-Mar-2014
Revenue from operations	17	2,660,744,704	2,104,887,913
Other income	18	71,855,706	24,942,206
<b>Total Revenue</b>		<b>2,732,600,410</b>	<b>2,129,830,119</b>
Cost of materials consumed	19	537,769,646	530,205,992
Purchases of Stock-in-Trade	20	1,230,798,484	898,980,190
Changes in inventories of finished goods WIP and Stock-in-Trade	21	27,054,743	- 31,409,861
Employee benefits expense	22	178,708,651	185,697,293
Finance costs	23	83,773,801	69,698,495
Depreciation and amortization expense	9	45,681,118	35,265,175
Other expenses	24	430,356,679	320,679,385
<b>Total expenses</b>		<b>2,534,143,122</b>	<b>2,009,116,670</b>
<b>Profit before tax</b>		<b>198,457,288</b>	<b>120,713,451</b>
Tax expense:			
Current tax		<b>39,883,000</b>	<b>26,608,002</b>
Deferred tax		8,160,339	- 7,740,722
Total Tax Expense		48,043,339	18,867,280
<b>Profit (Loss) for the period before Minority Interest</b>		<b>150,413,949</b>	<b>101,846,171</b>
<b>Profit Attributable to minority Interest</b>		<b>292,847</b>	<b>- 4,696,426</b>
<b>Profit (Loss) for the period</b>		<b>150,121,102</b>	<b>106,542,597</b>
Earnings per equity share:	25(f)		
Basic		9.20	6.53
Diluted		9.20	6.53

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 : Saturday, May 30, 2015

Place : Ahmedabad

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

**M.G.Patel** (Managing Director)

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

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

Date : 30 May 2015

Place : Ahmedabad

## CONSOLIDATED CASH FLOWS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

PARTICULARS	For the year ended on 31-Mar-2015	For the year ended on 31-Mar-2014
<b>Cash flow from Operations</b>		
Net Profit Before Tax & Extra-Ordinary Items.	198,457,288	120,713,429
<b>Adjustments to reconcile net income to net cash provided by operating activities</b>		
Depreciation & Amortization	45,681,118	35,490,175
Provision for Bad debt	14,000,000	12,305,000
Provision For Diminution In value of Investments	4,000,000	0
Excess Provision of Income Tax Written Back	-236,430	0
Provision for Sales Return	2,229,815	8,100,000
(Profit)/loss on sale of Fixed Assets	-3,738,864	1,358,060
(Profit)/loss on sale of Non Current Investments	1,200	0
Unrealized Foreign Exchange Gain	-6,999,568	0
Expenses Reported under other activity head	76,096,399	80,777,813
Income Reported under other activity head	-31,208,873	-10,521,616
<b>Cash flow from Operating Activities</b>	<u>298,282,085</u>	<u>248,222,861</u>
<b>Changes in current assets &amp; current liability</b>		
(Increase)/ Decrease in Current Liability	-223,878,462	208,806,302
(Increase)/ Decrease in Current Assets	76,194,511	-384,400,456
Increase/ (Decrease) in Other Long term Liability	129,636,002	0
<b>Net cash from operating activities of Continuing operations</b>	<u>280,234,136</u>	<u>72,628,707</u>
Tax Paid	34,643,919	26,244,230
<b>Net cash from operations- (A)</b>	<u>245,590,217</u>	<u>46,384,477</u>
<b>Cash flow from Investing Activities</b>		
Payments for property & equipments	-39,354,931	-39,164,712
Sale of Property & Equipment	1,012,000	726,241
Other Investment	116,920,907	42,435,718
Investment In Shares of Subsidiary Compnay	-14,249,430	0
Dividend Received	2,064	4,128
Interest Received	885,059	10,517,488
<b>Net cash from Investing Activities- (B)</b>	<u>65,215,670</u>	<u>14,518,863</u>
<b>Cash flow from Financing Activities</b>		
Increase/ (Decrease) in Borrowings	-252,323,508	-24,341,781
Dividend Paid	-11,449,692	-11,449,692
Interest Paid	-56,634,304	-69,328,121
<b>Net cash from Financing Activities-('C)</b>	<u>-320,407,504</u>	<u>-105,119,594</u>
<b>Net Increase / (decrease) in cash &amp; cash equivalents- A+B+C</b>	<u>-9,601,619</u>	<u>-44,216,254</u>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<u>49,702,780</u>	<u>93,919,034</u>
<b>Cash &amp; cash equivalents at the end of the year</b>	<u>40,101,161</u>	<u>49,702,780</u>
<b>Net Increase / (decrease) in cash &amp; cash equivalents</b>	<u>-9,601,619</u>	<u>-44,216,254</u>
<b>Notes to Cash Flow Statements</b>		
1 All Figures with negative sign are outflows.		
2 The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statement		
3 Cash and Cash Equivalents included in Cash Flow Statement comprise of Following Balance Sheet Amount		
<b>Cash &amp; Bank Balances</b>		
Balances With Banks	36,738,125	42,094,568
Cash On Hand	1,922,545	6,135,576
<b>Other Bank Balances</b>		
Bank Balances Earmarked For Dividend	1,440,491	1,472,637
<b>Cash &amp; Cash Equivalent As Restated in Cash Flow Statement</b>	<u>40,101,162</u>	<u>49,702,780</u>
4 Cash and Cash Equivalents at the end (beginning) of the period include Bank Balances which are earmarked for Dividend ₹ 1,440,491 (1,472,637) hence not available for use of Company.		

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 : Saturday, May 30, 2015  
Place : Ahmedabad

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

**M.G.Patel** (Managing Director)

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

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

Date : 30 May 2015  
Place : Ahmedabad

## Statement of significant accounting policies

### 1. Corporate Information

The Lincoln Pharmaceuticals Limited ('the Company') is a listed company, incorporated under the provisions of the Companies Act 1956, having its registered office in the State of Gujarat, India. The shares of the company are listed on BSE and ASE. The company is engaged in the business of manufacturing and trading of pharmaceutical products. The company has two subsidiary companies, namely, Zullinc Healthcare Limited a wholly owned subsidiary company engaged in the business of pharmaceutical products and Lincoln Parenteral Limited, partially owned subsidiary company engaged in the business of pharmaceutical products.

### 2. Basis of Preparation:

These financial statements are prepared on accrual basis of accounting, following historical cost convention, in accordance with the provisions of the Companies Act, 2013 ('the Act'), accounting principles generally accepted in India and comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

### 3. Presentation and disclosure of financial statements

The accounts are presented in accordance with the revised Schedule III notified under the Act.

### 4. 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.

### 5. 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.

### 6. Depreciation

Depreciation on fixed assets is provided on straight line method at the rates derived based on the life specified under Schedule II to the Companies Act, 2013. In respect of fixed assets purchased during the period, depreciation is provided on a pro-rata basis from the date on which such asset is ready to be put to use.

Individual assets costing less than Rs.5,000 are fully depreciated in the year of capitalization.

### 7. Leases

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised. The company has entered into finance lease agreements for computer Equipments & Software, vehicle hire etc.

A leased asset is depreciated on straight-line basis over the useful life of the asset or the useful life prescribed in Schedule II to the Act, whichever is shorter. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the leased asset is depreciated on straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life prescribed in Schedule II to the Act.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term. These agreements are cancellable by giving a short notice by either of the parties to the agreement. There are no subleases. There are no restrictions imposed by lease agreement/arrangements.

### 8. 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.

## 9. 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.

## 10. 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

## 11. 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.

## 12. 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.

## 13. 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.

## 14. 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.

## 15. 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.

## 16. 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.

## 17. 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.

## 18. Segment Reporting

The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers.

## 19. Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statement and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the cash flow statement consist of cash on hand and short-term investments with an original maturity of three months or less.

## 20. 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, 31,2015.
- 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 31/03/2015	Proportion of shareholding as on 31/03/2014
Zullinc Healthcare Limited	India	100%	100%
Lincoln Parenteral Limited	India	70.08%	62%

## NOTES TO FINANCIAL STATEMENTS

### 1) Share Capital

#### a. Details of Share Capital

Share Capital	As at 31-Mar-2015		As at 31-Mar-2014	
	Number	₹	Number	₹
<b>Authorized</b>				
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
<b>Issued, Subscribed &amp; Paid up</b>				
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
<b>Total</b>	<b>16,310,800</b>	<b>163,108,000</b>	<b>16,310,800</b>	<b>163,108,000</b>

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

Particulars	As at 31-Mar-2015		As at 31-Mar-2014	
	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 held by new subsidiary	—	—	—	—
Shares Disposed by subsidiary	—	—	—	—
Shares outstanding at the end of the year	<b>16,310,800</b>	<b>163,108,000</b>	<b>16,310,800</b>	<b>163,108,000</b>

#### c. Share holding details of the company As at 31-Mar-2015 and name of persons holding more than 5% shares.

Name of Shareholder/Company	No. of Shares held	
	As at 31-Mar-2015	As at 31-Mar-2014
Advent Tradelink Pvt. Ltd.	1,000,700	1,869,000
Digital Biotech Pvt. Ltd.	2,100,000	2,100,000
Vraj Dyes and Drugs Pvt. Ltd.	868,911	1,846,460
<b>Total</b>	<b>3,969,611</b>	<b>5,815,460</b>

- 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 through disinvestment by promoters of their quota in the equity.

**2) Reserves & Surplus**

<b>Reserves &amp; Surplus</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
<b>Capital Reserves</b>		
Opening Balance	3,500,000	3,500,000
Closing Balance	3,500,000	3,500,000
<b>General Reserve</b>		
Opening Balance	52,621,600	47,621,600
(+) Current Year Transfer	5,000,000	5,000,000
Closing Balance	57,621,600	52,621,600
<b>Securities Premium Account</b>		
Opening Balance	380,544,000	380,544,000
Closing Balance	380,544,000	380,544,000
<b>Surplus</b>		
Opening balance	388,350,290	298,257,385
(+) Net Profit/(Net Loss) For the current year	150,121,102	106,542,597
(+) Surplus on Increase of Stake in Subsidiary Company	410,575	—
(-) Reduction In Carrying Value of Fixed Assets (Net Of Tax) As Per Schedule II of Companies Act 2013	5,848,071	—
(-) Proposed Dividends	16,310,800	9,786,480
(-) Dividend Tax	3,384,599	1,663,212
(-) Transfer to Reserves	5,000,000	5,000,000
Closing Balance	508,338,497	388,350,290
<b>Total</b>	<b>950,004,097</b>	<b>825,015,890</b>

**3) Minority Interest**

<b>Particulars</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
Amount of Minority Interest	29,262,783	37,054,054
Proportion of Minority Shareholders	29.92%	38.00%

**4) Long term borrowings**
**a. Secured Long term Borrowings**

<b>Long Term Borrowings</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
<b>Term loans</b>		
From Bank	150,443,424	158,149,587
From Other	2,283,108	3,844,753
<b>Secured Long Term Borrowings</b>	<b>152,726,532</b>	<b>161,994,340</b>

**b. Unsecured Long term Borrowings**

<b>Long Term Borrowings</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
<b>Long term loans</b>		
from other parties	2,067,758	4,293,955
Security Trade Deposits	100,000,000	—
From Related parties	—	26,066,043
<b>Unsecured Long Term Borrowings</b>	<b>102,067,758</b>	<b>30,359,998</b>

- 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.
- e First Exclusive Charge in favour of the Bank by way of hypothecation of the company's entire stock of 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 ₹ 20 million.
- h Corporate Guarantee of Lincoln Pharmaceuticals Limited having networth of ₹ 1113 million at March 31, 2015.
- i Unconditional and irrevocable personal Guarantee of Directors.



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**5) Deferred Tax Liability**

Details of the deferred tax liability

Particulars	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
a Details of the deferred tax liability		
<b>Deferred tax liability</b>		
Depreciation	47,908,737	39,748,398
<b>Total DTL</b>	<b>47,908,737</b>	<b>39,748,398</b>
<b>Deferred tax asset</b>		
Deferred Tax on account of reduction of carrying value of fixed assets charge to opening balance of retain earnings.	1,550,804	—
<b>Total DTA</b>	<b>1,550,804</b>	<b>—</b>
<b>Net Deferred Tax Liability</b>	<b>46,357,933</b>	<b>39,748,398</b>

b Policy relating to accounting of deferred tax liability is disclosed at Note No 13 to the notes on significant accounting policy.

**6) Other long term Liabilities**

Other Long term liabilities	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
Securities Trade Deposits From Customers	30,229,840	29,733,404
Security Deposits From Employee	—	10,000
<b>Total</b>	<b>30,229,840</b>	<b>29,743,404</b>

**7) Short term Borrowing**

a. Secured Short term Borrowings

Short Term Borrowings	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
<b>Loans repayable on demand</b>		
from banks	422,900,270	408,201,491
	<b>422,900,270</b>	<b>408,201,491</b>

b. Unsecured Short term Borrowings

Short Term Borrowings	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
<b>Loans repayable on demand</b>		
from banks	83,840,053	76,444,341
	<b>83,840,053</b>	<b>76,444,341</b>

c The demand loans from 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-2015 ₹	As at 31-Mar-2014 ₹
Current maturities of long-term debt	3,305,828	4,364,399
Other payables		
Expense payable	62,998,460	63,784,916
Statutory Liabilities	5,533,447	17,885,107
Other Current Liability	43,370,875	55,515,180
<b>Total</b>	<b>115,208,610</b>	<b>141,549,603</b>

**9) Short term provisions**
**a Details of short term provisions**

<b>Short Term Provisions</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
Income Tax Provision (Net of Advance tax)	1,443,209	(214,996)
Provision for Sales goods return	10,329,815	8,100,000
Proposed Dividend and Dividend Tax	19,723,808	11,449,692
<b>Total</b>	<b>31,496,832</b>	<b>19,234,696</b>

**10) Fixed Assets**
**a. Fixed Asset Details**

<b>Sr.</b>	<b>Fixed Assets</b>	<b>Gross Block</b>			<b>Accumulated Depreciation</b>				<b>Net Block</b>	
	As at 31-Mar-2014 ₹	Additions during the year ₹	Adjustment during the year ₹	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹	Depreciation charge for the year ₹	Adjustment during the year ₹	As at 31-Mar-2015 ₹	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
<b>a</b>	<b>Tangible Assets</b>									
	Land	76,380,613	—	—	76,380,613	—	—	—	76,380,613	76,380,613
	Leased Hold Land	675,000	—	—	675,000	—	—	—	675,000	675,000
	Buildings	223,598,282	—	—	223,598,282	36,083,958	6,417,317	- 24,284	42,476,991	181,121,291
	Plant and Equipment	373,947,415	31,224,617	—	405,172,032	73,833,924	22,214,106	4,109,840	100,157,870	305,014,162
	Furniture and Fixtures	24,464,183	3,825,388	—	28,289,571	12,797,664	2,157,439	- 2,548,890	12,406,213	15,883,358
	Vehicles	27,593,589	4,941,415	2,702,951	29,832,053	12,635,713	4,250,325	- 2,289,803	14,596,235	15,235,818
	Office equipment	7,022,932	381,149	—	7,404,081	1,744,105	4,569,312	129,799	6,443,216	960,865
	Electrical Installation	8,378,194	2,034,864	—	10,413,058	5,194,303	322,154	1,271,179	6,787,636	3,625,422
	Computers	21,834,150	3,085,411	—	24,919,561	17,369,448	2,094,003	961,746	20,425,197	4,494,364
	<b>Total</b>	<b>763,894,358</b>	<b>45,492,844</b>	<b>2,702,951</b>	<b>806,684,251</b>	<b>159,659,115</b>	<b>42,024,656</b>	<b>1,609,587</b>	<b>203,293,358</b>	<b>603,390,893</b>
	Previous Year	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
<b>b</b>	<b>Intangible Assets</b>									
	Goodwill	41,430,436	6,575,881	—	48,006,317	—	—	—	48,006,317	41,430,436
	Computer software	16,920,532	3,410,839	—	20,331,371	11,860,937	3,656,462	—	15,517,399	4,813,972
	<b>Total</b>	<b>58,350,968</b>	<b>9,986,720</b>	<b>—</b>	<b>68,337,688</b>	<b>11,860,937</b>	<b>3,656,462</b>	<b>—</b>	<b>15,517,399</b>	<b>52,820,289</b>
	Previous Year	57,852,879	498,089	—	58,350,968	8,529,503	3,331,434	—	11,860,937	46,490,031
	<b>Total Previous year</b>	<b>788,248,316</b>	<b>38,939,733</b>	<b>4,942,723</b>	<b>822,245,326</b>	<b>138,888,299</b>	<b>35,265,175</b>	<b>2,633,422</b>	<b>171,520,052</b>	<b>650,725,274</b>
	<b>Total</b>	<b>822,245,326</b>	<b>48,903,683</b>	<b>2,702,951</b>	<b>872,898,689</b>	<b>171,520,052</b>	<b>45,681,118</b>	<b>1,609,587</b>	<b>218,810,757</b>	<b>654,087,932</b>
<b>c</b>	<b>Capital Work In Progress</b>	23,723,263	8,131,364	6,391,493	25,463,134	—	25,463,134	23,723,263	—	25,463,134
	<b>Total</b>	<b>23,723,263</b>	<b>8,131,364</b>	<b>6,391,493</b>	<b>25,463,134</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>25,463,134</b>	<b>23,723,263</b>
	Previous Year	23,723,263	—	—	23,723,263	—	—	—	23,723,263	23,723,263
	<b>Total</b>	<b>845,968,589</b>	<b>57,035,047</b>	<b>9,094,444</b>	<b>900,485,073</b>	<b>171,520,052</b>	<b>45,681,118</b>	<b>1,609,587</b>	<b>218,810,757</b>	<b>681,674,316</b>
	Previous Year figures	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

**NOTES**

- Pursuant to the Companies Act, 2013 ('the Act'), becoming effective from 1st April, 2014, the Company has reworked depreciation with reference to the estimated useful life of fixed assets prescribed under Schedule II to the Act.
- Based on transitional provision in Note7(b) of Schedule II to the Act, an amount of ₹ 5,848,071/- (net of deferred tax of ₹ 1,550,804/-) has been adjusted against the retained earnings.
- Policy relating to accounting of fixed assets & Depreciation is disclosed at Note No 5 & 6 respectively to the notes on significant accounting policy.

**11) Non Current Investments**
**a. Summarized information of investments**

<b>Particulars</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
<b>Other Investments</b>		
Investment in Equity instruments of other companies	2,131,250	4,009,200
Other Investments	47,400	47,400
<b>Total</b>	<b>2,178,650</b>	<b>4,056,600</b>



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**11) Non Current Investments [Contd...]**

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

Particulars	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
Aggregate of Quoted Investment	—	—
Aggregate of Unquoted Investment	2,178,650	4,056,600
Market Value of Quoted Investment	—	—

b. Policy relating to accounting of investments is disclosed at Para no 14 to the notes on significant accounting policy.

**c. 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
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14		
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	10	10	—	200	Yes	NA
	Naroda Industrial Co Operative Bank Limited	—	40	25	25	—	1,000	Yes	NA
	Aesculapius Remedies Ltd	—	400,000	10	10	—	4,000,000	Yes	NA
	<b>Total</b>					<b>8,000</b>	<b>4,009,200</b>		
b	Other Investments								
	N.S.C. A/C.					47,400	47,400	Yes	NA
	<b>Other non-current investments</b>					<b>47,400</b>	<b>47,400</b>		
	<b>Total</b>					<b>55,400</b>	<b>4,056,600</b>		

**12) Long Term Loans and Advances**

a. Details of Long Term Loans and Advances

Long Term Loans and Advances	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
<b>Capital Advances</b>		
Unsecured, considered good	7,959,767	3,638,414
<i>Capital Advances</i>	<u>7,959,767</u>	<u>3,638,414</u>
<b>Security Deposits</b>		
Unsecured, considered good	7,804,291	21,255,359
<i>Security Deposits</i>	<u>7,804,291</u>	<u>21,255,359</u>
<b>Inter Corporate Deposits</b>		
Unsecured, considered good	34,632,975	332,326,271
<i>Inter Corporate Deposits</i>	<u>34,632,975</u>	<u>332,326,271</u>
<b>Loans and Advance to Other Parties</b>		
Unsecured, considered good	74,301,780	71,199,351
Loans and Advance to Other Parties	<u>74,301,780</u>	<u>71,199,351</u>
<b>Grand Total</b>	<b>124,698,813</b>	<b>428,419,395</b>

**13) Inventories**

Inventories	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
Raw Material	49,787,642	41,338,745
Packing Material	25,226,072	26,846,572
Work in Progress	15,225,627	20,208,923
Finished Goods	127,944,469	150,015,917
<b>Total</b>	<b>218,183,810</b>	<b>238,410,158</b>

**Note :** Policy relating to accounting of inventory is disclosed at Note no 9 to the notes on significant accounting policy.

**14) Trade Receivable**

<b>Trade Receivables</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
<b>Outstanding for a period not exceeding six months from the date they are due</b>		
Unsecured, considered good	1,053,508,920	650,792,263
Net of provision	1,053,508,920	650,792,263
<b>Outstanding for a period exceeding six months from the date they are due</b>		
Unsecured, considered good	136,637,879	240,933,149
Unsecured, considered doubtful	3,304,136	10,742,343
	139,942,015	251,675,492
Less: Provision for doubtful debts	3,304,136	12,049,642
Total of provision	3,304,136	12,049,642
<b>Total</b>	<b>1,190,146,799</b>	<b>890,418,113</b>

Note: As against doubtful debt of ₹ 33.05 lacs (Last Year 120.49 Lacs), the company has provided ₹ 33.05 Lacs (Last year 120.49 lacs).

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

<b>Cash and cash equivalents</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
Balances with banks	36,738,125	42,094,568
Cash on hand	1,922,546	6,135,576
Bank Balances Earmarked for Dividend	1,440,491	1,472,637
<b>Total</b>	<b>40,101,162</b>	<b>49,702,780</b>

**b. Other Cash Balance**

<b>Other Cash Balance</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
Margin money	11,212,120	10,697,845
Bank deposits with more than 12 months maturity	63,781,077	44,113,648
<b>Total</b>	<b>74,993,197</b>	<b>54,811,493</b>

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

<b>Short-term loans and advances</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
<b>Loans and advances to related parties</b>		
Unsecured, considered good	—	29,552,780
<b>Advances For Goods</b>		
Unsecured, considered good	106,878,146	42,648,515
<b>Loans and advance to other parties</b>		
Unsecured, considered good	73,971,415	100,791,915
<b>Balance With Government Authorities</b>		
Unsecured, considered good	69,581,762	84,294,303
<b>Total</b>	<b>250,431,323</b>	<b>257,287,513</b>



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

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

<b>Due From</b>	<b>As at 31-Mar-2015 ₹</b>	<b>As at 31-Mar-2014 ₹</b>
Company in which officer or director is a Director	—	29,552,780
<b>Total</b>	<b>—</b>	<b>29,552,780</b>

**17) Revenue**

- a. Details of revenue

<b>Particulars</b>	<b>For the year ended on 31-Mar-2015 ₹</b>	<b>For the year ended on 31-Mar-2014 ₹</b>
Sale of products (Inc Excise Duty)	2,660,356,772	2,098,544,572
Sale of services	3,290,200	12,985,972
Other operating revenues	49,178,931	37,093,875
<b>Total</b>	<b>2,712,825,903</b>	<b>2,148,624,419</b>
Less:		
Excise duty	52,081,199	43,736,506
<b>Total</b>	<b>2,660,744,704</b>	<b>2,104,887,913</b>

- b. Policy relating to accounting of revenue is disclosed at Note no 12 to the notes relating to disclosure of significant accounting policy.

**18) Other Income**

<b>Particulars</b>	<b>For the year ended on 31-Mar-2015 ₹</b>	<b>For the year ended on 31-Mar-2014 ₹</b>
Interest income (short term investment)	34,979,560	10,517,488
Net gain/(loss) on sale of investments	4,207,024	—
Subsidy income	—	1,936,408
Dividend Income	2,064	4,128
Exchange Rate Difference	17,707,435	—
Prior Period Income	4,594,210	—
Scrape Sales	33,460	—
Other Miscellenious Income	9,654,454	8,037,494
Training income	677,500	462,868
Bad Debt recovery	—	3,983,820
<b>Total</b>	<b>71,855,706</b>	<b>24,942,206</b>

**19) Cost of Material Consumed**

## a. Details of Material consumption under broad heads

<b>Particulars</b>	<b>For the year ended on 31-Mar-2015 ₹</b>	<b>For the year ended on 31-Mar-2014 ₹</b>
<b>Raw Material</b>		
Stock at the beginning of the financial year	41,338,745	33,686,487
Purchase during the year	356,766,757	368,908,928
Other direct purchase costs	4,977,465	8,351,761
<b>Total</b>	<b>403,082,968</b>	<b>410,947,176</b>
Stock at the end of the financial year	49,787,642	41,338,745
<i>Cost of Consumption of Raw Material</i>	<b>353,295,326</b>	<b>369,608,431</b>
<b>Packing Materials</b>		
Stock at the beginning of the financial year	26,846,572	20,727,483
Purchase during the year	180,886,997	159,072,733
Other direct purchase costs	1,966,823	7,643,918
<b>Total</b>	<b>209,700,392</b>	<b>187,444,134</b>
Stock at the end of the financial year	25,226,072	26,846,572
<i>Cost of Consumption of Packing Materials</i>	<b>184,474,320</b>	<b>160,597,562</b>
<b>Total consumption of Raw Material</b>	<b>537,769,646</b>	<b>530,205,992</b>

**20) Purchase of Trading Stock**

## a. Details of Purchase of Trading Stock

<b>Particulars</b>	<b>For the year ended on 31-Mar-2015 ₹</b>	<b>For the year ended on 31-Mar-2014 ₹</b>
<b>Purchase of Stock In Trade</b>		
Purchase during the year	1,230,798,484	898,980,190
<i>Purchase of Stock In Trade</i>	<b>1,230,798,484</b>	<b>898,980,190</b>

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

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
<b>Trading Goods</b>		
Stock at the Beginning of the financial year	81,557,299	64,437,268
Stock at the End of the financial year	74,834,276	81,557,299
<i>Trading Goods</i>	6,723,023	– 17,120,031
<b>Finished Goods</b>		
Stock at the Beginning of the financial year	68,500,930	57,190,826
Stock at the End of the financial year	53,152,505	68,500,930
<i>Finished Goods</i>	15,348,425	– 11,310,104
<b>Work in Progress</b>		
WIP at the Beginning of the financial year	20,208,923	17,229,197
WIP at the End of the financial year	15,225,628	20,208,923
<i>Work in Progress</i>	4,983,295	– 2,979,726
<b>Summary</b>		
Inventory at the Beginning of the financial year	170,267,152	138,857,291
Inventory at the End of the financial year	143,212,409	170,267,152
Change in inventory	<b>27,054,743</b>	<b>– 31,409,861</b>

**22) Employee benefits expense**

Employee Benefits Expense	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
Personnel Expenses	169,224,779	179,175,908
Contribution to Staff Welfare Fund	6,190,333	4,068,740
Staff welfare expenses	3,293,539	2,452,645
<b>Total</b>	<b>178,708,651</b>	<b>185,697,293</b>

Policy relating to accounting of employee benefit expense is disclosed at note no 10 relating to disclosure of significant accounting policy.

**Details of Employee Benefits**

## a) Expense Recognized during the year

Particulars	2014-15	2013-14
Current service cost	625,564	595,730
Interest on obligation	538,254	459,584
Expected return on plan assets	(562,108)	(565,657)
Net actuarial losses (gains) recognized in year	(119,227)	(238,117)
<b>Total</b>	<b>482,483</b>	<b>251,540</b>

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

Particulars	2014-15	2013-14
Opening defined benefit obligation	5,781,462	5,649,677
Service cost	625,564	596,287
Interest cost	538,254	480,223
Actuarial losses (gains)	459,983	(1,112,266)
Benefits paid	(857,803)	(43,212)
Closing Defined Benefit Obligation	6,547,460	5,570,709

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

Particulars	2014-15	2013-14
Opening fair value of plan assets	6461009	6,352,391
Expected return	562108	554,520
Actuarial gains and (losses)	-278593	- 18,190
Contributions by employer	168,995	56,633
Benefits paid	0	- 424,846
Closing balance of fair value of plan assets	6913519	5,731,834

**d) Liability recognized in the financial statement**

Particulars	2014-15	2013-14
Opening fair value of plan assets	6,461,009	6,352,391
Expected return	562,108	554,520
<b>Liability(Asset) recognized in financial statement</b>	<b>5,898,901</b>	<b>5,797,871</b>

**e) Actuarial Assumptions**

Particulars	2014-15	2013-14
Indian Assured Lives Mortality(2006-08) Ultimate	(2006-08)	(2006-08)
Discounted rate Per Annum	9.31%	8.25%
Expected Return on Plan Assets (Per Annum)	8.70%	8.70%
Future Salary Growth (Per Annum)	6.50%	6.50%
Attrition Rate	2.00%	2.00%
Retirement Age	58 Years	58 Years

**f) Employee Benefit Disclosure**

Particulars	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Defined benefit obligation	6,547,460	5,674,693	5,570,709	5,649,677	5,893,370
Plan asset	6,913,519	6,520,508	6,501,796	5,829,335	4,324,551
Surplus/(Deficit) or Asset (Liability)	366,059	845,815	931,087	179,658	(1,568,819)
Experience adjustments on plan liabilities (Gain) / Loss	(857,803)	(453,923)	(239,864)	(210,343)	(230,653)
Experience adjustments on plan asset (loss)/ Gain	(278,593)	(18,190)	47,630	38,766	(11,104)

**23) Finance Cost**

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
Interest expense	77,777,613	60,823,746
Bank Commission	5,996,187	8,874,749
<b>Total</b>	<b>83,773,801</b>	<b>69,698,495</b>



**LINCOLN**

**24) Other Expenses**

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
<b>Manufacturing Expenses</b>		
Power and Fuel	40,403,850	32,808,324
Labour Charges	37,908,407	5,265,359
Laboratory goods & Testing Charges	9,591,964	9,431,082
<b>Factory Expenses</b>		
Consumption Of Stores And Spares	3,819,356	1,262,242
Electrical Expense	2,329,169	1,236,084
Factory Expenses	7,019,975	2,759,791
Inspection Fees	229,981	103,300
Licence Fee Expense	88,002	748,451
Loading & Unloading Charges	263,577	68,323
Maintainance & Repairs Exp. A/c	4,243,313	2,411,407
Machinery & Spares Tools	5,749,561	4,934,151
Machinery Repairs & Maintenance	2,542,808	3,802,496
Polution Control Exp.	—	112,500
Service Charges A/c	3,396	11,100
Research & Development Exp.	—	250,000
Total Manufacturing Expenses	114,193,358	65,204,610
<b>Administrative Expenses</b>		
Audit Fee	1,550,000	944,577
Computer Exps	1,630,560	1,412,916
Conveyance & Vehicle Exps.	2,630,979	2,722,580
Donation	77,401	840,552
Insurance	569,676	1,676,834
Legal and Registration Exps.	13,629,362	10,639,099
Office Exps.	3,670,032	1,716,408
Post & Telephone Exps.	3,419,466	4,377,562
Professional & Consulting Fees	12,548,315	10,238,041
Rent,Rate & Taxes	28,984,636	13,679,633
Repairs & Maintanance	3,908,783	3,682,525
Security Expense	2,600,228	3,769,548
Other Expenses	5,587,523	1,064,776
Stationery, Printing & Xerox	3,057,635	3,055,763
Prior Period Expenses	3,723,658	3,678,485
Loss On Sales Of Assets	468,160	1,358,060
Loss On Sales Of Export Licence	1,832,758	292,643
Diminution in value of Investments	4,000,000	—
CSR Exp.	1,750,000	—
Total Administrative Expenses	95,639,171	65,150,002
<b>Selling and Distribution Expenses</b>		
Travelling Expenses	112,321,867	90,945,444
Transportation Expenses	14,381,964	9,740,494
Advertisement Expenses	1,467,558	721,278
Sales Promotion & Marketing Expenses	52,288,236	53,065,348
Exchange Rate Difference	—	3,164,678
Sales Commission	26,064,525	20,687,531
Provision for Bad and Doubtful debt	14,000,000	12,000,000
Total Selling and Distribution Expenses	220,524,150	190,324,773
<b>Total Other Expenses</b>	<b>430,356,679</b>	<b>320,679,385</b>

**24a CSR EXPENSE**

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
Gross amount required to be spent by the company during the year.	1,747,132	Nil
<b>Amount spent during the year on</b>		
Construction/acquisition of any asset		
In Cash	Nil	Nil
Yet to be paid	Nil	Nil
<b>Total</b>	Nil	Nil
On purposes other than above		
In Cash	1,525,000	Nil
Yet to be paid	2,22,132	Nil
<b>Total</b>	<b>1,747,132</b>	<b>Nil</b>

**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.
- Details of Payment to Auditors

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
Audit Fee	950,000	644,577
Taxation Work	300,000	300,000
for management services	300,000	—
<b>Total</b>	<b>1,550,000</b>	<b>944,577</b>

**e. Details of Prior period Items**

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
Purchase Exp.	271,683	605,310
Other Revenue Expenses	1,684,547	388,798
Selling and Distribution Expenses	1,767,428	2,676,080
Administrative Expense	—	8,297
<b>Total</b>	<b>3,723,658</b>	<b>3,678,485</b>

**f. Earnings per share**

Particulars		For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
<b>Basic</b>			
Profit attributable to equity shareholders	₹	150,121,102	106,542,597
Nominal Value of equity share	₹	10	10
Weighted average number of ordinary equity shares for Basic EPS	No.	16,310,800	16,310,800
<b>Basic EPS</b>	₹	9.20	6.53
<b>Diluted</b>			
Profit attributable to equity shareholders	₹	150,121,102	106,542,597
Add : interest/dividend on convertible instruments	₹	—	—
Profit after tax for Diluted EPS	₹	150,121,102	106,542,597
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
<b>Diluted EPS</b>		9.20	6.53

**g. CIF Value of Import**

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
Raw Materials	86,841,335	33,032,442
<b>Total</b>	<b>86,841,335</b>	<b>33,032,442</b>

**h. Earnings in foreign currency**

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
Export of goods calculated on F.O.B. basis;	640,381,963	496,720,035
<b>Total</b>	<b>640,381,963</b>	<b>496,720,035</b>

**i. Expenditure in foreign currency**

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
Product Registration and related expenses	7,989,570	7,988,545
<b>Total</b>	<b>7,989,570</b>	<b>7,988,545</b>

**j. 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.

**k. Details of Material amount of Capital Commitments**

1	Name Of Supplier	Suzlon Energy Ltd
2	Name of Asset	Wind Mill
3	Gross Value of Asset Sought to be Installed (Approx)	₹ 135,000,000
4	Advance Paid During FY 14-15	₹ 5,100,000
5	Capital Commitment as on 31.03.2015 (Approx)	₹ 129,900,000

**l. Movement in Provision**

Particulars	Provision for Sale goods Return For the year ended on 31-Mar-2015 ₹	Provision for Sale goods Return For the year ended on 31-Mar-2014 ₹	Provision for Doubtful Debt For the year ended on 31-Mar-2015 ₹	Provision for Doubtful Debt For the year ended on 31-Mar-2014 ₹
Opening Balance	8,100,000	NIL	12,049,642	49,642
Add : Provision made during year	44,099,298	8,100,000	14,000,000	12,000,000
Less : Provision utilised	41,869,483	—	22,745,506	—
Closing Balance	10,329,815	8,100,000	3,304,136	12,049,642

**m. Details of Interest Paid For Finance Lease Agreements**

Particulars	For the year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
For Purchase of Computer Equipment, Software & Vehicles	820,321	688,200

**n. Related party disclosures**
**a) List of related parties**

<b>Sr.</b>	<b>Name of related Party</b>	<b>Nature of relation</b>
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	Allantis Exim 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	Munjal M. Patel	Key Managerial Person
11	Mansiben M. Patel	Relative of Key Managerial Person
12	Nidhi M. Patel	Relative of Key Managerial Person
13	Kalpaben R. Patel	Relative of Key Managerial Person
14	Ashish R. Patel	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

**b) Details of Transactions with related parties**

<b>Sr.</b>	<b>Name of Party</b>	<b>Nature of Transaction</b>	<b>2014-15</b>	<b>2013-14</b>
1	Avis Travels	Travelling Expenses	4,600,642	4,658,549
2	Downtown Travels Pvt. Ltd.	Travelling Expenses	943,148	1,217,549
		Loan Repaid	1,359,434	348,243
3	Downtown Finance Pvt. Ltd.	Interest Expenses	900,000	900,000
		Advance Taken (Bill Discounting)	2,224,688	—
		Loan Repaid	19,936,220	318,220
4	Sunmed corporation Pvt. Ltd	Paid for service	—	216,790
		Interest Expenses	—	162,011
		Purchase	49,559,574	17,903,804
		Loan Repaid	3,162,217	—
5	Mahendra G. Patel	Director Remuneration	1,283,800	1,235,000
6	Rajnikant G. Patel	Director Remuneration	1,283,800	1,235,000
7	Hasmukh I. Patel	Director Remuneration	1,283,800	1,235,000
8	Munjal M. Patel	Director Remuneration	1,263,800	—
9	Arvind G. Patel	Consultancy Fees	840,000	840,000
10	Mansi A. Patel	Salary	—	500,000
11	Anand A. Patel	Director Remuneration	800,000	794,990
12	Ashish R. Patel	Director Remuneration	1,508,000	—



c) **Details of Closing Balances**

Sr.	Name of party	As at 31-Mar-2015	As at 31-Mar-2014
1	Avis Travels	- 70,619	- 855,496
2	Downtown Travels Pvt. Ltd.	1,231,003	1,057,067
3	Downtown Finance Pvt. Ltd.	- 2,224,688	- 9,619,560
4	Sunmed corporation Pvt. Ltd Loan A/c	—	- 3,162,217
5	Sunmed corporation Pvt. Ltd Trading A/c	- 11,283,604	- 19,469,897

o. **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	2014-15 ₹		2013-14 ₹	
	Capital	Revenue	Capital	Revenue
Plant & Machinery	22,424,904		3,153,637	
Computers	2,567,009		—	
Furniture & Fixture	1,443,714		197,172	
Patent	200,000		—	
Personnel Expenses		18,362,521		13,514,731
Material Consumption		3,875,470		1,577,134
Direct Expenses		13,743,711		8,531,466
Depreciation		6,399,210		4,578,527
Administration Expenses		3,614,228		2,762,211
<b>TOTAL</b>	<b>26,635,627</b>	<b>45,995,140</b>	<b>3,350,809</b>	<b>30,964,069</b>

p. **Segment Reporting**

a Primary Business Segment: There is only one segment namely, Pharmaceuticals Products.

b Secondary Segment:

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

i. Domestic Sales

ii. Export Sales

Particulars	Export		Domestic		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Segment revenue from external customers	844,728,204	640,381,964	1,886,594,689	1,743,876,909	2,731,322,893	2,384,258,873
Carrying amount of segment Assets	568,900,501	487,496,028.6	2,115,829,264	2,402,577,661	2,684,729,765	2,890,073,689

c 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.

d 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]

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

**M.G.Patel** (Managing Director)

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

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

**B.M. Zinzuvadia**  
Partner  
Mem No. 109606

Date : Saturday, May 30, 2015  
Place : Ahmedabad

Date : 30 May 2015  
Place : Ahmedabad

**LINCOLN****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.com

**ATTENDANCE SLIP**I /We hereby record my / our presence at the 21<sup>st</sup> Annual General Meeting of the Company to be held at: "LINCOLN HOUSE", B/H. Satyam Complex, Science city Road, Sola, , Ahmedabad – 380060 on Wednesday the 30<sup>th</sup> day of September, 2015 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. Shareholders are requested to advise, indicating their folio Nos., DP ID\*, Client ID\*, the change in their address, if any, to the Registrar & Share Transfer Agents, at Sharepro Services (India) Pvt. Ltd., 416-420, Devnandan Mall, Opp. Sanyas Ashrma, Ellisbridge, Ahmedabad-380006.

**LINCOLN PHARMACEUTICALS LIMITED****[CIN:L24230GJ1995PLC024288]**Regd. Office: "LINCOLN HOUSE", B/H. Satyam Complex,  
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**LINCOLN****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 (on a poll) for my/us and on my/our behalf at the **21<sup>st</sup> Annual General Meeting** to be held on Wednesday, 30<sup>th</sup> September, 2015 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
	<b>ORDINARY BUSINESS</b>		
1.	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2015		
2.	Declaration of Dividend on equity shares for the Financial Year 2014-15.		
3.	Re-appointment of Shri Hasmukhbhai I. Patel, Whole Time Director who retires by rotation.		
4.	Re-appointment of Shri Arvindbhai R. Patel, Director who retires by rotation.		
5.	Appointment of Statutory Auditors M/s. J. T. Shah & Co., Chartered Accountants.		
	<b>SPECIAL BUSINESS</b>		
6.	Appointment of Shri Munjal M. Patel (Holding DIN: 02319308) as a Director.		
7.	Appointment of Shri Aashish R. Patel (Holding DIN: 01309017) as a Director.		
8.	Appointment of Shri Munjal M. Patel (Holding DIN: 02319308) as a Whole-Time Director.		
9.	Appointment of Shri Aashish R. Patel (Holding DIN: 01309017) as a Whole-Time Director.		
10.	Appointment of Ms. Meha Patel (Holding DIN: 07254852) as an Independent Director.		
11.	Approval of Related Party Transaction under Section 188 of Companies Act, 2013.		
12.	Ratification of Remuneration of M/s. Kiran J. Mehta & Co., Cost Accountants of the Company.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Signature of Shareholder \_\_\_\_\_

Signature of Proxy holder (s) \_\_\_\_\_

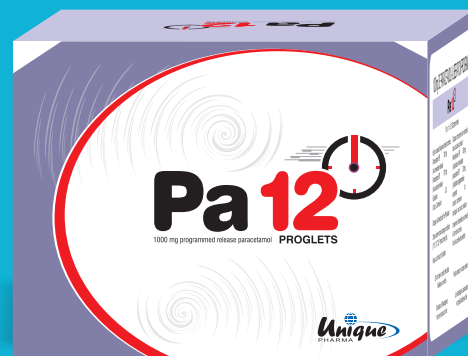
Affix  
Revenue  
Stamp

**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.

# Pa12

1000 mg programmed release paracetamol  
PROGLETs



# Start $\frac{60}{120}$

Artesunate 60 mg/120 mg Injection

# Glygen 1 & 2

Glimepiride  
1mg/2mg Tablets



# Losa 50

Losartan Potassium 50 mg Tablets



**LINCOLN**

**PHARMACEUTICALS LTD.**

**HEALTHCARE FOR ALL**

## REGISTERED OFFICE | PLANT

"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](mailto:info@lincolnpharma.com)  
Website : [www.lincolnpharma.com](http://www.lincolnpharma.com)

10, 12, 13, Trimul Estate,  
At. Khatraj, Ta. Kalol,  
Dist. Gandhinagar, GUJARAT  
Phone : 02764-665000  
E-mail : [khatraj@lincolnpharma.com](mailto:khatraj@lincolnpharma.com)