

earnings

balance

equity

growth

surplus

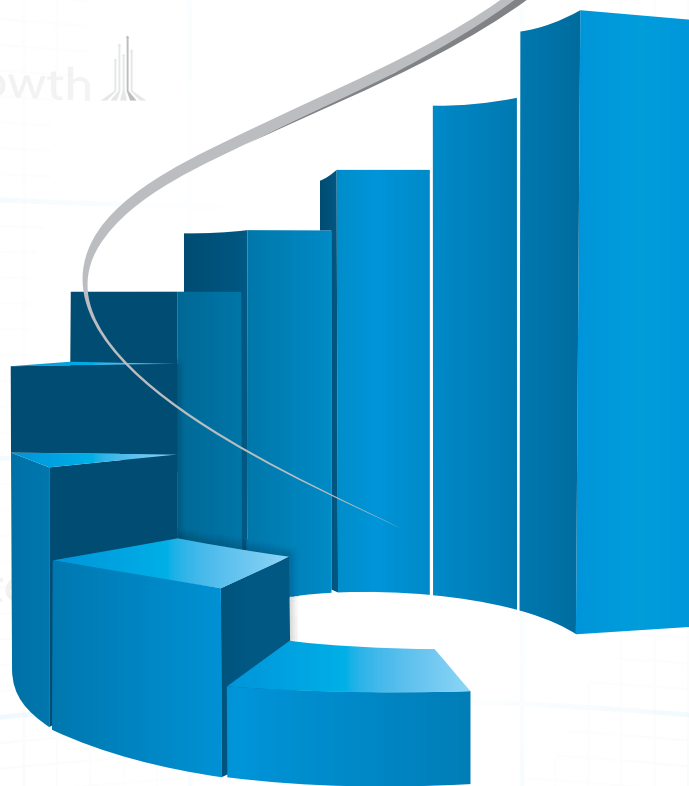
turnover

int

nce %

profit

revenue



Soaring to new heights...

Ipca Laboratories Ltd.
ANNUAL REPORT
2012-13

Ten Years' Highlights

(₹ Crores)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Total Income*	622.74	685.45	752.82	924.84	1,059.16	1,275.57	1,565.50	1,889.61	2,342.98	2,797.08
Domestic Income*	265.26	274.87	350.99	440.38	522.90	595.18	759.42	864.43	941.01	1,081.00
Export Income	357.48	410.58	401.83	484.46	536.26	680.39	806.08	1,025.18	1,401.97	1,716.08
Earning Before Interest, Depreciation & Tax	128.51	134.48	116.62	202.52	#186.44	#270.01	#344.65	#384.24	#526.40	#639.95
Profit Before Tax	108.00	101.55	78.39	151.24	176.87	124.65	271.73	343.70	368.94	461.37
Net Profit After Tax	79.25	80.71	63.98	122.23	141.12	91.22	209.19	255.37	280.17	331.39
Share Capital	12.50	**25.00	25.00	25.00	25.09	24.99	25.04	25.14	25.23	25.24
Reserves & Surplus	263.17	312.59	360.89	461.02	582.57	613.52	849.82	1,028.72	1,237.04	1,544.61
Net Worth	275.67	337.59	385.89	486.02	607.66	638.51	874.86	1,053.86	1,262.27	1,569.85
Net Block	195.92	322.46	373.52	431.48	541.04	579.72	674.75	792.57	1,007.33	1,204.50
Dividend (%)	110%	**55%	55%	75%	80%	110%	140%	160%	160%	200%
Earnings Per Share (₹)	63.41	**32.28	25.59	48.89	56.38	36.33	@16.75	20.36	22.23	26.27
Book Value Per Share (₹)	220.54	**135.04	154.36	194.41	242.19	255.51	@69.86	83.84	100.06	124.39

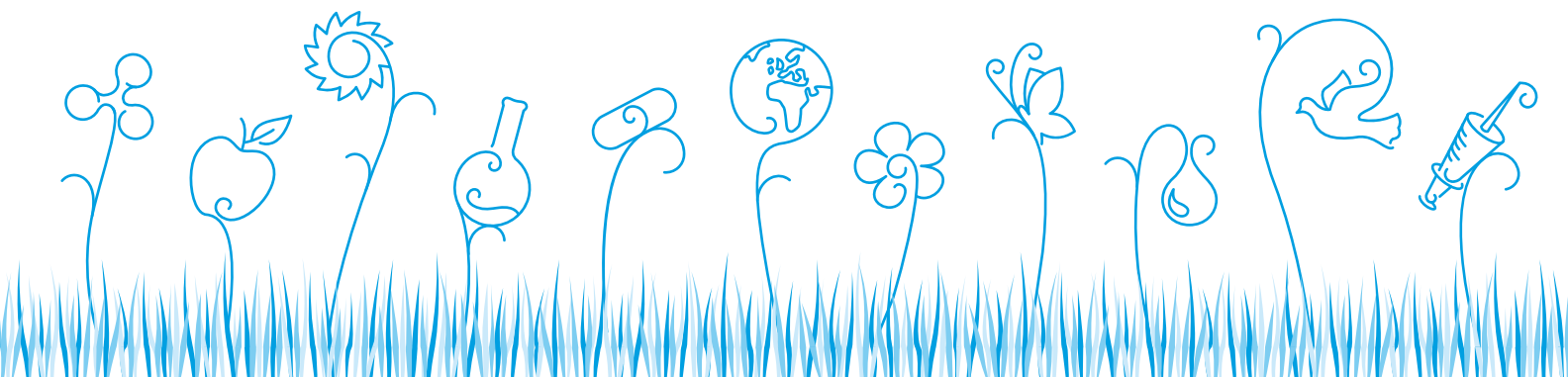
* Net of Excise Duty and Sales tax

Before Forex Translations Gain/Loss

** Post 1:1 Bonus Issue

@ Post Sub-division of each equity share of ₹10/- into 5 equity shares of ₹ 2/- each

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Board of Directors

Premchand Godha	Chairman & Managing Director
Ajit Kumar Jain	Joint Managing Director
Pranay Godha	Executive Director
Prashant Godha	Executive Director
Madhukar R. Chandurkar	Director
Babulal Jain	Director
Dr. V.V. Subba Rao	Director
Anand T. Kusre	Director
Dev Parkash Yadava	Director
Dr. Ramakanta Panda	Director

Audit Committee

Babulal Jain	Anand T. Kusre
Dr. V. V. Subba Rao	Prashant Godha

Corporate Management Team

Premchand Godha	Chairman & Managing Director
Ajit Kumar Jain	Joint Managing Director
Pranay Godha	Executive Director
Prashant Godha	Executive Director
Jeevan L. Nagori	President - Operations
Dr. Ashok Kumar	President - R&D (Chemicals)
N. Guhaprasad	President - International Marketing (Branded Formulations)
Dr. Anil Pareek	President - Medical Affairs & Clinical Research
Sunil Ghai	President - Domestic Marketing
Harish P. Kamath	Sr. Vice President - Legal & Company Secretary

Company Secretary

Harish P. Kamath

Auditors

Natvarlal Vepari & Co., Chartered Accountants

Cost Auditors

ABK & Associates, Cost Accountants

Bankers

Canara Bank	BNP Paribas	Barclays Bank PLC
Standard Chartered Bank	HDFC Bank Ltd.	UBS AG
Kotak Mahindra Bank	Bank of Nova Scotia	ICICI Bank Ltd.
Corporation Bank	Citibank N.A.	DBS Bank Ltd.
HSBC Ltd.	Yes Bank	

Registered Office & International Division

48, Kandivli Industrial Estate
Kandivli (West)
Mumbai 400 067
India
T: +91 22 6647 4444
F: +91 22 2868 6613

Corporate Office

142-AB, Kandivli Industrial Estate
Kandivli (West)
Mumbai 400 067
India
T: +91 22 6647 4747
F: +91 22 2868 6954 / 2875

Domestic Marketing Division

63-E, Kandivli Industrial Estate
Kandivli (West)
Mumbai 400 067
India
T: +91 22 6647 4222
F: +91 22 6647 4114

Research & Development Centre

47, 48, 58-DD, 123-AB, Kandivli Industrial Estate
Kandivli (West)
Mumbai 400 067
India
T: +91 22 6647 4755
F: +91 22 6647 4757

Registrars & Share Transfer Agents

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai 400 078
T: +91 22 2596 3838
F: +91 22 2567 2693

Works**Madhya Pradesh**

P.O. Sejavta 457 002
Ratlam
T: +91 7412 278000 | F: +91 7412 279083

89 A-B / 90 / 91, Industrial Estate
Pologround
Indore 452 003
T: +91 731 2421172 / 2081 | F: +91 731 2422082

1, Pharma Zone
SEZ Indore
Pithampur 454 775
T: +91 7292 667777 | F: +91 7292 667020

Gujarat

Plot No. 69 to 72-B, Sector II
KASEZ
Gandhidham 370 230
T: +91 2836 252385 / 89 | F: +91 2836 252313

4722, GIDC Industrial Estate
Ankleshwar 393 002
T: +91 2646 220594 | F: +91 2246 250435

23-24, GIDC Industrial Estate
Nandesari 391 340
T: +91 265 2840795 | F: +91 265 2840868

Union Territory of Dadra & Nagar Haveli

Plot No. 255/1, Village Athal
Silvassa 396 230
T: +91 260 2640301 | F: +91 260 2640303

Plot No. 65 & 99, Danudyog Indl. Estate
Silvassa 396 230
T: +91 260 2640850 | F: +91 260 2640646

Maharashtra

H-4, G4 to G7, MIDC, Waluj Indl. Area
Aurangabad 431 136
T: +91 240 6611501 | F: +91 240 2564113

C 89 to C 95, MIDC Industrial Area
Mahad 402 309
T: +91 2145 232058 | F: +91 2145 232055

Uttarakhand

C-6, Sara Indl. Estate, Chakrata Road
Rampur, Dehradun 248 197
T: +91 135 2699195 | F: +91 135 2699171

Sikkim

393 / 394, Melli-Jorethang Road
Gom Block, Bhariikhola
South District 737121
Telefax: +91 3595 276372

NOTICE is hereby given that the 63rd ANNUAL GENERAL MEETING of Ipca Laboratories Limited will be held at Shri Bhaidas Maganlal Sabhagriha, Swami Bhaktivedanta Marg, J.V.P.D. Scheme, Vile Parle (W), Mumbai 400 056 on Tuesday, 30th July, 2013 at 3.30 p.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet of the Company as at 31st March, 2013 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare / note payment of dividend on equity shares.
3. To appoint a Director in place of Mr. Babulal Jain who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Anand T. Kusre who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. V. V. Subba Rao who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED that pursuant to Sections 198, 269, 309 and Schedule XIII and any other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval to the re-appointment of and remuneration payable to Mr. Premchand Godha as the Managing Director of the Company for a period of 5 years commencing 1st April, 2013 on the terms and conditions as set out in the agreement dated 23rd March, 2013, entered between the Company and Mr. Premchand Godha, a copy whereof initialled by the Chairman for the purpose of identification is placed before the meeting, which agreement is hereby specifically sanctioned."
8. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Dr. Ramakanta M. Panda who was appointed as an Additional Director of the Company by the Board of Directors on 23rd March, 2013 and who holds office upto the date of this Annual General Meeting under section 260 of the Companies Act, 1956 read with Article 115 of the Articles of Association of the Company, but being eligible, offers himself for re-appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a shareholder signifying his intention to propose Dr. Ramakanta M. Panda as a candidate for the office of Director, be and is hereby appointed as a Director of the Company and whose term of office shall be liable to determination by retirement of the Directors by rotation."

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Proxies, in order to be effective must be received at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 23rd July, 2013 to Tuesday, 30th July, 2013 (both days inclusive).
3. The dividend if sanctioned at the meeting will be paid to those members, whose names appear in the Register of Members on 30th July, 2013 and to those beneficial owners whose names are provided by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the close of business hours on 22nd July, 2013.
4. The information required to be provided under Clause 49 of the Listing Agreement with the Stock Exchanges regarding the directors retiring by rotation and eligible for re-appointment as well as directors being appointed is furnished in the Report on Corporate Governance.
5. Members are requested to:
 - (a) intimate to the Company / their Depository Participant ("DP"), changes, if any, in their registered address at an early date;
 - (b) quote their Registered Folio No. and/or DP Identity and Client Identity number in their correspondence;
 - (c) bring their copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting.
 - (d) encash the dividend warrants on their receipt as dividend remaining unclaimed for seven years are now required to be transferred to the 'Investor Education and Protection Fund' established by the Central Government under the amended provisions of the Companies Act, 1956. Pursuant to Section 205A(5) of the Companies Act, 1956, all unclaimed dividend declared and paid upto interim dividend for the financial year 2005-06 have been transferred by the Company to the Investor Education and Protection Fund. Members who have not encashed their dividend warrants for subsequent period are requested to encash the same immediately.
6. All documents referred in the notice will be available for inspection by the members at the Registered Office of the Company during working hours on all working days upto the date of the Annual General Meeting and shall also be placed before the members at the said Annual General Meeting.
7. Explanatory statement under Section 173 of the Companies Act, 1956 in respect of special business at item 7 and item 8 is annexed hereto.

Registered Office:

48, Kandivli Industrial Estate,
Kandivli (West), Mumbai 400 067.

Mumbai
30th May, 2013

By Order of the Board
For **Ipca Laboratories Ltd.**

Harish P. Kamath
Sr. Vice President - Legal &
Company Secretary

Item No. 7

At the meeting of the Board of Directors of the Company held on 23rd March, 2013, Mr. Premchand Godha has been re-appointed as the Managing Director of the Company for a further period of 5 years with effect from 1st April, 2013.

Mr. Premchand Godha, aged 66 years is a qualified Chartered Accountant and a Commerce Graduate and apart from being a Promoter of the Company is also on the Board of the Company since 31st October, 1975 and has been the Managing Director of the Company since March, 1983. He is also the Chairman of the Board of Directors of the Company since 31st January, 2012. He has over 36 years of experience including 33 years in the pharmaceutical industry.

His appointment is subject to compliance with Sections 198, 269, 309 and Schedule XIII and any other applicable provisions, if any, of the Companies Act, 1956 and also subject to the approval of the shareholders. Accordingly, agreement setting out his terms and conditions of the appointment including remuneration payable to him was entered into by the Company with Mr. Premchand Godha, Managing Director on 23rd March, 2013.

The agreement referred to in the resolution at item 7 of the accompanying notice sets out the remuneration and other terms and conditions applicable to Mr. Premchand Godha upon his re-appointment as the Managing Director.

The material terms of the said agreement are as follows:

1. Period: 5 years with effect from April 1, 2013.
2. The Managing Director shall exercise and perform such powers and duties as the Board shall from time to time determine and subject to any directions and restrictions from time to time given and imposed by the Board.
3. The Managing Director shall devote his whole-time attention and abilities to the business of the Company.
4. During the period of his employment, the Managing Director shall whenever required by the Company undertake such traveling in India and elsewhere as the Board may from time to time direct in connection with or in relation to the business of the Company.

5. Remuneration:

- a) Salary of ₹ 25,00,000/- (Rupees Twenty Five Lacs only) per month with such annual increments as may be decided by the Board subject to a ceiling of ₹ 40,00,000/- (Rupees Forty Lacs Only) per month.
- b) Commission: Such remuneration by way of commission, in addition to the above salary and perquisite, calculated with reference to the net profits of the Company in a particular financial year and as may be determined by the Board of Directors of the Company, subject to the overall ceilings stipulated under Sections 198 and 309 and other applicable provisions of the Companies Act, 1956. The specific amount payable to the Managing Director will be based on certain performance criteria to be laid down by the Board and will be payable annually after annual accounts have been adopted by the shareholders.
- c) Perquisites: In addition to the salary and commission, the Managing Director shall be entitled to the following perquisites:
 - i) **Housing:** The expenditure incurred by the Company on hiring furnished accommodation for the Managing Director will be subject to a maximum of thirty per cent of the Salary. In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to the ceiling laid down.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-Tax Rules, 1962. This shall, however, be subject to a ceiling of ten per cent of the salary of the Managing Director.

- ii) **Medical, hospitalization and health-care expenses:** Actual expenses incurred for the Managing Director and his family including mediclaim policy premium to be paid by the Company.
- iii) **Leave travel concession:** For the Managing Director and his family, once in a year incurred in accordance with any rules specified by the Company subject to a ceiling of one month salary.
- iv) **Club fees:** Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
- v) **Personal accident insurance:** As per any rules specified by the Company.
- vi) **Provident fund:** Company's contribution to provident fund shall be as per the scheme applicable to the employees of the Company.
- vii) **Superannuation fund:** Company's contribution to superannuation fund shall be in accordance with the rules of the scheme as may be framed by the Company.

Contribution to provident fund and superannuation fund will not be included in the computation of perquisites to the extent these either singly or put together are not taxable under the Income-tax Act.

- viii) **Gratuity:** As per the rules of the Company, payable in accordance with the approved gratuity fund and which shall not exceed half a month's salary for each completed year of service.
- ix) Encashment of unavailed privilege leave at the end of the tenure of the appointment.
- x) Company maintained car with driver.
- xi) Land line telephone(s) at the residence and mobile phone(s) for official use.

6. In the event of no profit or inadequacy of profits, the Company shall pay the aforesaid remuneration by way of salary and perquisites as minimum remuneration.
7. The Managing Director shall be entitled to annual privilege leave on full salary for a period of thirty days and such leave shall be allowed to be accumulated for not more than one hundred twenty days during the tenure of appointment.
8. The Managing Director shall be entitled to:
 - a) the reimbursement of entertainment expenses actually and properly incurred by him in the course of the legitimate business of the Company.
 - b) the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively on the business of the Company.
9. The Managing Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee(s) thereof.
10. The Managing Director shall not become interested or otherwise concerned directly or through his wife and/or children, in any selling agency of the Company.
11. The Managing Director shall not during the continuance of his employment with the Company or at any time thereafter divulge or disclose to any person whomsoever or to make any use whatsoever for his own purpose or for any purpose other than that of the Company of any information or knowledge obtained by him during his employment as to the business or affairs of the Company.

12. The Managing Director shall, at the time of termination of his employment, deliver to the Company any property or other documents of the Company in his possession.
13. The Company may forthwith terminate the employment, if the Managing Director shall at anytime be prevented by ill-health or accident from performing his duties.
14. The Company shall be entitled to forthwith terminate the agreement if the Managing Director becomes insolvent or makes any composition or arrangement with his creditors or he ceases to be a Director of the Company.
15. In the case of death of Managing Director in the course of his employment, the Company shall pay to his legal representatives the remuneration for the then current month as the Board may determine.
16. The Company may by giving not less than thirty days notice in writing determine this agreement if the Managing Director is guilty of inattention to or negligence in the conduct of the business.
17. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at anytime by giving to the other party 60 days notice in writing in that behalf without the necessity of showing any cause.
18. The terms and conditions including the remuneration payable to the Managing Director under this appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit.

Except Mr. Premchand Godha himself and his sons, Mr. Pranay Godha and Mr. Prashant Godha, Executive Directors, none of the other Director of the Company may be considered to be interested or concerned in this re-appointment.

Item No. 8

Dr. Ramakanta M. Panda was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 115 of the Articles of Association of the Company with effect from 23rd March, 2013. He holds office only upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing alongwith requisite deposit from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose Dr. Ramakanta M. Panda as a candidate for the office of Director of the Company.

Dr. Panda, aged 59 years is trained in cardiac surgery from the All India Institute of Medical Sciences, New Delhi and has completed his fellowship training at the Cleveland Clinic, USA. He is considered amongst the best cardiac surgeons and has performed over 16,000 cardiac surgeries including bypass, complex aortic aneurysms, valve repair and replacements and over 900 redo bypass surgeries. He is the Vice Chairman of Asian Heart Institute & Research Centre Pvt. Ltd., Mumbai. Dr. Panda is also honoured with Padmabhushan – country's third highest civilian award.

The Board recommends his appointment as a Director.

None of the Directors of the Company are interested or concerned in passing of this resolution.

Registered Office:

48, Kandivli Industrial Estate,
Kandivli (West), Mumbai 400 067.

Mumbai
30th May, 2013

By Order of the Board
For **Ipca Laboratories Ltd.**

Harish P. Kamath
Sr. Vice President - Legal &
Company Secretary

To The Members

Your Directors have pleasure in presenting the 63rd Annual Report and Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS		
	(₹ crores)	
	For the year ended 31.3.2013	For the year ended 31.3.2012
Sales and other Income (net of Excise duty)	2,797.08	2,342.98
Profit before financial cost, depreciation & foreign exchange translations Loss / (Gain)	639.95	526.40
Less : Finance cost	31.30	39.36
Depreciation and Amortisation	84.00	65.31
Loss/(Gain) on foreign exchange translations/transactions	63.28	52.79
Profit before tax	461.37	368.94
Less : Provision for taxation		
Current Tax (net of MAT credit entitlement)	92.68	74.65
Deferred Tax	37.30	13.23
Short / (Excess) provision of earlier year	-	0.89
Net Profit	331.39	280.17
YOUR DIRECTORS RECOMMEND THE FOLLOWING APPROPRIATIONS		
Surplus in Profit & Loss Account as per last Balance Sheet	276.89	146.24
Addition on Amalgamation of Tonira Pharma Ltd.	-	4.31
Net Profit for the year	331.39	280.17
Less:		
Transfer to General Reserve	175.50	100.00
Transfer to Debenture Redemption Reserve	-	7.00
Interim dividend	25.23	25.15
Tax on Interim dividend	4.09	4.08
Proposed final dividend	25.24	15.14
Tax on Proposed Dividend	4.29	2.46
Balance as at year end	373.93	276.89

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry Structure and Development

The global pharmaceutical market is now estimated to be US \$900 billion and is growing at a rate of about 4% per annum. US, Japan and Europe constitute about 80% of the global pharmaceutical market and are growing at a slower annual rate mainly due to loss of exclusivity, lesser new product approvals and price erosions due to generics competition.

In contrast, pharmaceutical market of emerging economies like India, Brazil, Mexico, etc. are growing at a much faster rate of 10% - 14% per annum driven by improved per capita income, increased access and rising awareness of modern medicines and strengthening of healthcare infrastructure.

Out of the global pharmaceutical market, generic formulations contribute about US\$ 130 billion and is growing at about 10% per annum. US is the largest market contributing 40% and Canada, Japan and Europe collectively contributing another 40% of the world generic formulation business.

b) Outlook, Risks and Concerns

Though in the world pharmaceutical market, India has a negligible share by value, India is recognised as one of the leading global players with large number of drug master files and dossier registrations for Active Pharmaceutical Ingredients (APIs) and formulations with manufacturing facilities approved by regulatory authorities of the various countries.

Indian companies are focusing on global generic and API business, R & D activities and contract research and manufacturing alliances. India is also fast emerging as a preferred pharmaceuticals manufacturing location.

Several large selling drugs going off patent over next few years and increasing use of pharmaceutical generics in developed markets to reduce healthcare cost will provide attractive growth opportunities to generics manufacturers and thus Indian pharmaceutical industry is poised for an accelerated growth in the coming years.

However, poor public healthcare funding and infrastructure, low per capita consumption of medicines in developing and under developed countries including India, currency fluctuations, inflation and resultant all round increase in input costs are few causes of concern.

c) Financial Performance and Operations Review

The Company had another successful financial year with a net total income of ₹ 2,797.08 crores as against ₹ 2,342.98 crores in the previous year, a growth of 19%.

The Company's focus on formulations business resulted into increase in overall formulation sales to ₹ 2,072.28 crores, an increase of 18% over previous year formulation sales of ₹ 1,750.24 crores.

The Company further expanded its therapeutic coverage with introduction of new formulations, both in the domestic and export markets, especially in the fast growing life style related segments.

The Active Pharmaceutical Ingredient (API) business also increased by 21% to ₹ 666.54 crores.

During the financial year under report, the Earnings before interest, depreciation, foreign exchange translation loss increased by 22% to ₹ 639.95 crores as against ₹ 526.40 crores in the previous financial year. The operations have resulted in a net profit of ₹ 331.39 crores during the financial year under report as against ₹ 280.17 crores in the previous financial year, an increase of 18%. Due to steep depreciation of Indian Rupee vis-à-vis major currencies, during the financial year under report, the Company incurred foreign exchange translations/transactions loss of ₹ 63.28 crores (previous year - loss of ₹ 52.79 crores).

Break-up of Sales					₹ Crores (net of excise duty & sales tax)			
	2012-13				2011-12			
	Domestic	Exports	Total	Growth	Domestic	Exports	Total	Growth
Formulations	878.10	1,194.18	2,072.28	18%	754.10	996.14	1,750.24	26%
APIs & Intermediates	144.64	521.90	666.54	21%	143.86	405.83	549.69	15%
Net Total Sales	1,022.74	1,716.08	2,738.82	19%	897.96	1,401.97	2,299.93	23%
Growth	14 %	22%	19%		7%	37%	23%	

d) International Business

The products of the Company are now exported to over 110 countries across the globe. During the financial year under report, the international business increased by 22% to ₹ 1,716.08 crores as against ₹ 1,401.97 crores in the previous year. Formulation exports of the Company increased by 20% to ₹ 1,194.18 crores and exports of APIs and Drug Intermediates increased by 29% to ₹ 521.90 crores.

Continent-wise Exports								(₹ Crores)
	2012-13				2011-12			
	Formulations	APIs and Intermediates	Total	% to exports	Formulations	APIs and Intermediates	Total	% to exports
Europe	292.35	193.31	485.66	28%	292.90	151.94	444.84	32%
Americas	215.22	137.39	352.61	21%	177.97	111.01	288.98	20%
CIS	136.48	3.29	139.77	8%	105.19	2.55	107.74	8%
Asia	71.55	149.09	220.64	13%	33.15	110.15	143.30	10%
Africa	434.89	32.99	467.88	27%	355.94	21.38	377.32	27%
Australasia	43.69	5.83	49.52	3%	30.99	8.80	39.79	3%
Total	1,194.18	521.90	1,716.08	100%	996.14	405.83	1,401.97	100%

Formulation Exports - Therapeutic Contribution		
Therapeutic Group	2012-13	2011-12
Cardiovasculars & Anti-diabetics	29%	31%
Non steroidal Anti-inflammatory drugs (NSAID)	17%	18%
Anti-bacterials	9%	10%
Anti-malarials	37%	33%
Gastro Intestinal (G.I) products	1%	1%
Cough Preparations	1%	2%
Central Nervous System (CNS) products	1%	1%
Anthelmintics	4%	3%
Others	1%	1%
TOTAL	100%	100%

Europe

The Company achieved European export sales of ₹ 485.66 crores during the financial year under report as against sales of ₹ 444.84 crores in the previous year, a growth of 9% from this continent.

The Company has developed and submitted 61 generic formulation dossiers for registration in Europe out of which 58 dossiers are already registered.

The Company has also obtained certificate of suitability (COS) of 41 APIs (previous year - 40 APIs) from European Directorate for Quality Medicines.

Americas

The Company exports its APIs to USA, Canada and South American countries and formulations to USA, Canada, Panama, West Indies and few South American countries in this sub-continent.

The Company achieved sales of ₹ 352.61 crores in this continent as against ₹ 288.98 crores in the previous year, a growth of 22%.

The Company is working on a list of formulations for development and filing of ANDAs with US FDA. Most of these formulations are from own APIs for which the Company has filed/ in the process of filing Drug Master File (DMF).

The Company has signed agreements with marketing partners for sale / distribution of generic formulations on a profit sharing arrangement in the US market. 33 ANDA applications in respect of generic formulations developed by the Company are filed with US FDA (previous year - 25 ANDA) out of which 14 ANDA applications are granted till date.

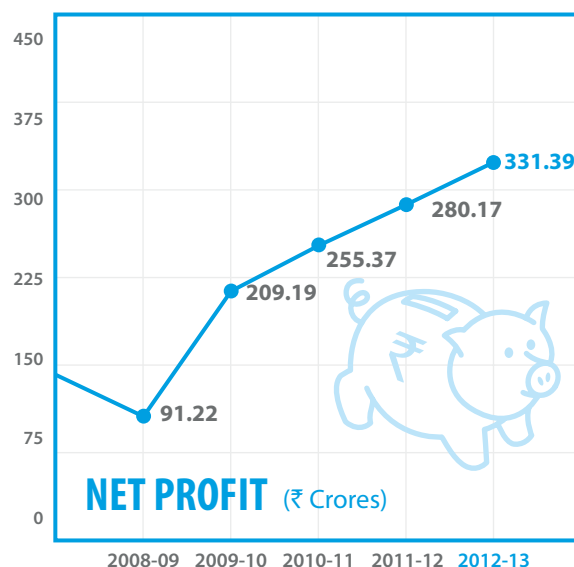
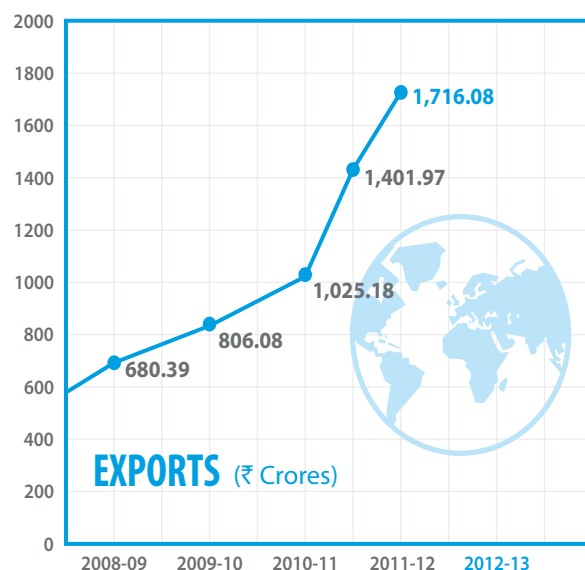
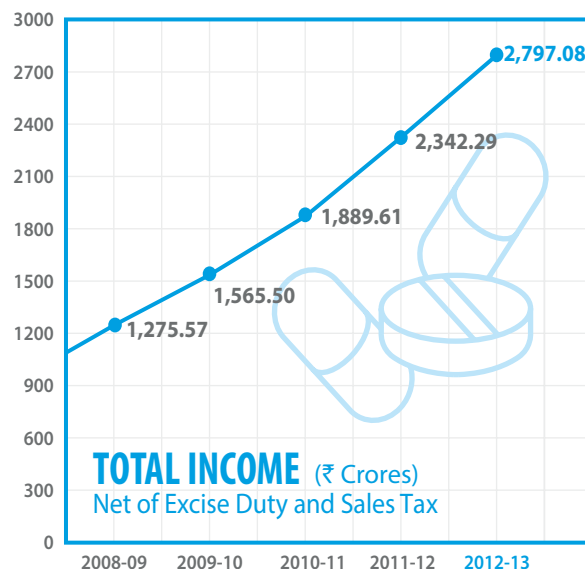
48 DMFs of the Company are currently filed with US FDA. The API business of the Company from this continent increased by 24% to ₹ 137.39 crores.

The formulations manufacturing unit at Special Economic Zone (SEZ) Indore meeting current Good Manufacturing Practices (cGMP) and regulatory requirements of developed countries was recently re-inspected by US-FDA and the Company is awaiting the US FDA approval to commence the formulations manufacturing from this unit for the US market.

The Company's wholly owned subsidiary in Mexico is in the process of filing the formulation dossiers for registration in the said country. The Company is currently marketing its branded and generic formulations in Venezuela, Columbia and Peru in the Latin American market with a few product registrations. Several more formulation dossiers are in the process of being registered / submitted for registration in all these markets of Latin America.

Confederation of Independent States (CIS)

The Company's CIS business recorded sales of ₹ 139.77 crores as against ₹ 107.74 crores in the previous year, a growth of 30%. Most of the business is from branded formulations sales in Russia, Ukraine, Kazakhstan and Belarus. The Company's branded formulations are marketed by its own field force appointed through its non-trading offices. The Company is continuously expanding its product range and geographical reach in the CIS market.



Asia

The Asian business (excluding India) recorded a sales of ₹220.64 crores as against ₹143.30 crores in the previous year, a growth of 54%. The Company exports formulations as well as APIs to several Asian countries. In countries like Nepal, Srilanka, Myanmar, Philippines and Vietnam, the Company markets its branded formulations through dedicated field force. The field force and product range of the Company in Asian market is being continuously expanded.

Africa

The Company achieved export sales of ₹467.88 crores to Africa during the financial year under report as against ₹377.32 crores in the previous year, a growth of 24%.

During the year under report, the Company received WHO pre-qualification for fixed dose anti-malarial formulation of Artesunate + Amodiaquine. This will help the Company in consolidating its anti-malarial institutional business in Africa.

The Company exports branded and generic formulations as well as APIs to 30 African countries. The Company markets branded formulations in countries like Uganda, Ghana, Ivory Coast, Burkina Faso, Zimbabwe, Sudan, Tanzania, Kenya, Ethiopia and Nigeria through dedicated field force.

The Company is expanding its branded formulations business across the continent through expansion of field force and geographical coverage and increase in the number of branded formulations marketed. The Company is also continuously filing new formulation dossiers for registration in African countries.

Australasia

The Company exports APIs to Australia and formulations to Australia and New Zealand in this sub-continent. The business from this continent was ₹49.52 crores during the financial year under report as against ₹39.79 crores in the previous year, a growth of 24%.

The Company has developed and submitted 46 generic formulation dossiers for registration in this market out of which 41 dossiers are already registered.

The Company is focusing on registering more formulation dossiers in Australia and New Zealand through its wholly owned subsidiary Company Ipca Pharma (Australia) Pty Ltd, Australia and its wholly owned subsidiary Ipca Pharma (NZ) Pty Ltd., New Zealand.

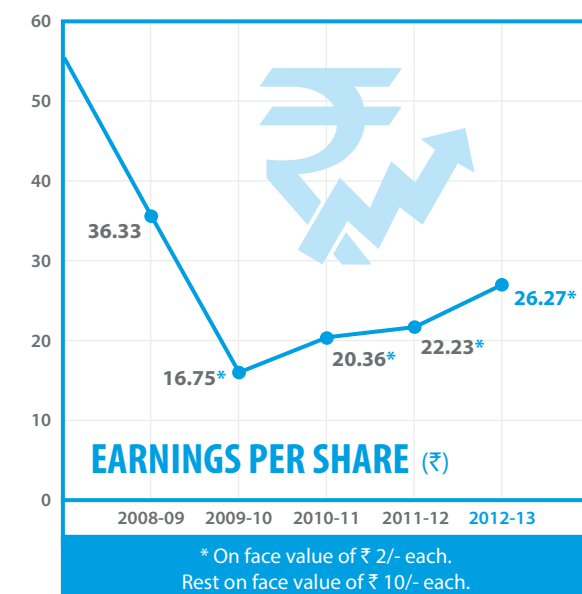
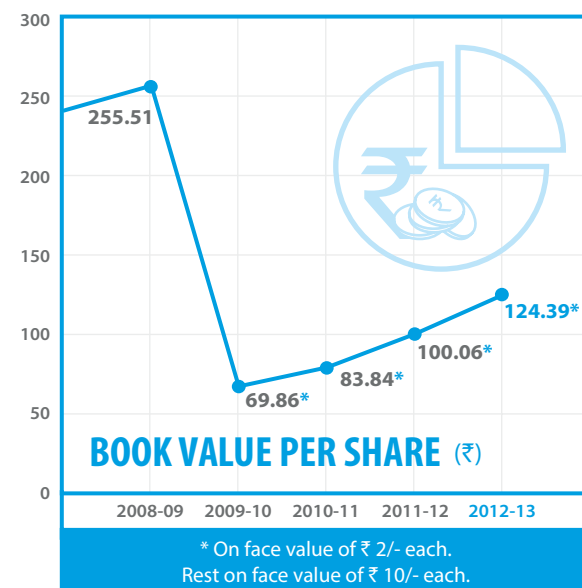
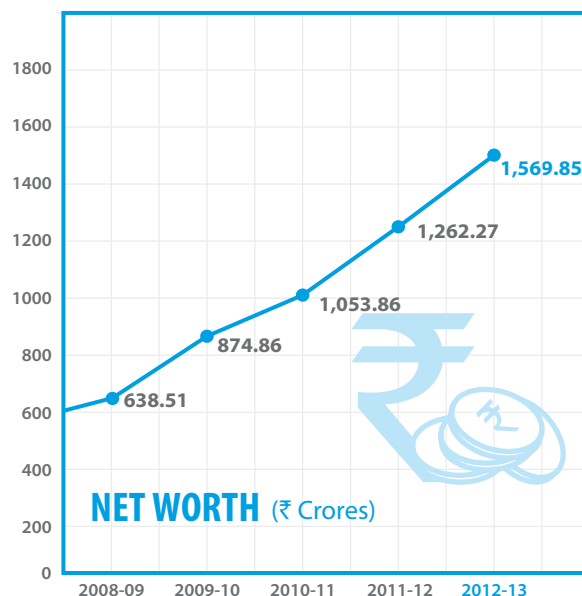
e) Domestic Formulations Business

The Company's formulations business in India now comprises of 12 marketing divisions focusing on key therapeutic segments.

The brand building was in evidence especially in chronic therapy segments such as cardio-vasculars, anti-diabetics, newer anti-malarials and non steroidal anti-inflammatory drugs (NSAID).

During the year under report, the Company introduced 6 new products in the domestic market.

During the financial year under report, the domestic formulations business recorded a growth of 16% at ₹878.10 crores as against ₹754.10 crores in the previous year.



Domestic Branded Formulations - Therapeutic Contribution		
Therapeutic segment	2012-13	2011-12
	% to sales	% to sales
Cardiovasculars & Anti-diabetics	25%	26%
Non steroidal anti-inflammatory drugs (NSAID)	32%	30%
Anti-malarials	17%	17%
Anti-bacterials	6%	7%
Gastro Intestinal (G I) products	6%	6%
Neuro psychiatry	3%	3%
Cough preparations	5%	4%
Dermatology	3%	3%
Urology	1%	1%
Neutraceuticals	1%	2%
Others	1%	1%
Total	100%	100%

f) Active Pharmaceutical Ingredients (APIs) and Intermediates Business

During the financial year under report, the APIs and Intermediates business recorded sales of ₹ 666.54 crores as against ₹ 549.69 crores in the previous financial year, a growth of 21%. Nearly 78% of the APIs and Intermediates business is from exports.

The Company exported APIs/Intermediates to 94 countries across the globe. Most of the international customers of the Company are end user formulations manufacturers including several multinational companies.

48 DMFs of the Company are currently filed with US FDA. The Company has also obtained Certificate of Suitability (COS) for 41 APIs from European Directorate for Quality Medicines (EDQM) for EU countries.

g) Intellectual Property Protection

The Company has created intellectual property management group within the Research and Development centers to deal with management and protection of intellectual property. The Company has filed as many as 220 patent applications till date as against 213 patent applications filed a year ago in India, USA and other countries. These applications relate to novel and innovative manufacturing processes for the manufacture of APIs and pharmaceutical formulations.

Your directors have pleasure in informing you that 68 patent applications of the Company are since registered, 50 in India, 11 in US and 7 in the European Union.

h) Manufacturing Facilities

The formulations manufacturing unit at Special Economic Zone (SEZ) Indore meeting current Good Manufacturing Practices (cGMP) and regulatory requirements of developed countries was recently re-inspected by US FDA and the Company is awaiting the US FDA approval to commence the formulations manufacturing for the US market. This manufacturing unit is currently manufacturing and exporting formulations to the European market.

The API manufacturing facility at Ratlam was further expanded to cater to growing manufacturing needs of APIs.

The Company has started work for setting up a new green field R&D and API manufacturing facility at Village Ranu, Tehsil Padra, District – Vadodara (Gujarat).

i) Internal Control Systems

The Company has adequate internal control systems including suitable monitoring procedures commensurate with its size and the nature of the business. The internal control systems provide for all documented policies, guidelines, authorisation and approval procedures. The Company has an internal audit department which carries out audits throughout the year. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit committee of the Board.

j) Human Resources

The human resource plays an important and vital role in the growth and success of an organization.

The Company has maintained cordial and harmonious relations with all employees across various locations.

During the year the Company has implemented various measures to build a strong, adaptive and mature corporate structure which is flexible, responsive and simple.

During the year under review various development workshops were organized to improve the overall competency level of employees with an objective to improve the operational performance of individuals. The Company has also taken efforts to build competent team to handle challenging assignments and for developing relationship with educational institutes with a view to attract and build a talent pool.

The involvement of employees at all levels has been achieved through continued promotion of TQM activities across the organization with the involvement of top management team.

The Company strives to enhance the technical, work related and general skills of all employees through dedicated training programs on a continuous basis.

The Company has 10,909 permanent employees as on 31st March, 2013 out of which 5,568 employees are engaged in the marketing and distribution of Company's pharmaceuticals.

k) Cautionary Statement

Certain statement in the management discussion and analysis may be forward looking within the meaning of applicable securities law and regulations and actual results may differ materially from those expressed or implied. Factors that would make differences to Company's operations include competition, price realisation, changes in government policies and regulations, tax regimes, economic development within India and the countries in which the Company conducts business and other incidental factors.

SUBSIDIARY COMPANIES

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India under section 212 of the Companies Act, 1956, copy of the Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors of the Company's subsidiaries have not been attached with the Balance Sheet of the Company. Any member interested in obtaining the same may write to the Company Secretary at the Corporate Office of the Company. These documents are available for inspection by Members at the registered office of the Company and will also be placed before the Annual General Meeting.

However, as required the financial data of the subsidiaries have been furnished under 'Details of Subsidiaries' forming part of the Annual Report. The annual accounts of the subsidiaries are also uploaded on the website of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard AS-21, the audited consolidated financial statements are provided in the Annual Report.

RESEARCH & DEVELOPMENT (R&D)

The Company has always considered Research and Development (R&D) as crucial for the sustained growth of the Company. The Company has stepped-up investments in R&D to keep pace with the changing domestic and global scenario.

The Company has R&D centers at Mumbai, Ratlam, Athal and Indore, duly recognised by the Government of India, Ministry of Science and Technology, Department of Scientific & Industrial Research (DSIR). These R&D centers are also duly approved by the prescribed authority under Section 35 (2AB) of the Income Tax Act, 1961 for availing weighted tax benefit on the R&D expenditure.

During the year under Report, the Company has set up a new R&D Centre at Plot No. 58DD, Kandivli Industrial Estate, Kandivli (West), Mumbai – 400 067 for expanding its formulations R&D activities.

The Company is in the process of setting up a new Research Centre at Kandivli, Mumbai for biotech research & development activities at Plot No. 125 and 126 of Kandivli Industrial Estate, Kandivli (West), Mumbai – 400 067. The Company is also in the process of setting-up a new R&D Centre at Village Ranu, Tehsil Padra, District-Vadodara, Gujarat.

The Company has stepped up its R&D expenditure from ₹ 77.96 crores (3.39% of the turnover) in the previous year to ₹ 100.74 crores (3.68% of the turnover) in the year under report.

With qualified and experienced research scientists and engineers manning the research and development activities, the Company has focused its thrust on new and innovative process and product development for the manufacture of APIs with non-infringing processes.

Apart from development of new dosage forms and drug delivery systems, improvement in processes and yield as well as cost reduction are also focus areas.

PAID-UP EQUITY SHARE CAPITAL

During the year under report, the Company allotted 48,750 fully paid up equity shares of ₹ 2/- each at an exercise price of ₹ 63/- per share to the option grantees on exercise of stock options granted on 11th November, 2008. With this allotment, all the stock options granted by the Company under the ESOS have either been exercised or forfeited.

In view of the allotment of equity shares under ESOS and also allotment of equity shares to the shareholders of Tonira Pharma Ltd. upon its merger with the Company, the Company's paid-up equity share capital increased to ₹ 25,23,98,218/- consisting of 12,61,99,109 equity shares of ₹ 2/- each.

Disclosure pursuant to the provisions of SEBI (ESOS and ESPS) Guidelines, 1999 is annexed to this report as Annexure I.

DIVIDEND

Your Directors had declared interim equity dividend of ₹ 2/- per share (100%) at the meeting of the Board of Directors of the Company held on 25th October, 2012. The said interim dividend was paid on 9th November, 2012 to those shareholders, whose names appeared on the register of members of the Company on 2nd November, 2012. Your directors are now pleased to recommend a final equity dividend of ₹ 2/- per share (100%), making the total dividend recommended to ₹ 4/- per share (200%) for the financial year under report as against 160% paid in the previous financial year. The dividend will be tax free in the hands of the shareholders.

The dividend (inclusive of interim dividend already paid) amounting to ₹ 50.47 crores and dividend tax amounting to ₹ 8.38 crores, if approved at the ensuing Annual General Meeting, will be appropriated out of the profits for the year.

DIRECTORS

Mr. Babulal Jain, Mr. Anand Kusre and Dr. V. V. Subba Rao, retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Mr. R. S. Hugar, Director of the Company suddenly expired on 30th January, 2013. The Board place on record its sincere appreciation for the services rendered to the Company by Mr. R. S. Hugar during his tenure since 2002 first as the Chairman of the Board and thereafter as an Independent Director.

At the meeting of the Board of Directors of the Company held on 23rd March, 2013, Dr. Ramakanta M. Panda was appointed as an Additional Director of the Company.

Mr. Premchand Godha was re-appointed as the Managing Director of the Company for a further period of 5 years with effect from 1st April, 2013 and the necessary resolution in this regard is being proposed at the ensuing Annual General Meeting for the approval of the members.

A brief note on Directors retiring by rotation and eligible for re-appointment as well as Director appointed is furnished in the Report on Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) that your 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 March 31, 2013 and of the profit of the Company for the year;
- iii) that your Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that your Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

As per the requirement of listing agreement with the Stock Exchanges, the Company has complied with the requirements of Corporate Governance in all material aspects.

A report on Corporate Governance together with a certificate of its compliance from Statutory Auditors, forms part of this report.

FIXED DEPOSITS

During the year under review, the Company has not accepted any fixed deposits.

AUDITORS, AUDIT REPORT AND AUDITED ACCOUNTS

M/s Natvarlal Vepari & Co., Chartered Accountants, retire as auditors and being eligible, offer themselves for re-appointment.

The Auditors' Report read with the notes to the accounts referred to therein are self-explanatory and, therefore, do not call for any further comments.

COST AUDIT

Pursuant to the provisions of Section 233B of the Companies Act, 1956 and with the prior approval of the Central Government, M/s. ABK & Associates, Cost Accountants (Regn. No. 036) were appointed as the Cost Auditors to conduct audit of cost records for Bulk Drugs and Formulations activities of the Company for the financial year 2012-13.

The Cost Audit Report for the financial year 2011-12, which was due to be filed with the Ministry of Corporate Affairs on or before 28th February, 2013 was filed on 30th January, 2013.

EMPLOYEES

Information under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, forms part of this report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Report and the Accounts is being sent to all shareholders of the Company excluding the aforesaid information. Shareholders interested in obtaining this information may write to the Company Secretary at the Corporate Office of the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to good corporate citizenship. As a part of its corporate social responsibility, the Company continues to undertake a range of activities in respect of healthcare and education to improve living conditions of people living in the neighborhood of its manufacturing facilities.

During the year under report, the Company has also supported healthcare and educational projects undertaken by charitable institutions and organizations.

The Company considers safety, environment and health as the management responsibility. Regular employee training programmes are carried out in the manufacturing facilities on safety and environment.

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

In accordance with the requirements of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, statement showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the enclosed Annexure.

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for the continued co-operation and support extended to the Company by the Consortium of Banks and Financial Institutions. Your Directors also thank the Medical Profession, the Trade and Consumers for their patronage of the Company's products. Your Directors also place on record their profound admiration and sincere appreciation of the continued hard work put in by employees at all levels.

For and on behalf of the Board

Mumbai
30th May, 2013

Premchand Godha
Chairman & Managing Director

ANNEXURE I

Annexure to the Directors Report

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

		Employees Stock Option Scheme – 2006 (Grant I)	Employees Stock Option Scheme – 2006 (Grant II)	Employees Stock Option Scheme – 2006 (Grant III)
a	Options granted	3,99,000 (on 23 rd September, 2006)	1,10,000 (on 29 th October, 2007)	57,000 (on 11 th November, 2008)
b	The pricing formula	Closing market price on the day prior to grant of options ₹ 367.10 and exercise price ₹ 200	Closing market price on the day prior to grant of options ₹ 619.35 and exercise price ₹ 315	Closing market price on the day prior to grant of options ₹ 400.45 and exercise price ₹ 315
c	Options vested	3,17,750	68,750	45,000
d	Options exercised	3,17,750	68,750	45,000
e	The total number of shares arising as a result of exercise of options	3,17,750 (of ₹ 10/- each)	68,750 (of ₹ 10/- each)	45,000 (of ₹ 10/- each)
f	Options lapsed (as at March 31, 2013)	81,250	41,250	12,000
g	Variation of terms of options (as at March 31, 2013)	N/A	N/A	N/A
h	Money realized by exercise of options	₹ 635.50 lacs including share premium of ₹ 603.73 lacs	₹ 216.56 lacs including share premium of ₹ 209.69 lacs	₹ 141.75 lacs including share premium of ₹ 137.25 lacs
i	Total number of options in force (as at March 31, 2013)	Nil	Nil	Nil
j	Director / Employee wise details of options granted to i) Directors	Mr R S Hugar Chairman 5,000 Mr Babulal Jain Director 5,000 Dr V V Subba Rao Director 5,000 Mr V A Gore Director 5,000 (Expired and so ceased to be a Director on 02.12.2009) Mr T Ramachandran 5,000 (Resigned as Director w.e.f. 31.10.2008) Mr A K Jain 12,000 Executive Director	NONE	NONE
	ii) Senior managerial personnel	Mr M D Sharma President Mktg. 10,000 Mr Prakash Shanware President HR 10,000 Dr Ashok Kumar President – R&D (Chemicals) 10,000 Mr Y K Bansal President – R & D (Formulations) 10,000 Mr. J. L. Nagori President Operations 10,000	Mr. N Guhaprasad President Int. Mktg. 10,000	NONE
	iii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil	Mr. N Guhaprasad President Int. Mktg. 10,000 Mr. Rajesh Bahal V.P. –Sales (Resigned) 8,000 Mr. P. B. Nair V.P. – Mfg (Resigned) 8,000 Mr. L. K. Gupta V.P. – Bulk Drugs 8,000 Ms. Pradnya Deshmukh 6,000 Sr. G. M. Quality (Resigned)	Mr. J. S. Sood 6,000 Sr. G. M. Int. Mktg.

		Employees Stock Option Scheme – 2006 (Grant I)	Employees Stock Option Scheme – 2006 (Grant II)	Employees Stock Option Scheme – 2006 (Grant III)
	iv) Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options	Nil	Nil	Nil
k	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	₹ 26.27		
l	i) Method of calculation of employee compensation cost	The Company had calculated the employee compensation cost using the intrinsic value method of accounting to account for options issued under the ESOS. The intrinsic value is ₹ 167.10	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for options issued under the ESOS. The intrinsic value is ₹ 304.35	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for options issued under the ESOS. The intrinsic value is ₹ 85.45
	ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options	The Employee compensation cost would have been higher by ₹ 58,491/- had the company used fair value method for accounting the options issued under ESOS.		
	iii) The impact of this difference on profits and on EPS of the Company	The profit would have been lower by ₹ 58,491/- and the earnings per share would have been lower by ₹ Nil per share had the Company used fair value method for accounting the options issued under ESOS		
m	Weighted average exercise price	₹ 200	₹ 315	₹ 315
	Weighted average fair value	₹ 342.60	₹ 357.27	₹ 152.91
n	Fair value of options based on Black Scholes methodology	₹ 342.60	₹ 357.27	₹ 152.91
	Assumptions	- Risk Free Rate is based upon Govt. Securities - Dividends are not considered - There was no Transaction & Tax cost		
	Risk Free rate	8.6%		
	Expected life of options	Average time for expiry of option is taken as NIL years	Average time for expiry of option is taken as NIL years	Average time for expiry of option is taken as NIL years
	Expected Volatility	3.47%		
	Expected Dividends	In the calculation of fair value of the options, expected dividend have been ignored as all the options issued have been exercised or forfeited.		
	Closing market price of share on a date prior to option grant	₹ 367.10	₹ 619.35	₹ 400.45

Note: Each option granted at the time of grant of options represented a right to the option grantee but not an obligation to apply for 1 fully paid up equity share of ₹10/- each of the Company at pre-determined exercise price. Due to corporate action on 23rd March, 2010 for sub-division of 1 fully paid up equity shares of ₹10/- each into 5 fully paid up equity shares of ₹ 2/- each, pro-rata adjustment has been made for number of shares and the exercise price.

AUDITORS' CERTIFICATE ON EMPLOYEE STOCK OPTION SCHEMES

To
The Members of
Ipca Laboratories Limited

We have examined the books of account and other relevant records and based on the information and explanations given to us, certify that in our opinion, the company has implemented the Employees Stock Option Scheme in accordance with SEBI (Employee Stock Option Schemes and Employee Stock Purchase Scheme) Guidelines, 1999 and the resolutions of the company in General Meeting held on 28th July 2006 and 20th July 2007.

For **Natvarlal Vepari & Co**
Chartered Accountants
Firm Registration No. 106971W

N. Jayendran
Partner
M. No. 40441

Mumbai
May 30, 2013

ANNEXURE II

Information pursuant to the Companies (Disclosure of particulars in Report of the Board of Directors) Rules, 1988

1. CONSERVATION OF ENERGY

(i) Energy conservation measures taken :

The Company continues its policy of giving priority to energy conservation measures including regular review of energy generation and consumption and effective control on utilisation of energy.

The following energy conservation measures were implemented during the financial year:

- Replacement of inefficient motors with energy efficient motors.
- Replacement of electrically operated condensate recovery pump.
- Installation of VFDs on major loads.
- Installation of power metrix to reduce power losses.
- Installation of energy efficient grundfoss pumps.
- Condensate recovery improvement.
- Flash steam recovery.
- Time cycle reduction in process to reduce power consumption in the manufacturing of APIs.
- Installation of solar power pack for water supply pumps.
- Replacement of V belts by flat belts in air handling units.
- Installation of energy efficient cooling tower.
- Maintain load factor as per contract demand.
- Maintain power factor unity.

(ii) Additional investments and proposals being implemented for reduction of energy consumption :

The Company is continuously installing electroflow and other devices to improve quality of power through voltage improvement.

(iii) Impact of the above measures :

The adoption of energy conservation measures have resulted in considerable savings and increased level of awareness amongst the employees. The energy conservation measures have also resulted in improvement of power factor and consequential tariff benefit.

(iv) A. Power and fuel Consumption:

	2012-13	2011-12
a) Electricity :		
(i) Purchased :		
Units (KWH)	10,55,96,848	9,01,73,047
Total Amount (₹ in lacs)	5,740.97	4,447.66
Rate / Unit (₹)	5.44	4.93
(ii) Own Generation :		
Through Diesel Generator		
Units (KWH)	17,48,730	12,72,868
Units per Ltr. Of Diesel Oil (KWH)	3.40	3.33
Cost of Diesel per KWH (₹)	12.85	11.90
b) Light Diesel Oil (LDO) :		
Quantity (K.Ltrs.)	-	14,632
Total Amount (₹ in lacs)	-	6.00
Average Rate/Ltr. (₹)	-	40.99
c) Others (₹ in lacs) :		
HSD	616.90	248.65
Coal / Thermia B Oil	1,463.12	1,423.02
Furnace Oil	400.83	462.13
Pet Coke	605.80	498.78
Others	5.81	5.97
Gas	438.78	347.10

B. Consumption per unit of Production:

In view of the varied nature of the products and packs, the compilation of accurate consumption per unit of production is not feasible.

2. TECHNOLOGY ABSORPTION

Research & Development

(A) Specific areas in which R&D work was carried out by the Company:

The Company's R&D Centres at Mumbai, Ratlam, Athal and Indore are approved by Department of Scientific and Industrial Research, Government of India. These centres are also approved u/s 35 (2AB) of Income Tax Act, 1961 for purposes of weighted tax deduction. The Company carries out R&D in several areas including:

- (i) Development of indigenous technologies for major drugs and intermediates, process improvements, technology absorption and optimisation of basic drugs, process simplification, etc.
- (ii) Improvement of existing processes to improve yields and quality, reduce cost and lead to eco friendly process.
- (iii) Development of newer dosage forms and new drug delivery systems.
- (iv) Development of non-infringing processes for APIs.

(B) Benefits derived as a result of the above R & D :

- (i) R&D efforts have helped bring out an improvement in processes, product design and operating efficiencies.
- (ii) Development of new formulations and line extensions.
- (iii) Development of various APIs and Intermediates.
- (iv) Development of new markets, adaptation to meet export requirements, quality upgradation and cost reduction.

(C) Future Plan of Action :

- (i) Development of various APIs/intermediates having good potential for exports and local market.
- (ii) Additional investment in manpower, latest instrumentation to upgrade and strengthen R&D facilities.
- (iii) Development of newer drug delivery systems.
- (iv) Development of formulations for developed market and bio-equivalence studies of the same.
- (v) Setting up of new R&D Centers at Mumbai and Vadodara.

(D) Expenditure on R&D:

	2012-13 (₹ Crores)	2011-12 (₹ Crores)
a) Capital	23.00	20.78
b) Revenue	77.74	57.18
c) Total	100.74	77.96
d) R&D expenditure as a percentage of turnover	3.68%	3.39%

(E) Imported technology (imported during last 5 years):

The Company has not imported any technology during the last 5 years.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Earnings

The CIF value of exports of the Company during the year aggregated to ₹ 1716.08 crores as against ₹ 1401.97 crores in the previous year.

B) Outgo

Detailed information is furnished in the Notes to the Accounts.

Mumbai
30th May, 2013

For and on behalf of the Board
Premchand Godha
Chairman & Managing Director

Pursuant to Clause 49 of the Listing Agreement, given below is a report on the Corporate Governance in the Company:

1. Company's philosophy of Corporate Governance is to ensure :

- i) that the Board and top management of the Company are fully appraised of the affairs of the Company that is aimed at assisting them in the efficient conduct of the Company's business so as to meet Company's obligation to the stakeholders.
- ii) that the Board exercises its fiduciary responsibilities towards shareholders and creditors so as to ensure high accountability.
- iii) that all disclosure of information to present and potential investors are maximised.
- iv) that the decision making process in the organisation is transparent and are backed by documentary evidences.

2. Board of Directors

The present strength of the Board of Directors of the Company is ten directors of which one is promoter Chairman & Managing Director, one professional non-promoter Joint Managing Director, two promoter Executive Directors, one promoter non executive Director and five non-executive independent directors with independent judgment in the deliberation and decision of the Board. The Chairman of the Board is an Executive & Promoter Director.

8 (Eight) board meetings were held during the Financial Year 2012-13. The dates on which the said meetings were held are as follows:

13 th April, 2012	16 th May, 2012
29 th May, 2012	31 st July, 2012
17 th September, 2012	25 th October, 2012
30 th January, 2013	23 rd March, 2013

The last Annual General Meeting of the Company was held on 31st July, 2012.

Details of composition and category of Directors, their attendance at the Board meetings, Annual General meeting and shareholding of each Director are as follows:

Name of the Director	Category	No. of board meetings		Attendance at last AGM (31.07.2012)	No. of Equity shares held in the Company *	No. of options held under ESOS 2006
		Held	Attended			
Mr. Premchand Godha	Chairman & Managing Director, Promoter Director	8	8	Yes	28,51,340	Nil
Mr. Ajit Kumar Jain	Joint Managing Director, Professional, Non-Promoter Director	8	8	Yes	66,000	Nil
Mr. Pranay Godha	Executive Director, Promoter Director	8	6	Yes	6,06,936	Nil
Mr. Prashant Godha	Executive Director, Promoter Director	8	7	Yes	7,31,800	Nil
Mr. Madhukar R. Chandurkar	Non-Executive, Promoter Director	8	7	Yes	21,51,000	Nil
Mr. Babulal Jain	Non-Executive, Independent Director	8	8	Yes	25,500	Nil
Dr. V. V. Subba Rao	Non-Executive, Independent Director	8	7	Yes	12,500	Nil
Mr. Anand T. Kusre	Non-Executive, Independent Director	8	5	Yes	Nil	Nil
Mr. Dev Parkash Yadava	Non-Executive, Independent Director	8	7	Yes	3713	Nil

Name of the Director	Category	No. of board meetings		Attendance at last AGM (31.07.2012)	No. of Equity shares held in the Company *	No. of options held under ESOS 2006
		Held	Attended			
Dr. Ramakanta M. Panda	Non-Executive, Independent Director (appointed as Additional Director on 23 rd March, 2013)	8	1	N/A	Nil	Nil
Mr. Ramappa S. Hugar	Non-Executive, Independent Director (expired on 30 th January, 2013)	8	3	No	Nil	Nil

Notes:

Mr. Premchand Godha, Chairman & Managing Director and Mr. Pranay Godha and Mr. Prashant Godha, Executive Directors are related to each other. None of the other Directors are related to each other.

Mr. Ramappa S. Hugar, Independent Director expired on 30th January, 2013.

At the meeting of the Board of Directors of the Company held on 23rd March, 2013, Dr. Ramakanta M. Panda was appointed as an Additional Director of the Company with immediate effect.

*The above shareholding as at 31st March, 2013 is in respect of shares which are held by Directors as a first holder and in which shares they have beneficial interest.

Number of other Companies or Committees of which the Director is a Director/Member/Chairman:

Name of Director	No. of other public limited companies in which he is Director	No. of Committees in which he is Member (other than Ipca)	No. of Committees of which he is Chairman (other than Ipca)
Mr. Premchand Godha	2	Nil	Nil
Mr. Ajit Kumar Jain	Nil	Nil	Nil
Mr. Pranay Godha	Nil	Nil	Nil
Mr. Prashant Godha	1	1	Nil
Mr. Madhukar R. Chandurkar	1	Nil	Nil
Mr. Babulal Jain	Nil	Nil	Nil
Dr. V. V. Subba Rao	Nil	Nil	Nil
Mr. Anand T. Kusre	3	Nil	Nil
Mr. Dev Parkash Yadava	2	2	1
Dr. Ramakanta M. Panda	Nil	Nil	Nil

Directorship held by Directors mentioned above does not include Directorship of foreign companies and private limited companies.

The memberships / chairmanships in Audit Committee and Shareholders Grievance Committee only of Indian public limited companies have been considered.

The Company has a process to provide, inter-alia, the information to the Board as required under Annexure IA to clause 49 of the listing agreement pertaining to Corporate Governance. The Board periodically reviews the compliances by the Company of all applicable laws.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the companies in which they are Directors. All the Directors have made necessary disclosures in this regard to the Company.

The Company has not entered into any materially significant transactions during the year under report with promoters, directors, senior management personnel, etc. other than the transactions entered into in the normal course of Company's business. Transactions with related parties are disclosed under notes forming part of the accounts.

Information required under clause 49 IV G of the listing agreement on Directors seeking appointment/ re-appointment

Mr. Babulal Jain

Mr. Babulal Jain aged 62 years is a non-executive independent Director of the Company since 1988. He is a practicing Chartered Accountant by profession. He is also the Chairman of the Audit Committee, Remuneration Committee and Investors Grievance Committee of the Board of Directors of the Company. He has professional experience of nearly 36 years in the field of Audit, Finance, Company Law and Taxation. His professional knowledge and vast experience will be of immense benefit to the Company.

He is also a Director of Vipra Closures Pvt. Ltd.

He holds 25,500 equity shares in the Company.

Mr. Anand T. Kusre

Mr. Anand T. Kusre aged 63 years is a M. Tech. in Chemical Engineering from Indian Institute of Technology (IIT), Mumbai. He is currently working as a Professor at Shailesh J Mehta School of Management, IIT Mumbai. Prior to this, he worked with ICICI Bank for about 30 years with leadership roles in several important functions.

Mr. Kusre has nearly three decades of experience in designing and managing programmes aimed at development and commercialization of technologies. He has also supported several companies and technology institutions for development of innovative products. He is also actively associated with industry associations and leading academic and professional institutes.

He was earlier a nominee Director of ICICI Limited on the Board of Directors of the Company from 3rd November, 1993 to 26th March, 1997. He is an independent Director of the Company since 21st January, 2010.

His vast technical knowledge and banking experience will be of immense benefit to the Company.

He is also a Director in the following Companies

1.	MITCON Consultancy Services Limited	3.	Gujarat Industrial and Technical Consultancy Organisation Limited
2.	ITCOT Consultancy and Services Limited	4.	Entrepreneurship Development Centre

Mr. Kusre does not hold any equity shares in the Company.

Dr. V. V. Subba Rao

Dr. V. V. Subba Rao aged 73 years is a post graduate in chemistry from Andhra University and Phd in chemistry from University of Pune. Dr Subba Rao has also carried out post doctoral research in surface chemistry in USA. He has rich experience of over 4 decades in the field of science and technology. He retired as advisor to the Ministry of Science & Technology (DSIR), Government of India.

His technical knowledge and vast experience will be of immense benefit to the Company.

He is an independent Director of the Company since September, 2000. He is holding 12,500 equity shares of the Company.

He is also a Director of JC Biotech Private Ltd.

Dr. Ramakanta M. Panda

Dr. Ramakanta M. Panda, aged 59 years is trained in cardiac surgery from the All India Institute of Medical Sciences, New Delhi and has completed his fellowship training at the Cleveland Clinic, USA. He is considered amongst the best cardiac surgeons and has performed over 16,000 cardiac surgeries including bypass, complex aortic aneurysms, valve repair and replacements and over 900 redo bypass surgeries. Dr. Panda is also honoured with Padmabhushan – Country's third highest civilian award.

He is also a Director in the following Companies:

1.	Bombay Cardiovascular Surgical Private Limited.	2.	Asian Heart Institute & Research Centre Private Limited
3.	Asian Hospitals and Healthcare Private Limited	4.	Asian Medical Device Private Limited
5.	Asian Health Assist Worldwide Pvt Ltd.	6.	Heritage Asian Spa Private Limited
7.	Asian Spa Private Limited.	8.	Asian Orthopaedic Institute Private Limited
9.	Asian Cosmetic Surgery Institute Private Limited.	10.	Asian Dental Institute Private Limited
11.	Asian Brahmaputra Hospitals & Healthcare Private Ltd.		

His vast medical knowledge and experience will be of immense benefit to the Company.

Dr. Panda does not hold any equity shares in the Company.

Code of Conduct

The Board has laid down a code of conduct for Board members and senior management personnel of the Company. The said code of conduct is posted on Company's website. The Board members and senior management personnel have affirmed compliance with the said code of conduct. A declaration signed by the Chairman & Managing Director / CEO is given at the end of this Report.

The Company has also adopted a code of conduct for prevention of insider trading. All the Directors, senior management employees and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. During the year under Report, there has been due compliance with the said code of conduct for prevention of insider trading.

3. Audit Committee

Terms of Reference & Composition, Name of Members and Chairman :

The Audit Committee of the Company currently comprises of Mr. Babulal Jain, Chairman of the Committee, Dr. V. V. Subba Rao and Mr. Anand T. Kusre, all being Independent Directors with independent judgment in the deliberation and decisions of the Board as well as Audit Committee and Mr. Prashant Godha, Executive Director. All members of the Audit Committee have knowledge on financial matters and the Chairman of the Audit Committee is a senior Chartered Accountant in practice having accounting and financial management expertise.

Mr. Ajit Kumar Jain, Joint Managing Director in-charge of Finance and Mr. Pranay Godha, Executive Director along with Statutory Auditors, Cost Auditors and Vice President (Finance) are invitees to the meetings of the Audit Committee. Mr. Harish P. Kamath, Sr. Vice President - Legal and Company Secretary is the Secretary of this Committee.

The terms of reference to this Committee, inter-alia, covers all the matters specified under Section 292 (A) of the Companies Act, 1956 and also all the matters listed under clause 49 of the listing agreement with stock exchanges such as oversight of the Company's financial reporting process; recommending the appointment/re-appointment of statutory auditors; reviewing with the management annual financial statements, quarterly financial statements and other matters as covered under role of Audit Committee in clause 49. The Audit Committee has powers, inter-alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company / Company's subsidiaries as well as seek outside legal and professional advice.

The Audit committee reviews all the information that is required to be mandatorily reviewed by it under the corporate governance.

Audit Committee meetings and the attendance during the financial year 2012-13.

There were 6 (Six) meetings of the Audit Committee during the Financial Year 2012-13. The dates on which the said meetings were held are as follows:

13 th April, 2012	29 th May, 2012	31 st July, 2012
25 th October, 2012	30 th January, 2013	23 rd March, 2013

The attendance of each member of the Audit Committee in the committee meetings is given below:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Babulal Jain	6	6
Dr. V. V. Subba Rao	6	6
Mr. Anand T. Kusre	6	4
Mr. Prashant Godha	6	6

Subsidiary Companies

The Company has 2 non-listed, non-material Indian subsidiary companies. The Company also has 7 overseas wholly owned subsidiary companies and 3 wholly owned subsidiary companies of wholly owned subsidiaries, the financial statements of which are regularly reviewed by the Audit Committee.

4. Remuneration and Compensation Committee

The Company has a Remuneration and Compensation Committee of the Board which currently comprises of Mr. Babulal Jain (Chairman of the Committee), Dr V. V. Subba Rao and Mr. Anand T. Kusre, all independent directors to function in the manner and to deal with the matters specified in the clause 49 of the listing agreement and also to review the overall compensation structure and policies of the Company to attract, motivate and retain employees.

There were 3 (Three) meetings of this Committee during the Financial Year 2012-13. The dates on which the said meetings were held are as follows:

13 th April, 2012	29 th May, 2012
23 rd March, 2013	

The attendance of each member of the Remuneration and Compensation Committee in the committee meetings is given below:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Babulal Jain	3	3
Dr. V. V. Subba Rao	3	3
Mr. Anand T. Kusre	3	1

The details of the remuneration payable to Managing Director, Joint Managing Director and Executive Directors for the Financial Year 2012-13 are given below:

(₹)

Name of Directors	Salary	Benefits and Perquisites	Commission*	Total
Mr. Premchand Godha	1,80,00,000	1,18,93,490	7,20,00,000	10,18,93,490
Mr. Ajit Kumar Jain	51,00,000	52,22,130	1,02,00,000	2,05,22,130
Mr. Pranay Godha	36,00,000	34,01,312	72,00,000	1,42,01,312
Mr. Prashant Godha	30,00,000	29,10,814	60,00,000	1,19,10,814

* As provided in the Annual Accounts 2012-13 and payable subject to shareholders approval.

The appointment of Managing Director, Joint Managing Director and Executive Directors is contractual and is generally for a period of 5 years. Either party is entitled to terminate agreement by giving not less than 30 days/60 days notice in writing, as the case may be, to the other party.

At the end of the financial year as on 31st March, 2013, the Company had a scheme for grant of stock options to the Directors and to the selected Employees of the Company and its subsidiaries under "Ipca Laboratories Limited – Employees Stock Option Scheme 2006 (ESOS)." Under this ESOS, the Remuneration and Compensation Committee till date has granted following options:

Grant Date	No. of options granted	Exercise Price
23.09.2006	3,99,000	₹ 200
29.10.2007	1,10,000	₹ 315
11.11.2008	57,000	₹ 315

Each option represent a right to the option grantee but not an obligation to apply for 1 fully paid equity share of ₹ 10/- each of the Company at the exercise price (post corporate action for sub-division – 5 equity shares of ₹ 2/- each with pro-rata change in exercise price).

The options granted would be vested equally over a period of 4 years from the date of grant of options.

Details of number of options granted to Directors and the Senior Management personnel of the Company is given under Annexure to the Directors Report.

Disclosure pursuant to SEBI (ESOS and ESPS) Guidelines, 1999 is annexed to the Directors' Report forming part of this Annual Report.

All the options granted have since been exercised or forfeited and currently the Company does not have any outstanding stock options granted.

The non-executive Directors are paid only sitting fees for attending the meetings of the Board of Directors and Committees thereof.

Details of payments made to Non-Executive Directors in the Financial Year 2012-13 are as under:

Name of the Director	Sitting fees Paid (₹)	Commission paid (₹)
Mr. Madhukar R. Chandurkar	1,29,000	Nil
Mr. Ramappa S. Hugar	45,000	Nil
Mr. Babulal Jain	2,52,000	Nil
Dr. V.V. Subba Rao	2,19,500	Nil
Mr. Anand T. Kusre	1,35,000	Nil
Mr. Dev Parkash Yadava	1,05,000	Nil
Dr. Ramakanta M. Panda	15,000	Nil

5. Shareholders / Investors Grievance Committee

Details of the Members, Compliance Officer, number of complaints received and pending, number of transfers pending as on close of the financial year.

This Committee functions under the Chairmanship of Mr. Babulal Jain, the non-executive independent Director. Mr. Premchand Godha, Chairman & Managing Director and Mr. Madhukar R. Chandurkar, Director are the other members of this committee.

There were 2 (two) meetings of this committee during the financial year 2012-13. The dates on which the said meetings were held are as follows:

31 st July, 2012	30 th January, 2013
-----------------------------	--------------------------------

The attendance of each member of the Shareholders/Investor Grievance Committee in the committee meetings is given below:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Babulal Jain	2	2
Mr. Premchand Godha	2	2
Mr. Madhukar R. Chandurkar	2	2

Mr. Harish P. Kamath, Sr. Vice President – Legal & Company Secretary is the Compliance Officer of the Company.

This committee monitors share transfers, transmissions and other shareholders related activities including redressal of investor grievances.

During the year, the Company received 110 complaints/communications from the shareholders, mostly regarding non-receipt of dividend warrants posted/request for revalidation of date expiry warrants, bonus shares issue, stock split share certificate related queries, etc. all of which are attended to. The Company had no unattended request pending for transfer of its equity shares at the close of the financial year.

6. General Body Meetings

Details of the location where the last three Annual General Meeting (AGM) and Extra-ordinary General Meeting (EGM) were held and the details of the resolutions passed or proposed to be passed by Postal Ballot.

AGM for the F.Y. ended	Day, Date & Time of AGM	Place of AGM	Special Resolutions Passed
31-3-2012	Tuesday, 31-07-2012 at 3.30 p.m.	Shri Bhaidas Maganlal Sabhagriha, Vile Parle (West), Mumbai	None
31-3-2011	Thursday, 28-07-2011 at 3.30 p.m.	Shri Bhaidas Maganlal Sabhagriha, Vile Parle (West), Mumbai	Increase in the borrowing limit of the Company u/s 293 (1) (a) and (d) from ₹ 400 Crores to ₹ 1200 Crores.
31-3-2010	Thursday, 29-7-2010 at 3.30 p.m.	Shri Bhaidas Maganlal Sabhagriha, Vile Parle (West), Mumbai	None

All the resolutions including special resolutions set out in the respective notices calling the AGM were passed by the shareholders. No postal ballots were used for voting at these meetings. There is no proposal to pass any special resolution through postal ballot at the ensuing Annual General Meeting.

7. Disclosures

- i) Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large.

None

The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Disclosures from senior management staff have been obtained to the effect that they have not entered into any material, financial and commercial transactions where they have personal interest that may have potential conflict with the interest of the Company at large

Transactions with the related parties are disclosed in the notes to the accounts forming part of the Annual Report.

- ii) Details of non-compliance by the Company, penalties and strictures imposed on the Company by SEBI, ROC, Stock Exchanges or any other statutory authorities on any matter related to capital market during the last 3 financial years.

None

- iii) There is a whistle blowing policy in the Company and that no personnel has been denied access to the Audit Committee.

- iv) The Company has complied with all the mandatory requirements of corporate governance under clause 49 of the listing agreement. The Company has adopted the non-mandatory requirements of the clause 49 of the listing agreement pertaining to corporate governance such as whistle blower policy, remuneration committee, etc.

- v) The CEO/CFO certification form part of this Annual Report.

Risk Management

The Company has adopted a risk management policy. The Board of Directors of the Company have been informed from time to time of the business risks faced by the Company and the steps taken by the management to face such risks.

Proceeds from Initial Public Offerings (IPO), etc.

The Company has not made any IPO during the year under report.

Management discussions and analysis

The management discussion and analysis forms part of this annual report.

8. Means of communication

Quarterly / Annual Results	The results of the Company are published in the Newspapers.
Newspapers in which results are generally published	The Business Standard, Free Press Journal and Nav Shakti.
Website, where displayed	At http://www.ipca.com
Whether website also displays official news releases	Yes
Presentation made to institutional investors or to the analysts	The website includes all the information on presentations made to the investors and analysts.
E-mail id for investor grievances	investors@ipca.com

9. General Shareholders Information

AGM : Date, Time and Venue	Tuesday, 30 th July, 2013 at 3.30 p.m. at Shri Bhaidas Maganlal Sabhagriha, Swami Bhaktivedanta Marg, J.V.P.D. Scheme, Vile Parle (W), Mumbai 400 056.
Financial Year	1 st April –31 st March
First quarter results	last week of July*
Second quarter results	last week of October*
Third quarter results	last week of January*
Annual results	last week of May*
	* tentative

Date of Book closure	Tuesday, 23 rd July, 2013 to Tuesday, 30 th July, 2013 (both days inclusive).
Dividend Payment dates(s)	The Company has paid interim dividend of ₹2/- per share (100%) on 9 th November, 2012 on the equity share capital for the financial year 2012-13. It is now proposed to declare final dividend of ₹2/- per share (100%) on equity share capital for the financial year 2012-13 which if sanctioned will be paid on or before 20 th August, 2013.
Listing on Stock Exchanges	Bombay Stock Exchange Ltd. (BSE) and The National Stock Exchange of India Ltd. (NSE). Listing fees have been paid to both the stock exchanges for the financial year 2013-14 in April, 2013. The fees of the depositories for the financial year 2013-14 are also paid in April, 2013.
Stock code – Physical and ISIN Number for NSDL and CDSL	524494 on BSE; IPCALAB on NSE INE 571A01020
Corporate Identity Number allotted by Ministry of Corporate Affairs	L24239MH1949PLC007837
Market price data: high, low during each month in last financial year	Please see Annexure 'A'
Stock performance in comparison to BSE Sensex	Please see Annexure 'B'
Registrars and share transfer agents	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound L B S Marg, Bhandup (W), Mumbai 400 078 Tel. No. (022) 2596 3838, Fax. No.(022) 2567 2693
Share transfer system	All share transfers subject to correctness and completion of all documents would normally be registered and returned within 2 weeks from the date of receipt.
Distribution of shareholding/ shareholding pattern as on 31.3.2013	Please see Annexure 'C'
Dematerialisation of shares and liquidity	98.19% of the paid-up share capital has been dematerialised as on 31 st March, 2013.
Outstanding GDRs/ADRs/warrants/ convertible instruments, etc.	No options issued under Ipca Laboratories Ltd- Employees Stock Option Scheme 2006 (ESOS) are outstanding as at 31 st March, 2013.
Plant Locations	1. Sejavata, Ratlam, Madhya Pradesh. 2. Pologround, Indore, Madhya Pradesh. 3. Gandhidham, Gujarat. 4. Athal, Silvassa. 5. Dandudyog Industrial Estate, Silvassa. 6. Aurangabad, Maharashtra. 7. Dehradun, Uttaranchal. 8. SEZ Indore, Pithampur, Madhya Pradesh 9. Gom Block, Bharikhola, South Sikkim 10. Nandesari, Gujarat 11. Ankleshwar, Gujarat 12. Mahad, Maharashtra
Share transfer and other communications may be addressed to the Registrars	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound L B S Marg, Bhandup (W), Mumbai 400 078 Tel. No. (022) 2596 3838
Investors complaint may be addressed to	Harish P Kamath Sr. V.P.- Legal & Company Secretary Ipca Laboratories Limited 142-AB, Kandivli Indl. Est, Kandivli (W), Mumbai 400 067 Tel. No. (022) 6647 4644, E-mail : investors@ipca.com

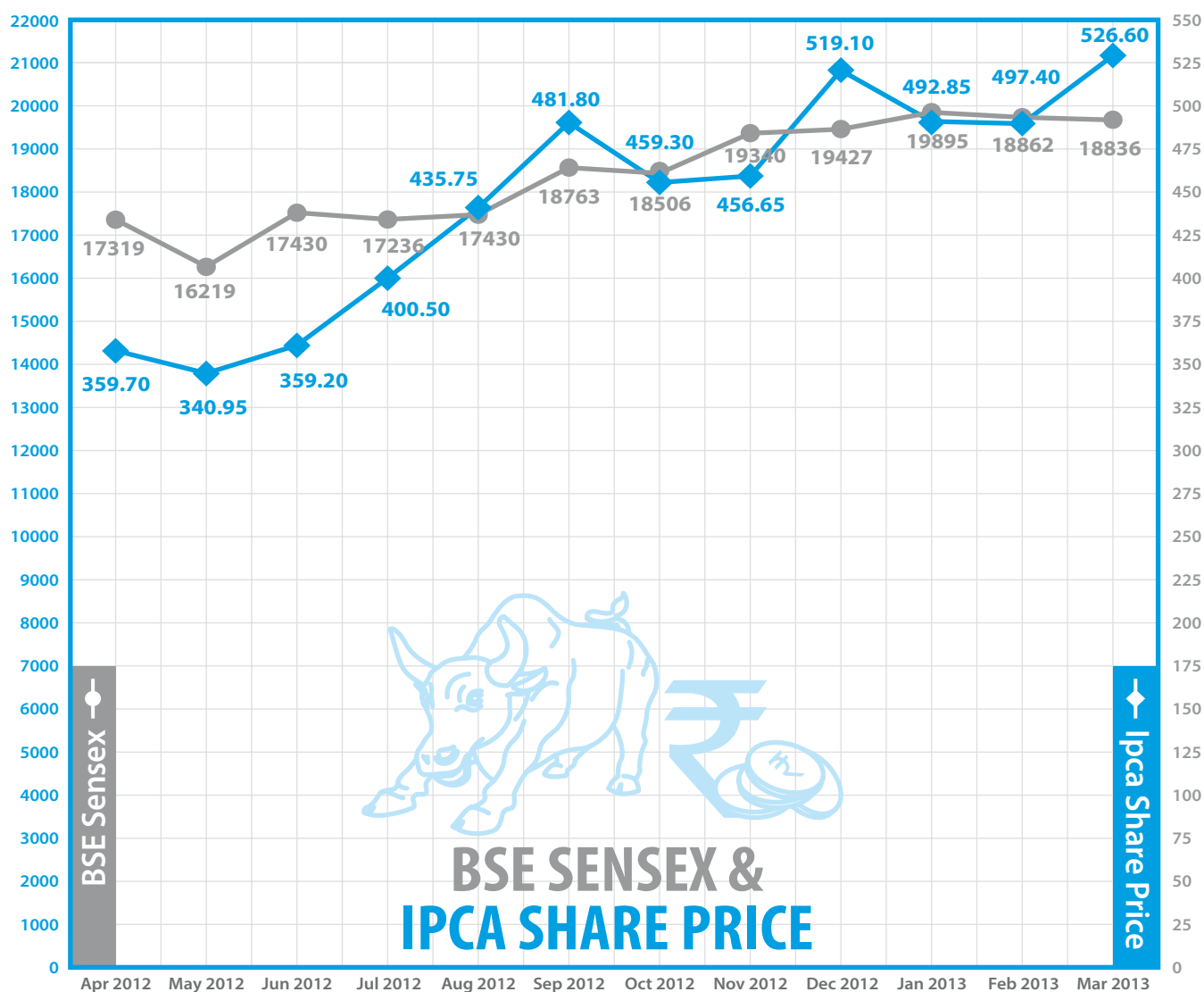
Annexure A

High/low of market price of the Company's shares traded on Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd. (NSE) during the financial year 2012-13 furnished below:

Year	Month	Highest (₹)		Lowest (₹)	
		BSE	NSE	BSE	NSE
2012	April	365.00	369.70	326.25	320.00
	May	375.00	375.90	320.10	320.50
	June	360.00	360.00	331.10	332.05
	July	409.70	404.00	356.25	355.20
	August	444.00	444.00	389.00	387.60
	September	493.00	496.00	415.00	415.60
	October	495.00	494.90	428.50	428.35
	November	476.00	476.00	401.10	400.90
	December	537.05	536.85	443.00	441.25
2013	January	535.00	534.70	470.25	470.10
	February	551.00	504.10	462.30	461.75
	March	566.85	567.50	475.10	440.40

Annexure B

Graph of share price/ BSE Sensex



Annexure C

The distribution of shareholding as on 31st March, 2013 is as follows :

No. of equity shares held			No. of shareholders	%	No. of shares	%
Upto		500	23970	78.72	2256776	1.79
501	to	1000	4707	15.46	4464927	3.53
1001	to	2000	702	2.31	1135654	0.90
2001	to	3000	251	0.82	653872	0.52
3001	to	4000	123	0.40	452525	0.36
4001	to	5000	113	0.37	539008	0.43
5001	to	10000	181	0.59	1354206	1.07
10001	and	above	404	1.33	115342141	91.40
Grand Total			30451	100.00	126199109	100.00
No. of shareholders in Physical Mode			5779	18.98	2287800	1.81
No. of shareholders in Electronic Mode			24672	81.02	123911309	98.19

Shareholding pattern as on 31st March, 2013 is as follows :

Categories of shareholders	No. of shareholders	No. of shares	% holding
Indian Promoters	15	57911126	45.89
Banks and Insurance Companies	5	58122	0.04
UTI and Mutual Funds	87	19836853	15.72
FII and NRIs	829	26725512	21.18
Domestic Companies	629	7558169	5.99
Resident Individuals	28886	14109327	11.18
	30451	126199109	100.00

Auditors' Certificate on Corporate Governance

To
The Members of
Ipca Laboratories Limited

1. We have examined the compliance of conditions of Corporate Governance by **Ipca Laboratories Limited** for the year ended on 31st March 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.
2. 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.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement except that the stipulation as to composition of Independent and Non-Independent Directors on the Board of Directors was not satisfied since 30th January, 2013 on the demise of one of the Independent Director. The composition of Independent and Non-Independent Directors was satisfied on 23rd March, 2013 with the appointment of an additional Independent Director.
4. 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 **Natvarlal Vepari & Co**
Chartered Accountants
Firm Registration No. 106971W

N. Jayendran
Partner
M. No. 40441

Mumbai
May 30, 2013

To
All the Members of
Ipca Laboratories Ltd.

It is hereby certified and confirmed that as provided in Clause 49 I (D) of the listing agreement with the stock exchanges, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2013.

For Ipca Laboratories Limited
Premchand Godha
Chairman & Managing Director / CEO

Mumbai
30th May, 2013

CEO/CFO Certification

The Board of Directors
Ipca Laboratories Limited
48, Kandivli Industrial Estate, Kandivli - West, Mumbai – 400 067

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2013 and that to the best of our knowledge and belief;
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) No transaction is entered into by the company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Ipca Laboratories Ltd.
Premchand Godha
Chairman & Managing Director / CEO

Ajit Kumar Jain
Joint Managing Director / CFO

Mumbai
30th May, 2013

To
The Members of
Ipca Laboratories Limited

Report on Financial Statements

We have audited the accompanying **Financial Statements** of Ipca Laboratories Limited ("the Company"), which comprises the Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227(3) of the Companies Act 1956, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of the books.
 - iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.

- iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v) On the basis of the written representation received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of Clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956 on the said date.

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No 106971W

N Jayendran
Partner
M. No. 40441

Mumbai,
May 30, 2013

Annexure to the Auditors' Report

(Referred to in our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The fixed assets have been physically verified by the management at reasonable intervals and any material discrepancies noticed on such verification have been properly dealt with in the books of account;
- (c) The Company has not disposed off any substantial part of fixed assets.
- (ii) (a) Stock of finished goods, stores, spare parts and raw materials has been physically verified by the management at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stock followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The valuation of stock has been done on the basis of physically verified quantity. Therefore shortage / excess automatically gets adjusted and the same is properly dealt in the books of accounts.
- (iii) The Company has neither granted nor taken any fresh loan from parties listed in the register maintained under section 301 of the Companies Act. Therefore the provisions of clause 4(iii) of the Companies (Auditors' Report) Order, 2003 is not applicable.
- (iv) In our opinion and according to the information and explanations given to us there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. We have not come across any continuing failure to correct major weaknesses in internal control.
- (v) (a) In our opinion and according to the information and explanations given to us the transactions that need to be entered into a register in pursuance of section 301 of the Act has been properly entered.
- (b) All the transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time and the nature of services rendered by such party.
- (vi) The Company has not accepted any deposits from the public during the year under review, and consequently the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under are not applicable.
- (vii) In our opinion the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) According to the records produced and information given to us, the cost records and accounts as prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 have been made and maintained by the Company but no detailed examination of such records and accounts has been carried out by us.
- (ix) (a) The Company is regular in depositing provident fund, employees state insurance, income tax, sales tax, service tax, customs duty and excise duty dues with the appropriate authorities and there are no arrears of outstanding statutory

dues as at the last day of the financial year for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, the following tax / duty etc has not been deposited on account of dispute.

Name of the Statute	Nature of Dues	Amount (₹ crores)	Period to which the amount relates	Forum where dispute is pending
Excise Duty/ Service Tax	Availment of Cenvat Credits on Input Services.	0.03	2006-2007 and 2007-2008	Assistant Commissioner / Deputy Commissioner, Central Excise, LTU Mumbai
Excise Duty / Service Tax	Availment of Cenvat Credits on Input Services.	0.01	April 2008 - Dec 2008	Assistant Commissioner / Deputy Commissioner, Central Excise, LTU Mumbai
Excise Duty / Service Tax	Availment of Cenvat Credits on Input Services.	0.01	Jan 2009 - Sep 2009	Assistant Commissioner / Deputy Commissioner, Central Excise, LTU Mumbai
Service Tax	Availment of Credit of Service Tax on H.O invoices.	2.06	2006-2007 and 2007-2008	Commissioner of Central Excise, LTU Mumbai
Service Tax	Availment of Credit of Service Tax on H.O invoices.	0.91	April 2008 – Sept 2009	Commissioner of Central Excise, LTU Mumbai
Service Tax	Non reversal of proportionate amount of service tax credit against input credit reversal on short receipt and destruction of RM/PM	0.01	2005-2006 to 2007-2008	Assistant Commissioner of Central Excise & Service Tax, LTU Mumbai
Excise Duty	Differential Excise Duty on WIP on de-bonding	0.23	2009-2010	CESTAT, Ahmedabad
Excise Duty	Interest and penalty on past anti-dumping duty and excise duty	4.15		High Court, Gujarat
Service Tax	Availment Of Cenvat Credit on Service Tax	0.01	2006-2007	Assistant Commissioner / Deputy Commissioner, Central Excise & Service Tax, LTU Mumbai
Service Tax	Availment Of Cenvat Credit on Service Tax	0.02	2009-2010 & 2010-2011	Deputy Commissioner, Central Excise & Service Tax, LTU Mumbai
Sales Tax	Disputed demand	0.01	2006-2007	Sales Tax Authority, Cuttack
Sales Tax	Disputed demand	0.08	2006-2007	Gujarat VAT Tribunal, Ahmedabad
Sales Tax	Disputed demand	0.03	2007-2008	Jt. Commissioner of Commercial Tax, Rajkot
Sales Tax	Disputed Demand	1.22	2006-2007	Deputy Commissioner of Commercial Tax Vadodara
Sales Tax	Disputed demand	0.01	2008-2009	Sales Tax Authority, UP
Income tax	Disputed disallowances	0.57	AY:-2007-08	ITAT Mumbai
Income tax	Disputed disallowances	2.03	AY:-2008-09	CIT(A)
Income tax	Disputed Demand	0.31	AY:-2005-06	ITAT, Ahmedabad
Income tax	Appeal against penalty order	0.09	AY:-2008-09	CIT(A), Vadodara

- (x) The Company does not have any accumulated losses and has not incurred cash losses in current year and in the previous year.

- (xi) We are informed that the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
- (xii) On the basis of the audit procedures followed and the representations from the management, we report that the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore the provisions of clause 4(xii) of the Companies (Auditors' Report) Order, 2003 is not applicable.
- (xiii) The Company is not a nidhi/ mutual benefit fund/society and accordingly clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 is not applicable.
- (xiv) The Company does not deal or trade in shares, securities, debentures and other investments. Therefore clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 is not applicable.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank, and therefore clause 4(xv) of the Companies (Auditors' Report) Order, 2003 is not applicable.
- (xvi) On the basis of the documents submitted to the bankers and the other records perused by us we have to state that the term loans which are in the nature of External Commercial Borrowings taken during the year have been applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanation given to us, on an overall examination of the Balance Sheet of the Company and the necessary representations from the management, we report that no short term funds raised by the Company have been applied towards long term assets / investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act. Accordingly clause 4(xviii) of the Companies (Auditors' Report) Order, 2003 is not applicable.
- (xix) The Company has made fresh issue of debentures during the year. The Company has executed the debenture trust deed as per section 117A of the Act and proper security or charge has been created in favour of the debenture trust.
- (xx) The Company has not raised any money by public issues during the year and accordingly clause 4(xx) of Companies (Auditors' Report) Order, 2003 is not applicable;
- (xxi) Based on the audit procedures performed and the information and explanation given by the management we report that no fraud on or by the Company has been noticed or reported during the year.

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No 106971W

N Jayendran
Partner
M. No. 40441

Mumbai,
May 30, 2013

STANDALONE ACCOUNTS

Balance Sheet as at 31 st March, 2013			
Particulars	Note Ref.	As at 31/03/2013	As at 31/03/2012
		(₹ Crores)	(₹ Crores)
Equity & Liabilities			
1 Shareholders' Funds			
(a) Share Capital	1	25.24	25.23
(b) Reserves & Surplus	2	1,544.61	1,237.04
(c) Money Received Against Share Warrants		-	-
		1,569.85	1,262.27
2 Share Application Money Pending Allotment		-	-
3 Non-Current Liabilities			
(a) Long-Term Borrowings	3	366.21	330.18
(b) Deferred Tax Liabilities (net)	4	130.39	93.09
(c) Other Long Term Liabilities	5	0.40	0.59
(d) Long Term Provisions	6	12.21	8.72
		509.21	432.58
4 Current Liabilities			
(a) Short-Term Borrowings	7	157.14	201.36
(b) Trade Payables	8	265.46	230.71
(c) Other Current Liabilities	9	165.18	174.56
(d) Short-Term Provisions	6	41.91	28.57
		629.69	635.20
Total		2,708.75	2,330.05
Assets			
1 Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		1,052.67	908.52
(ii) Intangible Assets		22.66	4.30
(iii) Capital Work-in-Progress		120.99	88.45
(iv) Intangible Assets Under Development		8.18	6.06
		1,204.50	1,007.33
(b) Non-Current Investments	11	21.79	42.65
(c) Deferred Tax Assets (net)		-	-
(d) Long-Term Loans & Advances	12	88.16	76.36
(e) Other Non-Current Assets	13	9.50	7.13
		1,323.95	1,133.47
2 Current Assets			
(a) Current Investments	11	0.15	0.15
(b) Inventories	14	733.34	663.98
(c) Trade Receivables	15	415.93	340.91
(d) Cash and Bank Balances	16	54.66	9.25
(e) Short-term loans and advances	12	49.64	33.66
(f) Other current assets	13	131.08	148.63
		1,384.80	1,196.58
Total		2,708.75	2,330.05
Statement of Significant Accounting policies and Other Explanatory Notes form part of the Balance Sheet and Statement of Profit and Loss			

As per our report of even date attached
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W
N. Jayendran
Partner
M.No. 40441

Mumbai,
30th May, 2013

For and on behalf of the Board of Directors
Premchand Godha
Chairman & Managing Director
Ajit Kumar Jain
Joint Managing Director
Pranay Godha
Executive Director
Prashant Godha
Executive Director
Harish P. Kamath
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2013

Particulars	Note Ref.	2012-13	2011-12
		(₹ Crores)	(₹ Crores)
Revenue			
I. Revenue from Operations (Gross)	17	2,803.09	2,348.63
Less : Excise Duty		24.67	18.57
Revenue from Operations (Net)		2,778.42	2,330.06
II. Other Income	18	18.66	12.92
III. Total Revenue (I + II)		2,797.08	2,342.98
IV. Expenses			
Cost of Materials Consumed	19	1,044.75	871.43
Purchases of Stock-in-Trade	20	106.08	100.88
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(59.77)	(65.04)
Employee Benefit Expenses	22	376.57	322.20
Finance Cost	23	31.30	39.36
Depreciation & Amortisation	24	84.00	65.31
Other Expenses	25	689.50	587.11
Foreign Exchange (Gain)/Loss Net		63.28	52.79
Total Expenses (IV)		2,335.71	1,974.04
V. Profit Before exceptional, extraordinary items and Tax (III-IV)		461.37	368.94
VI. Tax Expense			
Current Tax		92.68	83.55
Less: MAT Credit entitlement		-	(8.90)
Deferred Tax		37.30	13.23
Short/(Excess) provision of earlier years		-	0.89
		129.98	88.77
VII. Profit after Tax before Exceptional item (V-VI)		331.39	280.17
VIII. Exceptional Items		-	-
IX. Profit after Tax and Exceptional item (VII-VIII)		331.39	280.17
X. Earnings per Equity Share: (₹)	29		
Basic		26.27	22.23
Diluted		26.27	22.22
Par value per share (₹)		2.00	2.00

Statement of Significant Accounting policies and Other Explanatory Notes form part of the Balance Sheet and Statement of Profit and Loss

As per our report of even date attached
For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No. 106971W
N. Jayendran
Partner
M.No. 40441

Mumbai,
30th May, 2013

For and on behalf of the Board of Directors
Premchand Godha
Chairman & Managing Director
Ajit Kumar Jain
Joint Managing Director
Pranay Godha
Executive Director
Prashant Godha
Executive Director
Harish P. Kamath
Company Secretary

Cash Flow Statement for the year ended 31st March, 2013

		2012-13		2011-12		
		(₹ Crores)		(₹ Crores)		
A. Cash Flow From Operating Activities						
1)	Net profit before taxation and extraordinary item		461.37			368.94
	Adjustments for :					
	Depreciation, amortisation and impairment	84.00			65.31	
	(Profit) / Loss on sale of assets	1.20			0.83	
	(Profit) / Loss on sale of Investment	(4.69)			-	
	(Profit) / Loss on sale of mutual fund Investments (short term)	(1.37)			-	
	Assets scrapped	0.23			0.54	
	Miscellaneous balance written off/(back)	(0.58)			(2.17)	
	Provision for doubtful debts/advances	-			1.80	
	Provision for diminution in value of investment - in subsidiaries	1.25			0.61	
	Provision for diminution in value of investment - others	0.65			0.47	
	Employee Stock Option Compensation expenses	0.01			0.10	
	Unrealised foreign exchange (gain) / loss	15.08			54.77	
	Interest income	(8.54)			(8.33)	
	Dividend income	(1.31)			(1.17)	
	Interest expense	31.30	117.23		39.36	152.12
2)	Operating profit before working capital changes		578.60			521.06
	Decrease/(Increase) in Receivables	(35.79)			(61.45)	
	Decrease/(Increase) in Inventories	(61.31)			(185.90)	
	Increase/(Decrease) in Sundry creditors & provisions	(2.92)	(100.02)		125.03	(122.32)
3)	Cash generated from operation		478.58			398.74
	Income tax paid (Net)		(91.73)			(79.90)
	Net cash from operating activities		386.85			318.84
B. Cash Flow From Investing Activities						
	Purchase of fixed assets including Capital WIP	(228.55)			(259.20)	
	Interest Capitalised	(2.50)			(1.18)	
	Acquisition of Business	(67.36)			-	
	Investment in subsidiaries	(0.30)			(2.13)	
	Purchase of Investment in Associate	(1.08)			-	
	Sale of Investment in Associate	25.03			-	
	Purchase/redemption of mutual fund units					
	- Purchases	(1,805.99)		(1,315.61)		
	- Redemption	1,807.36	1.37	1,315.61	-	
	Proceeds from sale of assets		1.18		0.95	
	Interest received		7.48		8.94	
	Dividend received		1.31		1.17	
	Net cash from / (used) in investing activities		(263.42)			(251.45)
C. Cash Flow From Financing Activities						
	Proceeds from Issue of Share Capital including premium	0.31			0.76	
	Increase/(Decrease) in short term borrowings	(44.32)			(77.12)	
	Proceeds from long-term borrowings	110.39			137.20	
	Repayment of long-term borrowings	(52.60)			(79.83)	
	Proceeds from issuance of Debentures	20.00			50.00	
	Repayment of Debentures	(33.33)			(16.67)	
	Interest paid	(31.80)			(36.70)	
	Dividend & dividend tax paid	(46.78)			(46.66)	
	Net cash (used in) financing activities		(78.13)			(69.02)
	Net increase / (decrease) in cash and cash equivalents (A + B + C)		45.30			(1.63)
	Cash and cash equivalents at beginning of year		7.81			7.22
	Addition on Amalgamation		-			2.22
	Cash and cash equivalents at end of year		53.11			7.81
	Components of Cash & Cash equivalents :					
	Cash and Cheques on hand		2.63			3.74
	Balance with banks		50.48			4.07
			53.11			7.81

As per our report of even date attached
For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No. 106971W
N. Jayendran
Partner
M.No. 40441

Mumbai,
30th May, 2013

For and on behalf of the Board of Directors
Premchand Godha
Chairman & Managing Director
Ajit Kumar Jain
Joint Managing Director
Pranay Godha
Executive Director
Prashant Godha
Executive Director
Harish P. Kamath
Company Secretary

(A) Accounting Policies

a) Basis of Preparation

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

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Revised Schedule VI to the Companies Act 1956.

ii) Change in Accounting Policy

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Inflation

Assets and liabilities are shown at historical cost except revalued assets, which are shown at revalued amounts. No adjustments are made for changes in purchasing power of money.

d) Fixed Assets

- i. Tangible assets are recorded at cost of acquisition or construction less CENVAT/Service Tax/VAT credit availed. Revalued assets are recorded at revalued amounts.
- ii. Goodwill represents excess of consideration paid for acquisition of business over the fair value of net assets.
- iii. Project expenses pending allocation are apportioned to the fixed assets of the project proportionately.
- iv. Cost of borrowing for assets taking substantial time to be ready for use is capitalised for the period up to the time the asset is ready for use.
- v. Intangible Assets are recorded at cost of acquisition.

e) Investments

Long term Investments are stated at cost. Provisions are made for diminution in value of investments other than temporary in nature. Current Investments are stated at cost or fair value which ever is lower.

Investments that are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

f) Depreciation, Amortisation and Impairment

- i) Depreciation on all assets of the Company is charged on straight line method over the useful life of assets estimated by the management in the manner provided in Schedule XIV of the Companies Act, 1956 for the proportionate period of use during the year. Intangible assets are amortised over the economic useful life estimated by the management.

The management has estimated the useful life for the various tangible assets as follows.

Assets	Estimated useful life (Years)
Buildings	28 to 58
Plant and Machinery and R&D Equipments	9 to 20
Computers	6
Furniture and Fixtures	10
Vehicles	6

- ii) The management has estimated the useful life for the various intangible assets as follows.

Assets	Estimated useful life (Years)
Brands and Trademarks	4
Technical Know how	4
Software for internal use	4
Leasehold Improvements	Period of Lease

- iii) Leasehold land is amortised over the leasehold period.
- iv) Goodwill is amortised over a period of 4 years.
- v) The Company carries out exercise of assessment of any impairment to its fixed assets as at each balance sheet date. Changes in level of impairment are accounted in the Statement of Profit and Loss separately. Impairment loss in respect of assets sold / scrapped are reversed and consequent profit or loss on such sale is accounted. Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Depreciation charged on assets impaired is adjusted in future period over its remaining useful life.

g) Inventories

Items of inventories are valued lower of cost or estimated net realisable value.

Cost is determined as given below:

Raw Materials and Packing Materials	a) At Cost net of CENVAT/VAT computed on First-in-First-out method. b) API produced for captive consumption are valued at cost.
Work-in-process and Finished Goods	At cost including material cost net of CENVAT, labour cost and all overheads other than selling and distribution overheads. Excise duty is considered as cost for finished goods wherever applicable.
Stores and Spares	Stores and spare parts are valued at purchase cost computed on First-in-First-out method.

h) Employee Benefits

- i) Retirement benefit in the form of provident fund is a defined contribution scheme and contributions are charged to the Statement of Profit and Loss for the year/period when the contributions are due.
- ii) Gratuity being a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period using the projected unit credit method.
- iii) Leave encashment is recognised on the basis of an actuarial valuation made at the end of each year.
- iv) Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.
- v) Leave Travel Assistance (LTA) liability has been provided on the basis of actual accumulated obligation.

i) Excise Duty and Cenvat / Service Tax Credit

- i) The excise duty expenses are bifurcated into three components: excise duty expenses related to sales is reduced from gross sales, excise duty relating to the difference between the closing and opening stock of finished goods is recognised in the material cost and inventory adjustments and the un-recovered excise duty is recognised under other expenses.
- ii) CENVAT /Service Tax credit utilised during the year is accounted in excise duty and unutilised CENVAT / Service Tax credit at the year end is considered as duties and taxes refundable.

j) Government Grants

- i) Grants and subsidies are recognised when there is a reasonable assurance that the grant or subsidy will be received and that all underlying conditions thereto will be complied with.
- ii) Grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets.
- iii) Grants in the nature of promoter's contribution are credited to capital reserve account and treated as a part of shareholders' funds.

k) Foreign Exchange Transactions

- i) Transactions denominated in foreign currency are recorded at the exchange rate on the date of transaction. The exchange gain/ loss on settlement / negotiation during the year is recognised in the Statement of Profit and Loss.

- ii) Foreign currency monetary transactions remaining unsettled at the end of the year are converted at year end rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- iii) Assets and liabilities at the end of the year are converted at the year end rate and the resultant gain or loss is accounted for in the Statement of Profit and Loss.
- iv) The overseas trading and non trading offices are integral foreign operation and are accounted accordingly.
- v) Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in foreign currency translation reserve.

l) Derivative instruments and hedge accounting

- i) The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company designates these hedging instruments as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurement" of the Companies (Accounting Standards) Rules 2006. The use of hedging instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.
- ii) Hedging instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholders' funds and the ineffective portion is recognised immediately in the Statement of Profit and Loss.
- iii) Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss as they arise.
- iv) Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in shareholders' funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the Statement of Profit and Loss for the period.

m) Research and Development

Revenue expenditure on research and development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to fixed assets.

n) Revenue Recognition

- i) Revenue from sale of goods is recognised net of returns, product expiry claims and trade discount, on transfer of significant risk and rewards in respect of ownership to the buyer which is generally on dispatch of goods. Sales include excise duty but exclude sales tax and value added tax.
- ii) In respect of incentives attributable to the export of goods, the Company following the accounting principle of matching revenue with the cost has recognised export incentive receivable when all conditions precedent to the eligibility of benefits have been satisfied and when it is reasonably certain of deriving the benefit. Since these schemes are meant for neutralisation of duties and taxes on inputs pursuant to exports, the same are grouped under material costs.
- iii) The other export incentives that do not arise out of neutralisation of duties and taxes are disclosed under other operating revenue.
- iv) Revenue in respect of insurance/other claims, commission, etc. are recognised only when it is reasonably certain that the ultimate collection will be made.
- v) Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rate applicable.
- vi) Dividend income is accounted when the right to receive the same is established.

o) Borrowing Cost

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognised as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

p) Employee Stock Option Scheme

Employee stock options are evaluated and accounted on intrinsic value method as per the accounting treatment prescribed under Guidance Note on "Accounting for Employee Share-based payments" issued by the ICAI read with SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities and Exchange Board of India. Accordingly the excess of market value of the stock options as on the date of grant over the exercise price of the options is recognised as deferred employee compensation and is charged to the Statement of Profit and Loss on graded vesting basis over the vesting period of the options. The un-amortized portion of the deferred employee compensation is reduced from Employee Stock Option outstanding which is shown under Reserves and Surplus.

q) Taxation

Tax expenses comprise Current Tax and Deferred Tax.:

i) Current Tax:

Current Tax is calculated as per the provisions of the Income tax Act, 1961.

ii) Deferred Tax:

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

iii) MAT Credit:

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

r) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognised but disclosed in notes to accounts.

Contingent assets are neither recognised nor disclosed in financial statements.

s) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank, cheques on hand, cash in hand and short term investments with an original maturity of three months or less.

t) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(B) Other Explanatory Notes**1. Share Capital**

	As at 31-Mar-2013		As at 31-Mar-2012	
	Numbers	(₹ Crores)	Numbers	(₹ Crores)
Face Value		₹ 2.00 each		₹ 2.00 each
Class of Shares		Equity Shares		Equity Shares
Authorised Capital	28,50,00,000	57.00	28,50,00,000	57.00
Issued, Subscribed and Paid up Capital				
Issued & Subscribed	12,74,80,204	25.50	12,71,08,750	25.42
Paid up	12,61,99,109	25.24	12,58,27,655	25.17
Share Suspense account	-	-	3,22,704	0.06
Total		25.24		25.23

Of the above :

- Aggregate Shares issued under Employees Stock Option Scheme (ESOS) : 21,57,500 Equity Shares of ₹ 2/- each (Previous year 21,08,750 Equity Shares)
- Equity Share of ₹ 10/- each have been sub-divided into five equity shares of ₹ 2/- each pursuant to the resolution passed by the shareholders at the Extra Ordinary General Meeting held on 25th February, 2010
- 53,210 Equity Shares of ₹ 10/- each in 2009-10 and 2,03,009 Equity Shares of ₹ 10/- each in 2008-09 have been extinguished under Buy back Scheme.
- 3,22,704 Equity shares of ₹ 2/- each of the Company have been issued under the scheme of amalgamation of Tonira Pharma Ltd. with the Company.

Disclosures:-**i) Reconciliation of Shares**

Particulars	Equity Shares			
	As at 31- Mar 2013		As at 31- Mar 2012	
	Numbers	(₹ Crores)	Numbers	(₹ Crores)
Shares outstanding at the beginning of the year	12,58,27,655	25.17	12,57,06,405	25.14
Shares Issued during the year	3,71,454	0.07	1,21,250	0.03
Shares outstanding at the end of the year	12,61,99,109	25.24	12,58,27,655	25.17

ii) Details of Shareholding in excess of 5%

Name of Shareholder	As at 31-Mar-2013		As at 31-Mar-2012	
	Number of shares held	%	Number of shares held	%
Kaygee Investments Private Limited	2,70,18,195	21.41%	2,69,94,495	21.45%
HDFC Trustee Co. Ltd.	89,30,656	7.08%	1,12,83,320	8.97%
Exon Laboratories Private Limited	81,01,000	6.42%	81,01,000	6.44%
Chandurkar Investments Private Limited	69,78,005	5.53%	69,78,005	5.54%

iii) The details of Shares Reserved for issue under options as at 31st March, 2013 are as under:

Options	31.03.2013	31.03.2012
	(Nos.)	(Nos.)
At the beginning of the year	10,500	34,750
Granted	-	-
Exercised #	9,750	24,250
Forfeited / lapsed	750	-
At the end of the year	-	10,500
Number of Shares to be issued	-	52,500
Exercise price for outstanding options : – Grant III	-	₹ 63
Amount to be received on issue under option (₹ Crores)	-	0.33

Due to corporate action on 23rd March, 2010 for sub-division of 1 fully paid up equity share of ₹ 10/- each into 5 fully paid up equity shares of ₹ 2/- each, each of the outstanding options now represent a right but not an obligation to the option grantee to apply for 5 fully paid up equity shares of ₹ 2/- each of the Company at exercise price duly adjusted for the said corporate action.

iv) Rights and obligations of shareholders

The Company has only one class of share referred as Equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after payment of external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

2. Reserves & Surplus

i) Reserves

	As at 31-Mar-2013		As at 31-Mar-2012	
	(₹ Crores)		(₹ Crores)	
Capital Reserve				
Opening Balance	0.59		0.04	
(+) Current Year Transfer	-		-	
(+) Addition on amalgamation of Tonira Pharma Ltd.	-		0.55	
Closing Balance		0.59		0.59
Capital Redemption Reserve		0.26		0.26
Securities Premium Account				
Opening Balance	43.61		42.36	
Add : Credited during the year on share issue	0.38		1.25	
Closing Balance		43.99		43.61
Debenture Redemption Reserve *				
Opening Balance	42.00		35.00	
(+) Current Year Transfer	-		7.00	
(-) Transfer to General Reserve	24.50		-	
Closing Balance		17.50		42.00
Share Options Outstanding Account				
Opening Balance	0.08		0.48	
(+) Current Year Transfer	-		-	
(-) Written Back in Current Year	0.08		0.40	
Closing Balance		-		0.08
Other Reserves				
General Reserve **				
Opening Balance	900.00		800.00	
(+) Current Year Transfer	175.50		100.00	
(+) Transfer from Debenture Redemption Reserve	24.50		-	
Closing Balance		1,100.00		900.00

	As at 31-Mar-2013		As at 31-Mar-2012	
	(₹ Crores)		(₹ Crores)	
Hedging Reserve ***				
Opening Balance	(30.76)		4.34	
Net transfer during the Year	34.45		(35.10)	
Closing Balance		3.69		(30.76)
Foreign Currency Translation Reserve				
Opening Balance	4.37		-	
Net transfer during the Year	0.28		4.37	
Closing Balance		4.65		4.37
Balance at the year end		1,170.68		960.15

* Debenture redemption reserve is maintained in accordance with the MCA circular No.04/2013 Dt.11.02.2013.

** General Reserve represents the reserve created in accordance with Companies (Transfer of Profits to Reserves) Rules, 1975.

*** Hedging reserve represents the fair value changes of hedging instruments that are designated and effective as hedges of future cash flows.

ii) Surplus in Profit and Loss Account

	As at 31-Mar-2013		As at 31-Mar-2012	
	(₹ Crores)		(₹ Crores)	
Balance as per last Balance Sheet	276.89		146.24	
Addition on amalgamation of Tonira Pharma Ltd.	-		4.31	
Net Profit for the year	331.39	608.28	280.17	430.72
Less:				
Transfer to General Reserve	175.50		100.00	
Transfer to Debenture Redemption Reserve	-		7.00	
Interim dividend	25.23		25.15	
Tax on interim dividend	4.09		4.08	
Proposed dividend	25.24		15.14	
Tax on proposed dividend	4.29	234.35	2.46	153.83
Balance as at year end		373.93		276.89
Total Reserves & Surplus (i + ii)		1,544.61		1,237.04

3. Long-term Borrowings - Secured

	Non - Current Portion		Current Maturities	
	As at 31-Mar-2013	As at 31-Mar-2012	As at 31-Mar-2013	As at 31-Mar-2012
	(₹ Crores)		(₹ Crores)	
i. Debentures	70.00	66.66	-	16.67
ii. Foreign Currency Term Loan	296.21	263.52	93.68	52.60
	366.21	330.18	93.68	69.27

a) Security and repayment terms

i) Debentures

12.75% Secured Redeemable Non-Convertible Debentures amounting to ₹ nil (Previous year ₹ 33.33 Crores) - Redeemable in 2 equal annual instalments of ₹ 16.67 Crores on 26th Dec'12 and ₹ 16.66 Crores on 26th Dec, 2013. The final instalment was prepaid on 3rd January,2013.

9.95% Secured Redeemable Non-Convertible Debentures of ₹ 50.00 Crores (Previous year ₹ 50 Crores) - Redeemable at the end of 3rd year by exercising put/call option or, at the end of 5th year, both from the date of issue i.e. 3rd October, 2011. Secured by first mortgage and pari-passu charge over Company's office premises at Ahmedabad, Gujarat and first pari-passu charge over movable property of the Company including plant & machinery situated at Ratlam, Athal (Silvassa), Indore (M.P.), Piparia (Silvassa), Pithampur (Indore) and Dehradun.

9.25% Secured Redeemable Non-Convertible Debentures of ₹ 20.00 Crores (Previous year ₹ nil) - Redeemable in 4 equal annual instalments of ₹ 5.00 crore at the end of 2nd year, 3rd year, 4th year and 5th years from the date of issue i.e. 12th December 2012. Secured by first mortgage and pari-passu charge over Company's office premises at Ahmedabad, Gujarat and first charge by way of equitable mortgage charge on immovable properties being land and

building situated at Sejavata, Ratlam and Polo Ground, Indore, both in the state of Madhya Pradesh; Village Athal & Village Piparia (Silvassa); Plot No.48, plot no.142-AB, plot no.123, plot no.125 & plot no.126ABCD at Kandivli Industrial Estate in Mumbai and at Dehradun in the state of Uttarakhand.

ii) Foreign Currency Term Loan

ICICI Bank Offshore Banking Unit - ₹ nil (Previous year ₹ 7.64 Crores), secured by exclusive charge on the entire movable fixed assets at SEZ, Indore, Pithampur and pari passu first charge on movable fixed assets at Kandla.

BNP PARIBAS, Singapore Branch - a) ₹ 40.73 Crores (Previous year ₹ 50.88 Crores) Repayable in 4 equal semi annual instalments from 20th March,2013, secured by first pari passu charge by way of hypothecation of movable fixed assets both present and future except on movable fixed assets at Pithampur, Indore.

b) ₹ 54.31 Crores (Previous year ₹ 50.88 Crores) Bullet Repayment at the end of 5th year on 7th October, 2016, secured by first pari passu charge by way of hypothecation of movable fixed assets both present and future except on movable fixed assets at Pithampur, Indore.

CITI BANK N.A. Bahrain Branch - ₹ 13.58 Crores (Previous year ₹ 19.99 Crores) Repayable in 14 equal quarterly instalments from 21st July,2011, secured by first pari passu charge by way of hypothecation of all the movable fixed assets both present and future except on movable fixed assets at Pithampur, Indore.

DBS BANK, Singapore Branch - ₹ 24.44 Crores (Previous year ₹ 34.09 Crores) Repayable in 9 semi annual instalments from 16th March,2011, secured by first pari passu charge by way of hypothecation of all the movable fixed assets both present and future except on movable fixed assets at Pithampur, Indore.

Barclays Bank PLC, London Branch - ₹ 39.59 Crores (Previous year ₹ 50.88 Crores) Repayable in 13 quarterly instalments from 31st May,2012, secured by first pari passu charge on the plant & machinery of the Company except assets at Pithampur, Indore.

HSBC Bank Mauritius Ltd. - (a) ₹ 108.62 Crores (Previous year ₹ 101.76 Crores) Repayable in 7 half yearly instalments from 31st July,2013, secured by first pari passu charge on the plant & machinery of the Company except assets at Pithampur, Indore.

b) ₹ 54.31 Crores (Previous year ₹ nil) Repayable in 9 equal quarterly instalments from 26th September, 2016, secured by first pari-passu charge over current and future movable fixed assets of the Company except assets at Pithampur, Indore and at Baroda.

c) ₹ 54.31 Crores (Previous year ₹ nil) Repayable in 13 equal quarterly instalments from 19th November, 2014, secured by first pari-passu charge over current and future movable fixed assets of the Company except assets at Pithampur, Indore and at Baroda.

b) Maturity Profile of Borrowings other than Debentures

	As at 31-Mar-2013 (₹ Crores)	As at 31-Mar-2012 (₹ Crores)
Instalment payable between 1 to 2 years	89.77	87.76
Instalment payable between 2 to 5 years	194.37	175.76
Instalment payable beyond 5 years	12.07	-
	296.21	263.52

4. Deferred Tax Liabilities (net)

	As at 31-Mar-2013 (₹ Crores)	As at 31-Mar-2012 (₹ Crores)
Deferred tax liabilities on account of		
Depreciation including on R & D Assets, Amortisation and impairment	136.29	97.89
Deferred tax asset on account of		
Leave Encashment	4.54	3.08
Bonus	0.68	0.64
Other tax disallowance	0.68	1.08
Total Deferred Tax Asset	5.90	4.80
Net deferred tax liability	130.39	93.09

5. Other Long Term Liabilities

	As at 31-Mar-2013	As at 31-Mar-2012
	(₹ Crores)	(₹ Crores)
Amount payable on foreign currency hedging transactions	-	0.20
Deposits from dealers	0.40	0.39
Total	0.40	0.59

6. Provisions

	Long Term		Short Term	
	As at 31-Mar-2013	As at 31-Mar-2012	As at 31-Mar-2013	As at 31-Mar-2012
	(₹ Crores)		(₹ Crores)	
Provision for employee benefits				
Gratuity	-	-	0.50	1.38
Provision for leave encashment	12.21	8.72	1.15	0.76
Provision for leave travel assistance (LTA)	-	-	3.25	2.56
Other employee related provision	-	-	2.34	1.70
Others				
Proposed final dividend – ₹ 2/- per share (Previous year ₹ 1.20 per share)	-	-	25.24	15.14
Provision for tax on proposed final dividend	-	-	4.29	2.46
Provision for taxation* (net of prepaid taxes)	-	-	5.14	4.57
Total	12.21	8.72	41.91	28.57

* Provision for taxation includes provision for wealth tax of ₹ 0.10 crore (Previous year ₹ 0.10 crore).

Disclosures:

- a) Disclosure under Accounting Standard -29 "Provisions, Contingent Liabilities and Contingent Assets" of the Companies (Accounting Standards) Rules 2006.

	(₹ Crores)			
Particulars	Opening Balance	Additions during the year	Amounts paid / reversed during the year	Closing Balance
Provision for wage revision under negotiation (Previous Year)	1.70 (2.65)	0.64 (0.24)	- (1.19)	2.34 (1.70)

- b) As per the Accounting Standard -15 "Employee Benefits" of the Companies (Accounting Standards) Rules 2006 and as defined in the accounting standard the summarised components of net benefit expense recognised in the statement of Profit and Loss and the funded status and amounts recognised in the balance sheet are given herein below.

	Gratuity		Leave Encashment	
	2012-13	2011-12	2012-13	2011-12
	(₹ Crores)		(₹ Crores)	
I. Change in Benefit Obligation				
Liability at the beginning of the year	20.09	14.43	9.48	5.67
Addition on amalgamation/Business Purchase	0.60	0.26	0.19	0.16
Interest cost	1.58	1.18	0.76	0.47
Current Service Cost	2.63	1.92	2.22	1.53
Past Service Cost	-	-	-	-
Benefit Paid	(1.74)	(1.48)	(2.89)	(2.07)
Actuarial (gain)/loss on obligations	2.23	3.78	3.60	3.72
Curtailments and Settlements	-	-	-	-
Liability at the end of the year	25.39	20.09	13.36	9.48
II. Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	18.71	14.10	-	-
Addition on amalgamation/Business Purchase	0.49	0.21	-	-
Expected Return on Plan Assets	2.04	1.58	-	-
Contributions	5.39	4.30	-	-
Benefit paid	(1.74)	(1.48)	-	-
Actuarial gain/(loss) on Plan Assets	-	-	-	-
Fair Value of Plan Assets at the end of the year	24.89	18.71	-	-

	Gratuity		Leave Encashment	
	2012-13	2011-12	2012-13	2011-12
	(₹ Crores)		(₹ Crores)	
III. Actual Return on Plan Assets				
Expected Return on Plan Assets	2.04	1.58	-	-
Actuarial gain/(loss) on Plan Assets	-	-	-	-
Actual Return on Plan Assets	2.04	1.58	-	-
IV. Amount Recognised in the Balance Sheet				
Liability at the end of the year	25.39	20.09	13.36	9.48
Fair Value of Plan Assets at the end of the year	24.89	18.71	-	-
Difference	0.50	1.38	13.36	9.48
Unrecognised Past Service Cost	-	-	-	-
Amount Recognised in the Balance Sheet	0.50	1.38	13.36	9.48
Breakup of Above:				
Current	0.50	1.38	1.15	0.76
Non-Current	-	-	12.21	8.72
Total	0.50	1.38	13.36	9.48
V. Expenses Recognised in the Income Statement				
Current Service Cost	2.63	1.92	2.22	1.53
Interest Cost	1.58	1.18	0.76	0.47
Expected Return on Plan Assets	(2.04)	(1.58)	-	-
Net Actuarial (gain)/loss to be Recognised	2.23	3.78	3.60	3.72
Past Service Cost (Non Vested Benefit) Recognised	-	-	-	-
Past Service Cost (Vested Benefit) Recognised	-	-	-	-
Effect of Curtailment or Settlements.	-	-	-	-
Expense Recognised in the statement of Profit and Loss	4.40	5.30	6.58	5.72
VI. Balance Sheet Reconciliation				
Opening Net Liability	1.38	0.33	9.48	5.67
Addition on amalgamation/Business Purchase	0.11	0.05	0.19	0.16
Expense as above	4.40	5.30	6.58	5.72
Past Service cost	-	-	-	-
Employer's Contribution	(5.39)	(4.30)	(2.89)	(2.07)
Amount Recognised in Balance Sheet	0.50	1.38	13.36	9.48
VII. Category of assets as at the end of the year				
Insurer Managed Funds (Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available. The plan assets under the fund are deposited under approved securities.)	24.89	18.71	-	-
VIII. Actuarial Assumptions				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Salary Escalation	6.00%	6.00%	6.00%	6.00%

Notes :

- Employer's contribution includes payments made by the Company directly to its past employees.
- The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- The Company's Leave Encashment liability is entirely unfunded.

7. Short-term Borrowings

(i) Secured Loans:

	As at 31-Mar-2013	As at 31-Mar-2012
	(₹ Crores)	(₹ Crores)
a) Working Capital Loans from banks	80.55	100.79
b) Working Capital Loan from Kotak Mahindra Bank	-	3.31

Security:

- a) Working capital loans from banks - Secured by first charge by way of hypothecation of raw materials, packing materials, work-in process, finished goods, stores and spares, book debts and all other movable current assets of the Company and second charge by way of mortgage of the immovable properties of the Company and hypothecation of plant & machinery of the Company.
- b) Working capital loan from Kotak Mahindra Bank - Secured by first and exclusive hypothecation on all existing and future current assets and movable fixed assets at Ankleshwar/Nandesari, first and exclusive charge by way of equitable mortgage on the immovable properties at Ankleshwar/Nandesari bearing plot No. 4722,4723,4731 and 4732 at GIDC, Ankleshwar and plot No.23 and 24 at GIDC, Nandesari.

(ii) Unsecured Loans:

	As at 31-Mar-2013		As at 31-Mar-2012	
	(₹ Crores)		(₹ Crores)	
Short Term Loans from Banks :				
HSBC	43.86		45.26	
DBS Bank Ltd.	16.29		-	
BNP Paribas Bank	13.58		15.00	
Bank of Nova Scotia	2.86		22.90	
Buyers Credit	-		14.10	
Sub Total (ii)		76.59		97.26
Total Short-Term Borrowings (i)+(ii):		157.14		201.36

(iii) Commercial Paper

During the year the Company had raised and repaid Commercial Paper. The maximum outstanding amount during the year was ₹ 65 Crores (Previous year ₹ 100 Crores) and the closing balance at year end is ₹ nil (Previous year ₹ nil).

8. Trade Payables

	As at 31-Mar-2013	As at 31-Mar-2012
	(₹ Crores)	(₹ Crores)
Trade Payables		
- Micro Small and Medium Enterprises	1.43	1.16
- Against acceptance of Import documents	63.79	71.09
- Others	200.24	158.46
Total	265.46	230.71

Disclosure:**Disclosure In accordance with Section 22 of The Micro Small and Medium Enterprises Development Act 2006.**

Particulars	2012-2013	2011-2012
	(₹ Crores)	(₹ Crores)
a) Principal Amount due at year end for period beyond 45 days	0.29	0.11
b) Interest Due as on 31.03.2013 thereon (Previous year ₹ 58,439/-)	0.01	-
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	6.25	5.09
d) Interest paid to suppliers under the MSMED Act,2006	0.06	0.04
e) Interest due & payable to suppliers under MSMED Act,2006 towards payment already made	0.12	0.06

The Company has compiled the above information based on written confirmations from suppliers and have been determined to the extent such parties have been identified on the basis of the information available with the Company. This has been relied upon by the Auditors.

9. Other Current Liabilities

	As at 31-Mar-2013	As at 31-Mar-2012
	(₹ Crores)	(₹ Crores)
Current Maturities of Non-Current Liabilities (Refer Note 3)	93.68	69.27
Interest accrued but not due on borrowings	4.59	5.09
Advance received from customers	18.07	4.94
Unpaid dividends *	1.44	1.30
Duties & Taxes Payables	24.79	19.41
Amount payable on hedging transactions	5.46	47.21
Payables for Capital Goods	17.15	27.34
Total	165.18	174.56

* Unpaid dividend does not include any amount to be credited to Investor Education and Protection fund.

10. Fixed Assets

(₹ Crores)

Description of Assets	Cost						Depreciation, Amortisation & Impairment						Net Block			
	As at 1 st April, 2011	Additions (11-12)	Acquisition through business combination-Amalgamation	Disposals/ Adjustments (11-12)	As at 31 st March 2012	Additions (12-13)	Disposals/ Adjustments (12-13)	As at 31 st March 2013	Charge for the year (11-12)	Acquisition through business combination-Amalgamation	Disposals/ Adjustments (11-12)	As at 31 st March 2012	Charge for the year (12-13)	Disposals/ Adjustments (12-13)	As at 31 st March 2013	As at 31 st March 2012
A Tangible Assets																
1 Freehold Land	24.20	3.22	-	-	27.42	1.58	-	29.00	0.03	-	-	0.03	-	-	28.97	27.39
2 Leasehold Land	10.90	4.30	1.54	(0.14)	16.60	5.35	-	21.95	0.55	0.13	(0.04)	0.64	0.15	-	21.16	15.96
3 Buildings	171.04	42.96	10.74	(0.03)	224.71	32.11	(0.16)	256.66	31.75	6.40	2.56	40.71	7.35	(0.01)	208.61	184.00
4 Plant & Machinery	632.56	167.26	27.98	(2.93)	824.87	136.55	(6.44)	954.98	189.26	47.92	18.69	246.28	55.70	(3.47)	656.47	578.59
5 Plant & Machinery (Given on Lease)	4.21	0.12	-	-	4.33	0.58	0.18	5.09	0.83	0.28	-	1.11	0.33	-	3.65	3.22
6 Office & Other Equipments	6.66	1.89	0.24	(0.08)	8.71	1.54	(0.18)	10.07	2.88	0.73	0.08	3.72	0.85	(0.08)	5.58	4.99
7 Effluent Treatment Plant	8.89	8.51	0.91	(0.24)	18.07	17.44	-	35.51	3.56	1.13	0.05	4.70	1.88	-	28.93	13.37
8 Furniture & Fixtures	18.71	4.15	1.15	(0.25)	23.76	4.52	(0.01)	28.27	9.26	2.00	0.60	11.88	2.14	-	14.02	11.88
9 Vehicles	12.20	3.56	0.84	(1.61)	14.99	6.43	(1.50)	19.92	4.06	1.91	0.49	5.41	2.26	(1.32)	13.57	9.58
10 Leasehold Improvement	0.76	-	-	-	0.76	-	-	0.76	0.07	0.30	-	0.37	0.31	-	0.68	0.39
11 R & D Building	7.06	7.90	-	-	14.96	2.57	-	17.53	1.83	0.49	-	2.32	0.56	-	2.88	12.64
12 R & D Leasehold Improvement	0.74	-	-	-	0.74	-	-	0.74	0.06	0.30	-	0.36	0.30	-	0.66	0.38
13 R & D Equipments	74.70	12.37	3.45	(1.49)	89.03	19.71	(0.42)	108.32	34.63	8.01	0.99	43.69	9.62	(0.46)	55.47	45.34
14 R & D Furnitures	1.53	0.17	-	-	1.70	0.66	-	2.36	0.74	0.17	-	0.91	0.25	-	1.16	0.79
Total 'A'	974.16	256.41	46.85	(6.77)	1,270.65	229.04	(8.53)	1,491.16	279.51	69.77	23.46	362.13	81.70	(5.34)	1,052.67	908.52

B Intangible Assets																
1 Goodwill	-	-	-	-	-	15.88	-	15.88	-	-	-	-	0.17	-	15.71	-
2 Software	4.79	2.10	-	-	6.89	4.65	(0.91)	10.63	2.47	1.11	-	3.58	1.92	(0.88)	6.01	3.31
3 Brands & Trade Mark	2.19	-	-	-	2.19	-	-	2.19	2.06	0.01	-	2.07	0.01	-	0.11	0.12
4 Know-How	3.84	-	-	-	3.84	0.15	-	3.99	3.65	-	-	3.65	0.01	-	0.33	0.19
5 Software - R & D	0.60	0.34	-	-	0.94	0.06	-	1.00	0.07	0.19	-	0.26	0.24	-	0.50	0.68
Total 'B'	11.42	2.44	-	-	13.86	20.74	(0.91)	33.69	8.25	1.31	-	9.56	2.35	(0.88)	11.03	4.30
TOTAL (A+B)	985.58	258.85	46.85	(6.77)	1,284.51	249.78	(9.44)	1,524.85	287.76	71.08	(10.61)	371.69	84.05	(6.22)	1,075.33	912.82

Notes:

- Buildings include cost of shares in Co-operative societies.
- Leasehold rights in respect of certain leasehold properties acquired are in the process of being transferred in the name of the Company.
- Out of depreciation and amortisation for the year of ₹ 84.05 crore (Previous year ₹ 71.08 crore), depreciation of ₹ 0.05 crore (Previous year ₹ 0.07 crore) relating to project under execution for the period before start of production is transferred to project expenses pending allocation.
- Cost of Borrowing of ₹ 2.50 crore (Previous year ₹ 1.18 crore) is capitalised to the projects.
- Goodwill during the year represents excess of consideration over fair value of net assets in respect of acquisition of two API manufacturing business.

11. Investments

i) Non Current Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Face Value	Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		(₹ Crores)	
			31/3/2013	31/3/2012				31/3/2013	31/3/2012	31/3/2013	31/3/2012
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
A. Details of Trade Investments											
Investment in Equity Instruments (At cost)											
1	Ipca Pharmaceuticals, Inc. USA	Subsidiary	1,000	1,000	No Par Value	Unquoted	Fully Paid	100.00	100.00	7.61	7.61
2	Ipca Laboratories (U.K.) Ltd., U.K.	Subsidiary	9,14,186	9,14,186	STG 1	Unquoted	Fully Paid	100.00	100.00	7.19	7.19
3	Ipca Pharma Nigeria Ltd. Nigeria	Subsidiary	5,15,89,190	5,15,89,190	Niara 1	Unquoted	Fully Paid	100.00	100.00	2.82	2.82
4	National Druggist (PTY) Ltd. South Africa	Subsidiary	10,59,732	10,59,732	Rand 1	Unquoted	Fully Paid	100.00	100.00	0.64	0.64
5	Ipca Pharma (Australia) Pty Ltd. Australia	Subsidiary	26,944	26,944	Aus \$ 1	Unquoted	Fully Paid	100.00	100.00	0.17	0.17
6	Ipca Pharmaceuticals (Shanghai) Ltd. China	Subsidiary	-	-	No Par Value	Unquoted	Fully Paid	100.00	100.00	1.19	1.19
7	Ipca Pharmaceuticals Ltd. SA de CV. Mexico	Subsidiary	-	-	No Par Value	Unquoted	Fully Paid	100.00	100.00	0.97	0.67
8	Ipca Traditional Remedies Pvt. Ltd.	Subsidiary	29,60,000	29,60,000	₹ 10	Unquoted	Fully Paid	99.20	99.20	2.96	2.96
9	Tonira Exports Limited	Subsidiary	1,00,000	99,600	₹ 10	Unquoted	Fully Paid	100.00	99.60	0.10	0.10
	Total									23.65	23.35
10	Paschim Chemicals Pvt. Ltd.	Associate	-	63,690	₹ 100	Unquoted	Fully Paid	-	45.23	-	20.34
11	CCPL Software Pvt. Ltd. #	Associate	55,000	55,000	₹ 100	Unquoted	Fully Paid	28.95	28.95	-	-
12	Trophic Wellness Pvt. Ltd. @ (100000 shares fully paid & 680000 partly paid - ₹ 7.50 (Previous year ₹ 5/-per share)	Associate	7,80,000	7,80,000	₹ 10	Unquoted	@	19.26	19.26	8.94	7.86
	Total									8.94	28.20
13	Mangalam Drugs & Organics Ltd.	Others	16,33,417	16,33,417	₹ 10	Quoted	Fully Paid	-	-	5.09	5.09
	Total									5.09	5.09
	Total									37.68	56.64

Cost fully written off in books

B. Details of Non Trade Investments											
Investment in Equity Instruments (At cost)											
1	Gujarat Industrial Co-Op Bank Ltd.	Others	140	140	₹ 50	Unquoted	Fully Paid	-	-	-	-
2	Bharuch Eco Aqua Infrastructure Limited	Others	35,000	35,000	₹ 10	Unquoted	Fully Paid	-	-	0.04	0.04
	Total									0.04	0.04
C. Total Non current Investments (A+B)										37.72	56.68
Less : Provision for Diminution in value (Refer table (iii) below)										15.93	14.03
Non current investments (Net of provision)										21.79	42.65

ii) Current Investments

1	Aurobindo Pharma Limited.	Others	25,000	25,000	₹ 1	Quoted	Fully Paid	-	-	0.15	0.15
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iii) Provision for diminution in the value of Investments till date in shares in respect of the above companies is as follows:-

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	(₹ Crores)	
			31/03/2013	31/03/2012
1	Ipca Pharmaceuticals Inc., USA	Subsidiary	7.61	7.61
2	Ipca Traditional Remedies Pvt. Ltd.	Subsidiary	2.96	2.96
3	National Druggist (PTY) Ltd. South Africa	Subsidiary	0.25	-
4	Ipca Pharmaceuticals (Shanghai) Ltd. China	Subsidiary	1.00	-
5	Mangalam Drugs & Organics Ltd.	Others	4.11	3.46
	Total		15.93	14.03

iv) Aggregate value of investments

Particulars	(₹ Crores)	
	As at 31-Mar-2013	As at 31-Mar-2012
Aggregate book value of quoted investments (Non Current - Trade)	5.09	5.09
Aggregate Market value of quoted Investments (Non Current - Trade)	0.98	1.63
Aggregate book value of unquoted investments (Non Current - Trade)	32.59	51.55
Aggregate book value of unquoted investments (Non Current - Non Trade)	0.04	0.04
Aggregate book value of quoted investments (Current)	0.15	0.15
Aggregate Market value of quoted Investments (Current)	0.36	0.30

12. Loans and Advances

	Long Term		Short Term	
	As at 31-Mar-2013	As at 31-Mar-2012	As at 31-Mar-2013	As at 31-Mar-2012
	(₹ Crores)		(₹ Crores)	
a. Loans and advances to related parties				
Unsecured, considered good (Refer Note (a) given hereunder)	40.35	40.07	1.36	-
b. Capital Advances				
Unsecured, considered good	31.14	21.00	-	-
c. Others (Unsecured, considered good)				
Advance to suppliers	-	-	21.94	17.78
Loans given to :				
- Employees	1.13	0.96	2.32	1.77
- Others	4.15	4.15	0.45	2.33
Hedging gain receivable	-	-	8.60	0.02
Prepaid taxes (net of provisions)	2.88	3.26	-	-
Deposits with Govt departments and others	8.12	6.69	1.61	1.29
Tender Deposits				
- Considered good	-	-	0.57	0.40
- Considered doubtful	-	-	-	0.03
	-	-	0.57	0.43
Less : Provision for doubtful deposits	-	-	-	0.03
	-	-	0.57	0.40
Prepaid expenses	0.39	0.23	7.77	4.96
Advances to Employees				
- Considered good	-	-	3.55	3.13
- Considered doubtful	-	-	1.13	1.71
	-	-	4.68	4.84
Less : Provision for doubtful advances	-	-	1.13	1.71
	-	-	3.55	3.13
Other Advances	-	-	1.47	1.98
Total	88.16	76.36	49.64	33.66

a) Details of loans and advances in the nature of loan to subsidiaries, associates etc. as required under clause 32 of the listing agreement:

(₹ Crores)					
Sr. No.	Name of the company and Relationship	Balance as on 31.03.2013	Maximum outstanding during the year 2012-13	Balance as on 31.03.2012	Maximum outstanding during the year 2011-12
i)	Paschim Chemicals Pvt. Ltd.- Associate	-	-	-	3.77
ii)	Makers Laboratories Ltd. - Associate	-	-	-	2.00
iii)	Ipca Laboratories (U.K.) Ltd. U.K.- 100% Subsidiary	41.71	41.71	40.07	40.07
iv)	Trophic Wellness Pvt.Ltd. - Associate	-	-	-	0.12

Loans and advances to subsidiary company is interest free and there is no repayment schedule fixed. (Previous year the loan was interest bearing).

b) Investment by the loanee in the shares of the Company:

None of the loanees have, per se , made investments in the shares of the Company.

13. Other Assets

	Non Current		Current	
	As at 31-Mar-2013	As at 31-Mar-2012	As at 31-Mar-2013	As at 31-Mar-2012
	(₹ Crores)		(₹ Crores)	
Term Deposits with banks #	4.11	2.20	-	-
Export benefits receivables	-	-	38.72	75.82
Duties & Taxes Refundable	5.06	4.91	62.27	59.63
Gratuity and other claim receivables	-	-	16.32	7.42
Unbilled Revenue	-	-	9.20	4.20
Others	0.33	0.02	4.57	1.56
Total	9.50	7.13	131.08	148.63

Term deposits amounting to ₹ 2.00 crore (Previous year ₹ 2.00 crore) have been given as margin for guarantee issued by banks to Custom department and for ₹ 1.87 crore (Previous year ₹ 0.20 crore) as deposit for electricity connection.

14. Inventories

	As at 31-Mar-2013		As at 31-Mar-2012	
	(₹ Crores)		(₹ Crores)	
i) Raw Materials and components				
In hand	273.62		262.24	
In transit	27.35	300.97	48.05	310.29
ii) Packing Materials and components				
In hand	34.05		25.10	
In transit	0.07	34.12	0.01	25.11
iii) Work-in-progress		122.08		110.87
iv) Finished goods				
In hand				
Own	237.62		184.76	
Traded	20.40		21.12	
In transit				
Own	6.32		4.79	
Traded	3.78	268.12	1.30	211.97
v) Stores and spares		8.05		5.74
Total		733.34		663.98

Valuation methodology

Raw Materials, Packing Materials and components	At cost or Net realisable value which ever is lower
Work In Progress	At cost or Net realisable value which ever is lower
Finished Goods	At cost or Net realisable value which ever is lower
Stores and spares	At cost or Net realisable value which ever is lower

15. Trade receivables

	As at 31-Mar-2013		As at 31-Mar-2012	
	(₹ Crores)		(₹ Crores)	
Outstanding for more than six months				
Unsecured, considered good	9.99		6.15	
Unsecured, considered doubtful	-		0.06	
Less: Provision for doubtful debts	-	9.99	0.06	6.15
Others				
Unsecured, considered good		405.94		334.76
Total		415.93		340.91

16. Cash and Bank Balances

	As at 31-Mar-2013 (₹ Crores)	As at 31-Mar-2012 (₹ Crores)
Cash & Cash Equivalents		
Cash on hand	0.43	0.32
Balances with banks	10.48	3.90
Cheques, drafts on hand	2.20	3.42
Fixed deposit with bank	40.00	0.17
	53.11	7.81
Other Bank Balances		
Unpaid dividend accounts*	1.44	1.30
Bank margin	0.11	0.14
	1.55	1.44
Total	54.66	9.25

*Unpaid dividend does not include any amount to be credited to Investor Education and Protection fund.

17. Revenue from Operations (Gross)

	2012-13 (₹ Crores)		2011-12 (₹ Crores)	
Sale of Products (Gross)		2,763.49		2,318.50
Sale of services		0.25		1.26
Other operating revenues				
Focus Market and other Export Incentive Schemes	21.83		17.01	
Miscellaneous Income (Operational)	17.52	39.35	11.86	28.87
Total		2,803.09		2,348.63

Disclosures:

	2012-13 (₹ Crores)	2011-12 (₹ Crores)
i. Sale of Products (Net)		
Gross Sales	2,763.49	2,318.50
Less: - Excise Duty	24.67	18.57
	2,738.82	2,299.93
ii. Details of Sale of Products		
Formulations	2,072.28	1,750.24
Active Pharmaceutical Ingredients / Intermediates	658.35	543.54
Others	8.19	6.15
Total	2,738.82	2,299.93

18. Other Income

	2012-13 (₹ Crores)		2011-12 (₹ Crores)	
Interest Income				
- Current	8.20		8.32	
- Non current	0.34	8.54	0.01	8.33
Dividend Income - from Current Investments		1.31		1.17
Sundry Balances w/back (net)		0.58		2.17
Profit on sale of Investments - Non Current		4.69		-
Profit on sale of Investments - Current		1.37		-
Profit on sale of Assets		0.26		0.13
Miscellaneous Income		1.91		1.12
Total		18.66		12.92

19. Cost of Materials Consumed

	2012-13		2011-12	
	(₹ Crores)		(₹ Crores)	
Raw Materials Consumed				
Opening Stock	310.29		192.71	
Addition on amalgamation	-		9.59	
Add : Purchases (Net of Discount)	871.23		850.53	
Add : Raw Material Conversion Charges	22.66		16.68	
	1,204.18		1,069.51	
Less : Closing Stock	300.97	903.21	310.29	759.22
Packing Materials Consumed				
Opening Stock	25.11		23.26	
Addition on amalgamation	-		0.06	
Add : Purchases (Net of Discount)	176.12		150.24	
	201.23		173.56	
Less : Closing Stock	34.12	167.11	25.11	148.45
Neutralisation of duties and taxes on inputs on exports - DEPB/Drawback benefits		(25.57)		(36.24)
Total		1,044.75		871.43

Disclosures:

i) Details of Raw Materials Consumption

	2012-13	2011-12
	(₹ Crores)	(₹ Crores)
Artemisinin	156.87	144.41
Novaldiamine	18.86	20.88
Ethoxymethylene Malonic Acid ester	20.07	15.69
Para Hydroxy Acetophenone	21.11	18.10
Amoxycillin Trihydrate	18.77	17.23
Others (None of which individually forms more than 10% of the total consumption.)	667.53	542.91
Total	903.21	759.22

ii) Details of Indigenous and Imported Consumption

	2012-13		2011-12	
	(₹ Crores)	Percentage	(₹ Crores)	Percentage
Raw materials				
Imported	416.77	46.14	355.79	46.86
Indigenous	486.44	53.86	403.43	53.14
Total	903.21	100.00	759.22	100.00
Packing materials				
Imported	2.26	1.35	2.56	1.72
Indigenous	164.85	98.65	145.89	98.28
Total	167.11	100.00	148.45	100.00

20. Purchases of Stock-in-Trade

	2012-13	2011-12
	(₹ Crores)	(₹ Crores)
Formulations	86.29	75.54
Active Pharmaceutical Ingredients / Intermediates	10.93	20.86
Others	8.86	4.48
Total	106.08	100.88

21. Changes in inventories of Finished Goods(FG), Work-in-progress (WIP) and Stock-in-Trade

	2012-13		2011-12	
	(₹ Crores)		(₹ Crores)	
Inventory Adjustments - WIP				
Stock at Commencement	110.87		90.98	
Addition on amalgamation	-		3.92	
Less: - Stock at closing	122.08	(11.21)	110.87	(15.97)
Inventory Adjustments - FG				
Stock at Commencement	189.55		127.45	
Addition on amalgamation	-		1.78	
Less : Stock at Closing	243.94	(54.39)	189.55	(60.32)
Inventory Adjustments - Stock-in-Trade				
Stock at Commencement	22.42		23.42	
Addition on amalgamation	-		-	
Less : Stock at Closing	24.18	(1.76)	22.42	1.00
Variation in Excise duty on :				
Closing stock of finished goods	26.26		18.67	
Less: Opening stock of finished goods	18.67	7.59	8.42	10.25
Total		(59.77)		(65.04)

Disclosures:

Finished Goods (Including Stock-in-Trade)

	Closing Stock		Opening Stock	
	2012-13	2011-12	2012-13	2011-12
	(₹ Crores)		(₹ Crores)	
Formulations	126.98	99.53	99.53	94.28
Active Pharmaceutical Ingredient / Intermediates	141.14	111.78	111.78	56.47
Others	-	0.66	0.66	0.12
Total	268.12	211.97	211.97	150.87

22. Employee Benefits Expenses

	2012-13	2011-12
	(₹ Crores)	(₹ Crores)
Salaries , Bonus , Perquisites , etc	335.84	284.29
Contribution to Employees welfare funds	17.33	15.10
Leave Encashment	6.58	5.72
Leave Travel Assistance	2.51	1.86
Gratuity Fund Contributions	4.40	5.30
Expense on Employee Stock Option Scheme	0.01	0.10
Staff Welfare expenses	7.43	6.01
Recruitment & Training	2.47	3.82
Total	376.57	322.20

23. Finance Cost

	2012-13	2011-12
	(₹ Crores)	(₹ Crores)
Interest Expense	25.12	34.06
Other borrowing costs	5.86	5.20
Interest on Income tax	0.32	0.10
Total	31.30	39.36

24. Depreciation & Amortisation

	2012-13	2011-12
	(₹ Crores)	(₹ Crores)
Depreciation on Tangible Assets	81.65	69.70
Amortisation on Intangible Assets	2.35	1.31
Short/(excess) depreciation of earlier years	-	(5.70)
Total	84.00	65.31

25. Other Expenses

	2012-13	2011-12
	(₹ Crores)	(₹ Crores)
Consumption of stores & spares	25.21	19.68
Power, Fuel & Water Charges	103.36	82.94
Freight, forwarding and transportation	79.09	74.44
Outside Manufacturing Charges	23.63	20.27
Repairs & Maintenance	59.91	45.56
Loss on sale of asset	1.46	0.96
Fixed Assets Scrapped	0.23	0.54
Commission	26.89	33.72
Field Staff expenses	70.98	66.20
Sales & marketing expenses	107.49	89.11
Product information catalogue	12.04	12.93
Expenditure on scientific research	35.54	25.25
Laboratory expenses and Analytical Charges	17.41	14.45
Rent	9.99	8.78
Rates & Taxes	6.72	5.48
Travelling expenses	22.84	16.97
Professional charges	14.03	10.72
Printing and stationery	6.86	6.49
Books, Subscription & Software	2.00	1.79
Product registration expenses	14.80	4.28
Excise duty	7.18	3.46
Communication Expenses	6.21	7.63
Insurance	12.60	9.87
Intellectual property right expenses	0.72	0.75
Remuneration To Auditors	0.45	0.41
Bank Charges	2.71	2.87
Amalgamation Expenses	0.01	0.32
Provision for doubtful debts/advances	-	1.80
Provision for diminution in value of investment in		
- Subsidiaries	1.25	0.61
- Others	0.65	0.47
Other Expenses	17.24	18.36
Total	689.50	587.11
Details of:		
1. Repairs & Maintenance:		
- Building	12.52	9.95
- Machinery	46.59	34.90
- Others	0.80	0.71
	59.91	45.56
2. Remuneration To Auditors:		
- Audit Fees	0.34	0.29
- Tax Matters	-	0.05
- Certification and other Service	0.08	0.04
- Out of Pocket expenses	0.03	0.03
	0.45	0.41

Note : Amalgamation Expenses include a sum of ₹ nil (previous year ₹0.02 crore) paid to the auditors.

Disclosures:

i) Details of Stores and Spares

	2012-13		2011-12	
	(₹ Crores)	Percentage	(₹ Crores)	Percentage
Break up of Consumption				
Imported	3.53	14.00	3.43	17.43
Indigenous	21.68	86.00	16.25	82.57
Total	25.21	100.00	19.68	100.00

ii) Total expenditure on R & D is included in respective heads of accounts as under:

	2012-13	2011-12
	(₹ Crores)	(₹ Crores)
Expenditure on Scientific Research (Includes stores and chemicals, Bio-availability, Bio-equivalence and Toxicity Studies)	35.54	25.25
Cost of materials consumed	0.38	0.25
Employee Benefits Expenses	23.30	19.25
Other Expenses	18.52	12.43
Depreciation & Amortisation	10.97	9.16
Total	88.71	66.34

26. Disclosure as required by Accounting Standard – AS 17 “Segment Reporting” of the Companies (Accounting Standards) Rules 2006.

The entire operations of the Company relate to only one segment viz. pharmaceuticals. As such, there is no separate reportable segment under Accounting Standard - AS 17 on Segment Reporting.

27. Disclosure as required by Accounting Standard – AS 18 “Related Party Disclosure” of the Companies (Accounting Standards) Rules 2006.

Relationships	Country
A. Entities where control exists	
<u>Shareholders of Ipca Laboratories Ltd</u>	
Kaygee Investments Pvt.Ltd.	India
<u>Subsidiaries</u>	
Ipca Pharmaceuticals, Inc.	USA
Ipca Laboratories (U.K.) Ltd.	United Kingdom
Ipca Pharma (Australia) Pty Ltd.	Australia
Ipca Pharma Nigeria Ltd.	Nigeria
National Druggists (Pty) Ltd.	South Africa
Ipca Pharmaceuticals (Shanghai) Ltd.	Peoples Republic of China
Ipca Pharmaceuticals Ltd.SA de CV	Mexico
Ipca Traditional Remedies Pvt. Ltd.	India
Tonira Exports Limited	India
<u>Step-down Subsidiaries</u>	
Ipca Pharma (NZ) Pvt. Ltd.	New Zealand
Onyx Chemical Research Limited	United Kingdom
Onyx Scientific Limited	United Kingdom
B. Key Management Personnel	
Mr. Premchand Godha	Chairman & Managing Director
Mr. Ajit Kumar Jain	Joint Managing Director
Mr. Pranay Godha	Executive Director
Mr. Prashant Godha	Executive Director
	Indian
	Indian
	Indian
	Indian

Relationships	Country
C. Associates	
Paschim Chemicals Pvt.Ltd.(Upto 18 th Sept,2012)	India
Makers Laboratories Ltd.	India
Trophic Wellness Pvt.Ltd.	India
D. Other Related Parties (Entities in which Directors or their relatives have significant influence)	
Nipra Industries Pvt.Ltd.	India
Keymed	India
Oscar Industries	India
Mrs. Usha P. Godha	Indian
Prabhat Foundation	India
Vandhara Resorts Pvt.Ltd.	India
Exon Laboratories Pvt.Ltd. (w.e.f. 19 th Sept,2012)	India
Paschim Chemicals Pvt.Ltd. (w.e.f. 19 th Sept,2012)	India

Details of related party transaction are given in statement 1 attached to the financial statements

28. Disclosure as required by Accounting Standard – AS 19 “Leases” of the Companies (Accounting Standards) Rules 2006.

The Company has taken various residential / godowns / office premises (including Furniture and Fittings if any) under leave and license agreements. These generally range between 11 months to 3 years on leave and license basis. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Company has given refundable security deposits. The lease payments are recognised in the Statement of Profit and Loss under Rent.

29. Disclosure as required by Accounting Standard – AS 20 “Earning Per Share” of the Companies (Accounting Standards) Rules 2006.

The earning per share is calculated by dividing the profit after tax by weighted average no. of shares outstanding for basic & diluted EPS.

Particulars	2012-13		2011-12	
	(₹ Crores)		(₹ Crores)	
(i) Profit after tax		331.39		280.17
(ii) Closing Equity Shares Outstanding (Nos.) :				
Opening Equity shares outstanding (Nos.)	12,61,50,359		12,57,06,405	
Add:- issued during the year (Nos.)	48,750		1,21,250	
Add:- To be issued pursuant to merger of Tonira Pharma Ltd.	-		3,22,704	
Closing Equity Shares Outstanding (Nos.)		12,61,99,109		12,61,50,359
(iii) Weighted Avg no. of shares outstanding (Nos.) (Basic)		12,61,58,506		12,60,52,962
(iv) Weighted Avg no. of shares outstanding (Nos.) (Diluted)		12,61,58,506		12,60,63,771
(v) Nominal value of equity share (₹)		2.00		2.00
(vi) Basic EPS (i/iii) (₹)		26.27		22.23
(vii) Diluted EPS (i/iv) (₹)		26.27		22.22

Disclosure as per guidance note on Accounting for Employee Share-based Payments

If the compensation cost of shares issued under Employees Stock Option Scheme 2006 (ESOS) is determined in accordance with the fair value approach described in the Guidance Note, the Company's net profit for the year ended March 31, 2013 as reported would change to amounts indicated below:

Particulars	2012-13	2011-12
	(₹ Crores)	(₹ Crores)
Net Profit as reported (after exceptional items)	331.39	280.17
Add: Stock based compensation expense included in the reported income	0.01	0.10
Less: Stock based compensation expenses determined using fair value of options	0.01	0.14
Net profit (adjusted)	331.39	280.13
Weighted average number of shares considered for basic earnings per share	12,61,58,506	12,60,52,962
Weighted average number of shares considered for diluted earnings per share	12,61,58,506	12,60,63,771
Basic earnings per share as reported (₹)	26.27	22.23
Basic earnings per share (adjusted) (₹)	26.27	22.22
Diluted earnings per share as reported (₹)	26.27	22.22
Diluted earnings per share(adjusted) (₹)	26.27	22.22

30. CIF Value of Imports

	2012-13	2011-12
	(₹ Crores)	(₹ Crores)
Raw materials	366.28	373.20
Packing Materials	2.53	2.18
Traded goods	6.30	8.82
Capital goods	41.04	52.97
Stores and machine components	3.53	3.43
Others	2.38	2.45
	422.06	443.05

31. Earning in Foreign Currency

	2012-13	2011-12
	(₹ Crores)	(₹ Crores)
FOB value of exports	1,667.02	1,353.36
Interest	0.01	1.20
Other Service charges	9.57	6.35
	1,676.60	1,360.91

32. Expenditure in foreign currency

	2012-13	2011-12
	(₹ Crores)	(₹ Crores)
Professional charges	3.68	5.93
Interest on foreign currency loan	10.52	7.48
Overseas office expenses	52.36	42.43
Product registration and marketing expenses	29.20	17.45
Other matters	62.54	58.72
	158.30	132.01

33. Contingent liabilities and commitments not provided for in respect of :

Particulars	2012-13	2011-12
	(₹ Crores)	(₹ Crores)
A. Contingent Liabilities		
a) Bills discounted with banks	237.09	147.24
Since Realised	(150.79)	(85.08)
b) Other moneys for which the Company is contingently liable for tax, excise, customs and other matters not accepted by the Company	11.82*	18.53*
c) Claims against the Company not acknowledged as debts.	2.98	0.01
d) Corporate Guarantee given to others	2.28	2.28
e) Guarantees given by banks in favour of Govt. & others/ Letter of Credit opened against which goods are not received *	62.44	65.74
	165.82	148.72

Particulars	2012-13	2011-12
	(₹ Crores)	(₹ Crores)
B. Estimated amount of contracts remaining to be executed on capital account and not provided for:		
- Tangible Assets	45.39	52.04
- Intangible Assets	6.29	2.44
	51.68	54.48
C. Uncalled liability on partly paid shares	3.40	4.48
D. Other Commitments	-	-

*Note: It includes ₹ 4.38 crore (Previous year ₹ 4.38 crore) towards interest and penalty demanded by excise department, Ankleshwar relating to erstwhile Tonira Pharma Limited since amalgamated with the Company and is not payable in accordance with the order passed by the Hon'ble Central Excise and Service Tax Appellate Tribunal (CESTAT), Ahmedabad. The Department had moved the Hon'ble Gujarat High Court against the said CESTAT order and as per the order of the said Hon'ble High Court, the Company has furnished a Bank Guarantee of ₹ 2.00 crore to the Department.

34. a) The Company has entered into various derivatives transactions, which are not intended for trading or speculative purpose but to hedge the export receivable including future receivables and foreign currency loan interest rate risks. The Company as on 31st March 2013 has the following derivatives instruments / forward cover outstanding.

Sr. No.	Type of Transaction	Purpose	Amount Outstanding (In Million)	
			31.03.2013	31.03.2012
i.	USD Interest Rate Swap	To hedge the USD LIBOR risk by moving from Floating LIBOR rate to Fixed LIBOR Rate.	USD 61.79 (outstanding)	USD 62.13 (outstanding)
ii.	Forward Cover beyond six months	To hedge export receivables	STG 12.00 USD 30.50	STG 7.00 USD 64.50

- b) The Company has continued its decision not to exercise the option available under amendment to AS 11 relating to "The effects of Changes in Foreign Exchange Rates" in respect of its Long Term Foreign Currency Monetary Items in respect of foreign currency loans for the acquisition of fixed assets.
- c) The Company has following unhedged foreign exchange risk.

Sr. No.	Particulars	USD (Million)	
		31.03.2013	31.03.2012
i.	Term loan	71.79	62.13
ii.	Short term working capital loan / PCFC / Buyers credit	14.10	16.31
iii.	Sundry creditors for imports	12.08	13.02

- d) The Company has an annual average exports of USD 315 Million (Previous year USD 291 Million) of which the Company has partially hedged its receivables by the aforesaid options disclosed in para (a) above. The unhedged currency risk detailed in para (c) above has a natural hedge against the unhedged export receivables of USD 19.20 Million as at 31st March, 2013 (Previous year USD 4.58 Million).

35. In the opinion of the Board of Directors, all the assets other than fixed assets and non current investments have value on realisation in the ordinary course of business atleast equal to the amount at which they are stated in the Balance Sheet.
36. The balance sheet, Statement of profit and loss, cash flow statement, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended 31st March'2013.
37. Previous year's figures have been regrouped and rearranged wherever necessary to make them comparable.

As per our report of even date attached
For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No. 106971W
N. Jayendran
Partner
M.No. 40441

Mumbai,
30th May, 2013

For and on behalf of the Board of Directors
Premchand Godha
Chairman & Managing Director
Ajit Kumar Jain
Joint Managing Director
Pranay Godha
Executive Director
Prashant Godha
Executive Director
Harish P. Kamath
Company Secretary

Statement 1 (refer Note No. 27)

Related Party Disclosure as required by Accounting Standard – AS 18 “Related Party Disclosures” of the Companies (Accounting Standards) Rule 2006.

Transactions with Related Parties

(₹ Crores)

Description	Entities where control exists		Key Management Personnel		Associates		Other Related Parties		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Purchase of goods and services										
Paschim Chemicals Pvt. Ltd.	-	-	-	-	9.83	36.08	12.89	-	22.72	36.08
Exon Laboratories Pvt. Ltd.	-	-	-	-	-	-	28.29	-	28.29	-
Makers Laboratories Ltd.	-	-	-	-	14.29	13.38	-	-	14.29	13.38
Others	4.62	4.26	-	-	-	-	1.56	1.16	6.18	5.42
Total	4.62	4.26	-	-	24.12	49.46	42.74	1.16	71.48	54.88
Sales of goods and services										
Ipca Pharma Nigeria Ltd.	14.69	13.75	-	-	-	-	-	-	14.69	13.75
Ipca Pharmaceuticals, Inc. USA	9.14	4.62	-	-	-	-	-	-	9.14	4.62
Paschim Chemicals Pvt. Ltd.	-	-	-	-	0.46	3.88	-	-	0.46	3.88
Makers Laboratories Ltd.	-	-	-	-	2.86	5.06	-	-	2.86	5.06
Trophic Wellness Pvt. Ltd.	-	-	-	-	0.57	6.65	-	-	0.57	6.65
Others	-	-	-	-	-	-	2.97	-	2.97	-
Total	23.83	18.37	-	-	3.89	15.59	2.97	-	30.69	33.96
Interest income										
Ipca Laboratories (U.K.) Ltd.	-	1.20	-	-	-	-	-	-	-	1.20
Others	-	-	-	-	-	0.18	-	-	-	0.18
Total	-	1.20	-	-	-	0.18	-	-	-	1.38
Purchase of fixed assets										
Paschim Chemicals Pvt. Ltd.	-	-	-	-	-	-	0.01	-	0.01	-
Total	-	-	-	-	-	-	0.01	-	0.01	-
Sale of fixed assets										
Paschim Chemicals Pvt. Ltd.	-	-	-	-	0.13	0.16	-	-	0.13	0.16
Exon Laboratories Pvt. Ltd.	-	-	-	-	-	-	0.16	-	0.16	-
Others	-	-	-	-	0.01	0.01	-	-	0.01	0.01
Total	-	-	-	-	0.14	0.17	0.16	-	0.30	0.17
Excise duty, Rent and other expenses										
Ipca Pharmaceuticals, Inc. USA	-	0.03	-	-	-	-	-	-	-	0.03
Ipca Pharma (Australia) Pty Ltd. Australia	0.89	0.35	-	-	-	-	-	-	0.89	0.35
Vandhara Resorts Pvt.Ltd.	-	-	-	-	-	-	0.29	1.66	0.29	1.66
Ipca Pharma Nigeria Ltd.	1.88	-	-	-	-	-	-	-	1.88	-
Makers Laboratories Ltd.	-	-	-	-	0.81	0.75	-	-	0.81	0.75
Others	0.01	0.01	-	-	(0.01)	0.03	0.16	0.05	0.16	0.09
Total	2.78	0.39	-	-	0.80	0.78	0.45	1.71	4.03	2.88
Net loans and advances given/(Recovered)										
Ipca Laboratories (U.K.) Ltd.	1.38	35.70	-	-	-	-	-	-	1.38	35.70
Paschim Chemicals Pvt. Ltd.	-	-	-	-	-	(8.04)	-	-	-	(8.04)
Others	-	-	-	-	-	1.88	-	-	-	1.88
Total	1.38	35.70	-	-	-	(6.16)	-	-	1.38	29.54
Investments Sold										
Kaygee Investment Pvt. Ltd.	25.03	-	-	-	-	-	-	-	25.03	-
Total	25.03	-	-	-	-	-	-	-	25.03	-
Investments made										
Ipca Laboratories (U.K.) Ltd.	-	2.08	-	-	-	-	-	-	-	2.08
Ipca Pharmaceuticals Ltd. SA de CV,Mexico	0.30	0.05	-	-	-	-	-	-	0.30	0.05
Trophic Wellness Pvt. Ltd.	-	-	-	-	1.08	-	-	-	1.08	-
Total	0.30	2.13	-	-	1.08	-	-	-	1.38	2.13
Remuneration to Directors										
Mr. Premchand Godha	-	-	10.19	10.15	-	-	-	-	10.19	10.15
Mr. Ajit Kumar Jain	-	-	2.05	1.82	-	-	-	-	2.05	1.82
Others	-	-	2.61	1.97	-	-	-	-	2.61	1.97
Total	-	-	14.85	13.94	-	-	-	-	14.85	13.94
Donation										
Prabhat Foundation	-	-	-	-	-	-	0.50	1.00	0.50	1.00
Total	-	-	-	-	-	-	0.50	1.00	0.50	1.00
Purchase of Business										
Paschim Chemicals Pvt. Ltd.	-	-	-	-	-	-	17.75	-	17.75	-
Exon Laboratories Pvt. Ltd.	-	-	-	-	-	-	49.61	-	49.61	-
Total	-	-	-	-	-	-	67.36	-	67.36	-
Balance at year end										
Receivables										
Ipca Laboratories (U.K.) Ltd.	42.92	41.27	-	-	-	-	-	-	42.92	41.27
Ipca Pharma Nigeria Ltd.	4.87	3.40	-	-	-	-	-	-	4.87	3.40
Ipca Pharmaceuticals, Inc. USA	7.05	-	-	-	-	-	-	-	7.05	-
Makers Laboratories Ltd.	-	-	-	-	-	0.65	-	-	-	0.65
Paschim Chemicals Pvt. Ltd.	-	-	-	-	-	0.92	-	-	-	0.92
Others	0.14	0.17	-	-	1.01	0.88	-	-	1.15	1.05
Total	54.98	44.84	-	-	1.01	2.45	-	-	55.99	47.29
Payables										
Mr. Premchand Godha	-	-	7.87	7.72	-	-	-	-	7.87	7.72
Mr. Ajit Kumar Jain	-	-	1.16	1.01	-	-	-	-	1.16	1.01
Makers Laboratories Ltd.	-	-	-	-	1.89	-	-	-	1.89	-
Others	0.05	-	1.56	1.14	-	-	0.80	0.20	2.41	1.34
Total	0.05	-	10.59	9.87	1.89	-	0.80	0.20	13.33	10.07

The Board of Directors

Ipca Laboratories Limited

We have audited the accompanying **Consolidated Financial Statements** of Ipca Laboratories Limited ('the Company') and its subsidiaries including step down subsidiaries and Associates (Ipca Group), which comprise the consolidated Balance Sheet as at 31st March 2013, consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

Opinion

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

- (a) in the case of the consolidated Balance Sheet, of the State of Affairs of the "Ipca Group" as at 31st March, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the Profit of the "Ipca Group" for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the "Ipca Group" for the year ended on that date.

Other Matters

We did not audit the financial statements of:

- (a) Subsidiaries whose financial statements reflect total assets of ₹ 117.54 crores as at March 31, 2013 and total income of ₹ 64.89 crores for the year then ended;
- (b) Associate whose financial statement reflects a total loss of ₹ 3.15 crores for the year ended March 31, 2013, the Company's share in the loss of such associates being ₹ 0.61 crores.
- (c) Associate whose financial statement reflects a total profit of ₹ 0.45 crores for the period ended September 18, 2012, the Company's share in the profit of such associates being ₹ 0.20 crores.

The above mentioned financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of the other auditors except for the financial statements of some subsidiaries whose financial statements reflect total assets of ₹ 0.84 crores as at March 31, 2013 and total income of ₹ 0.48 crores referred to in point (a) above, which are based on unaudited financial statements certified by the respective managements of the said subsidiaries. The financial statements of the associates referred to in point (b) and (c) above are unaudited financial statements certified by the respective managements of the said associates.

Mumbai,
May 30, 2013

For **Natvarlal Vepari & Co**
Chartered Accountants
Firm Registration No. 106971W
N. Jayendran
Partner
M.No. 40441

CONSOLIDATED ACCOUNTS

Consolidated Balance Sheet as at 31 st March, 2013			
Particulars	Note Ref.	As at 31/03/2013	As at 31/03/2012
		(₹ Crores)	(₹ Crores)
Equity & Liabilities			
1. Shareholders' Funds			
(a) Share Capital	1	25.24	25.23
(b) Reserves & Surplus	2	1,528.54	1,228.78
(c) Money Received Against Share Warrants		-	-
		1,553.78	1,254.01
2. Share Application Money Pending Allotment		-	-
3. Minority Interest		-	-
4. Non-Current Liabilities			
(a) Long-Term Borrowings	3	366.21	330.18
(b) Deferred Tax Liabilities (net)	4	130.39	93.15
(c) Other Long Term Liabilities	5	0.71	1.10
(d) Long Term Provisions	6	12.21	8.72
		509.52	433.15
5. Current Liabilities			
(a) Short-Term Borrowings	7	157.14	201.36
(b) Trade Payables	8	268.37	234.52
(c) Other Current Liabilities	9	166.00	175.33
(d) Short-Term Provisions	6	42.14	28.96
		633.65	640.17
Total		2,696.95	2,327.33
ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		1,057.98	916.19
(ii) Intangible Assets		22.66	4.30
(iii) Capital Work-in-Progress		120.99	88.45
(iv) Intangible Assets Under Development		8.18	6.06
		1,209.81	1,015.00
(b) Goodwill on Consolidation	11	23.59	23.59
(c) Non-Current Investments	12	8.87	33.93
(d) Deferred Tax Assets (net)		-	-
(e) Long-Term Loans & Advances	13	47.77	37.56
(f) Other Non-Current Assets	14	9.63	7.22
		1,299.67	1,117.30
2. Current Assets			
(a) Current Investments	12	0.15	0.15
(b) Inventories	15	741.03	669.89
(c) Trade Receivables	16	417.82	344.88
(d) Cash and Bank Balances	17	58.24	12.16
(e) Short-term loans and advances	13	41.57	35.01
(f) Other current assets	14	138.47	147.94
		1,397.28	1,210.03
Total		2,696.95	2,327.33

Statement of Significant Accounting policies and Other Explanatory Notes form part of the Balance Sheet and Statement of Profit and Loss

As per our report of even date attached
For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No. 106971W

N. Jayendran
Partner
M.No. 40441

Mumbai,
30th May, 2013

For and on behalf of the Board of Directors
Premchand Godha
Chairman & Managing Director
Ajit Kumar Jain
Joint Managing Director
Pranay Godha
Executive Director
Prashant Godha
Executive Director
Harish P. Kamath
Company Secretary

Statement of Consolidated Profit and Loss for the Year Ended 31st March, 2013

Particulars	Note Ref.	2012-13	2011-12
		(₹ Crores)	(₹ Crores)
Revenue			
I. Revenue from Operations (Gross)	18	2,837.79	2,377.99
Less : Excise Duty		24.67	18.57
Revenue from Operations (Net)		2,813.12	2,359.42
II. Other Income	19	14.31	11.95
III. Total Revenue (I + II)		2,827.43	2,371.37
IV. Expenses			
Cost of Materials Consumed	20	1,047.80	873.63
Purchases of Stock-in-Trade	21	110.47	104.63
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(61.63)	(65.14)
Employee Benefit Expenses	23	391.79	335.49
Finance Cost	24	33.36	41.28
Depreciation & Amortisation	25	86.73	67.13
Other Expenses	26	701.50	597.31
Foreign Exchange (Gain)/Loss Net		63.14	52.73
Total Expenses (IV)		2,373.16	2,007.06
V. Profit Before exceptional, extraordinary items and Tax (III-IV)		454.27	364.31
VI. Tax Expense			
(1) Current Tax		92.70	83.41
Less: MAT Credit entitlement		-	(8.90)
(2) Deferred Tax		37.24	12.71
(3) Short/(Excess) provision of earlier years		-	0.89
		129.94	88.11
VII. Profit after Tax before Exceptional item (V-VI)		324.33	276.20
VIII. Exceptional Items		-	-
IX. Profit after Tax and Exceptional item (VII-VIII)		324.33	276.20
Share of Loss transferred to Minority Interest		-	-
Share of profits/(loss) from Investments in Associates		(1.05)	0.13
Proportionate share of dividend received by associates from cross-holding		0.27	0.73
X. Net Profit after tax, minority interest and share of profit /(loss) of associates		323.55	277.06
XI. Earnings per Equity Share: (₹)	30		
Basic		25.65	21.98
Diluted		25.65	21.97
Par value per share (₹)		2.00	2.00

Statement of Significant Accounting policies and Other Explanatory Notes form part of the Balance Sheet and Statement of Profit and Loss

As per our report of even date attached
For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No. 106971W

N. Jayendran
Partner
M.No. 40441

Mumbai,
30th May, 2013

For and on behalf of the Board of Directors
Premchand Godha
Chairman & Managing Director
Ajit Kumar Jain
Joint Managing Director
Pranay Godha
Executive Director
Prashant Godha
Executive Director
Harish P. Kamath
Company Secretary

Statement of Consolidated Cash Flow for the Year Ended 31st March 2013

		2012-13		2011-12		
		(₹ Crores)		(₹ Crores)		
A. Cash Flow from Operating Activities						
1)	Net profit before taxation and extraordinary item		454.27		364.31	
	Adjustments for :					
	Depreciation and Amortisation	86.73		67.13		
	(Profit) / Loss on sale of assets	1.08		0.77		
	Profit on sale of Investments - Non Current	(0.36)		-		
	Profit on sale of Investments - Current	(1.37)		-		
	Fixed Assets scrapped	0.53		0.57		
	Miscellaneous Balance Written off / (back)	0.46		(1.80)		
	Provision for dues from minority shareholders	-		0.66		
	Provision for diminution in value of investment	0.65		0.47		
	Provision for Doubtful Debts/Advances	-		1.80		
	Exchange gain recognised in liquidation of subsidiary	-		(0.30)		
	Reversal of loss on investment in associate	-		(0.15)		
	Employee Stock Option Compensation expenses	0.01		0.10		
	Unrealised Foreign exchange (gain) / loss	14.94		54.77		
	Interest income	(8.54)		(7.13)		
	Dividend income	(1.33)		(1.18)		
	Interest expense	33.36	126.16	41.28	156.99	
2)	Operating profit before working capital changes					
	(Increase) / Decrease in Receivables	(33.56)		(28.47)		
	(Increase) / Decrease in inventories	(63.09)		(186.05)		
	(Decrease) / Increase in sundry creditors and provisions	(3.73)		125.64		
	Movement in Foreign Currency Translation Reserve	0.28	(100.10)	1.49	(87.39)	
3)	Cash generated from operation		480.33		433.91	
	Income tax paid (Net)		(91.56)		(80.07)	
	Net cash from operating activities		388.77		353.84	
B. Cash Flow from Investing Activities						
	Purchase of fixed assets		(229.42)		(260.54)	
	Interest capitalised		(2.50)		(1.18)	
	Acquisition of Business		(67.36)		-	
	Purchase of Investment in Associate		(1.08)		-	
	Sale of Investment in Associate		25.03		-	
	Sale of other investment		0.06		-	
	Proceeds from sale of assets		1.51		1.22	
	Acquisition of Subsidiaries		-		(35.51)	
	Purchase / Redemption of mutual fund units					
	- Purchases	(1,805.99)		(1,315.61)		
	- Redemption	1,807.36	1.37	1,315.61	-	
	Interest received		8.69		8.93	
	Dividend received from others		1.33		1.18	
	Net cash from / (used in) investing activities		(262.37)		(285.90)	
C. Cash Flow from Financing Activities						
	Proceeds from Issuance of Share Capital Including Premium		0.31		0.76	
	(Decrease) / Increase in short term borrowings		(44.32)		(77.12)	
	Proceeds from long-term borrowings		110.39		137.44	
	Repayment of long-term borrowings		(52.84)		(80.94)	
	Proceeds from issue of debentures		20.00		50.00	
	Repayment of debentures		(33.33)		(16.67)	
	Interest paid		(33.86)		(38.62)	
	Dividend Paid		(46.78)		(46.66)	
	Net cash used in financing activities		(80.43)		(71.81)	
	Net increase in cash and cash equivalents (A + B + C)		45.97		(3.87)	
	Cash and cash equivalents at beginning of year		10.72		9.14	
	Addition on amalgamation		-		2.22	
	Addition on Acquisition of subsidiaries		-		3.23	
	Cash and cash equivalents at end of year		56.69		10.72	
Components of Cash & Cash equivalents :						
	Cash and Cheques on hand		2.74		3.83	
	Balance with banks		53.95		6.89	
			56.69		10.72	

As per our report of even date attached
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

N. Jayendran
Partner
M.No. 40441

Mumbai,
30th May, 2013

For and on behalf of the Board of Directors
Premchand Godha
Chairman & Managing Director
Ajit Kumar Jain
Joint Managing Director
Pranay Godha
Executive Director
Prashant Godha
Executive Director
Harish P. Kamath
Company Secretary

Statement of Significant Accounting Policies and Other Explanatory Notes

A. Principles of Consolidation:

The consolidated financial statements relates to Ipca Laboratories Ltd. and its Subsidiary Companies and associates. The consolidated financial statements have been prepared in accordance with Accounting Standard - 21 "Consolidated Financial Statement" and Accounting Standard - 23 "Accounting for Investment in associate in consolidated financial statements" of the company's (Accounting Standard) Rules 2006. The Consolidated Financial Statements have been prepared on the following basis: -

The Financial Statements of the Company and its subsidiary companies have been combined on a line- by - line basis by adding together the book values of like items of Assets, Liabilities, Income and expenses after fully eliminating intra group balances and inter group transactions resulting in unrealised profits and losses.

In case of foreign subsidiaries, revenue items are consolidated at average rate prevailing during the year. All Assets and Liabilities are converted at the rates prevailing at the end of the year. Exchange gain or loss on conversion arising on consolidation is recognised under foreign currency translation reserve.

Investments in Associate Companies have been accounted under equity method as per Accounting Standard - 23.

The financial statements of the subsidiaries and associate used in consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March.

The difference between the cost to the Company of its investments in the subsidiary companies over the Company's portion of equity is recognised in the financial statement as Goodwill or Capital Reserve.

The list of subsidiary companies and associate companies included in consolidation and Company's holding therein are as under: -

Name of the Companies	Relationship	Country of Incorporation	% of ultimate holding	
			2012-13	2011-12
Ipca Pharmaceuticals, Inc. USA	Subsidiary	USA	100.00	100.00
Ipca Laboratories (U.K.) Ltd.	Subsidiary	UK	100.00	100.00
National Druggists (Pty) Ltd.	Subsidiary	South Africa	100.00	100.00
Ipca Pharma Nigeria Ltd.	Subsidiary	Nigeria	100.00	100.00
Ipca Pharma (Australia) Pty. Ltd.	Subsidiary	Australia	100.00	100.00
Ipca Pharmaceuticals (Shanghai) Ltd.	Subsidiary	China	100.00	100.00
Ipca Pharmaceuticals Ltd., SA de CV	Subsidiary	Mexico	100.00	100.00
Ipca Traditional Remedies Private Ltd.	Subsidiary	India	74.00*	74.00*
Tonira Exports Ltd.	Subsidiary	India	100.00	99.60
Onyx Research Chemical Ltd. (Subsidiary of Ipca Laboratories (U.K.) Ltd.)	Step down subsidiary	UK	100.00	100.00
Onyx Scientific Ltd. (Subsidiary of Onyx Research Chemical Ltd.)	Step down subsidiary	UK	100.00	100.00
Ipca Pharma (NZ) Pty. Ltd. (Subsidiary of Ipca Pharma (Australia) Pty. Ltd.)	Step down subsidiary	New Zealand	100.00	100.00
CCPL Software Private Ltd.	Associate	India	28.95	28.95
Trophic Wellness Pvt. Ltd.	Associate	India	19.26	19.26
Paschim Chemicals Private Ltd. (till 18 th Sept'2012)	Associate	India	45.23	45.23

[* The Company's holding in Ipca Traditional Remedies Private Limited is to be 74% as per the shareholders agreement with the other minority shareholder, however on account of the non-infusion of capital by the minority shareholder, the company's holding is 99.20% as at the Balance Sheet Date. Accordingly the company is consolidating the said subsidiary as wholly owned subsidiary.]

B. Accounting Policies

a) Basis of Preparation

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

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of realiability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Revised Schedule VI to the Companies Act 1956.

- ii) Change in Accounting Policy

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Inflation

Assets and liabilities are shown at historical cost except revalued assets, which are shown at revalued amounts. No adjustments are made for changes in purchasing power of money.

d) Fixed Assets

- i. Tangible assets are recorded at cost of acquisition or construction less CENVAT/Service Tax/VAT credit availed. Revalued assets are recorded at revalued amounts.
- ii. Goodwill represents excess of consideration paid for acquisition of business over the fair value of net assets.
- iii. Project expenses pending allocation are apportioned to the fixed assets of the project proportionately.
- iv. Cost of borrowing for assets taking substantial time to be ready for use is capitalised for the period up to the time the asset is ready for use.
- v. Intangible Assets are recorded at cost of acquisition.

e) Goodwill on Consolidation

Goodwill on acquisition of shares representing excess cost of investment over its share of equity is carried in balance sheet and is tested for impairment at each balance sheet date.

f) Investments

- i) Long term Investments are stated at cost. Provisions are made for diminution in value of investments other than temporary in nature. Current Investments are stated at cost or fair value whichever is lower.
- ii) Investments that are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.
- iii) Investments in associates are accounted for using equity method. The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

g) Depreciation, Amortisation and Impairment

- i) Depreciation on all assets of the Company is charged on straight line method over the useful life of assets estimated by the management in the manner provided in Schedule XIV of the Companies Act, 1956 for the proportionate

period of use during the year. Intangible assets are amortised over the economic useful life estimated by the management.

The management has estimated the useful life for the various tangible assets as follows:

Assets	Estimated useful life (Years)
Buildings	28 to 58
Plant and Machinery and R&D Equipments	9 to 20
Computers	6
Furniture and Fixtures	10
Vehicles	6

ii) The management has estimated the useful life for the various intangible assets as follows:

Assets	Estimated useful life (Years)
Brands and Trademarks	4
Technical Know how	4
Software for internal use	4
Leasehold Improvements	Period of Lease

iii) Leasehold land is amortised over the leasehold period.

iv) Goodwill is amortised over a period of 4 years.

v) The Company carries out exercise of assessment of any impairment to its fixed assets as at each balance sheet date. Changes in level of impairment are accounted in Statement of Profit and Loss separately. Impairment loss in respect of assets sold / scrapped are reversed and consequent profit or loss on such sale is accounted. Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Depreciation charged on assets impaired is adjusted in future period over its remaining useful life.

h) Inventories

Items of inventories are valued lower of cost or estimated net realisable value.

Cost is determined as given below:

Raw Materials and Packing Materials	a) At Cost net of CENVAT/VAT computed on First-in-First-out method. b) API produced for captive consumption are valued at cost.
Work-in-process and Finished Goods	At cost including material cost net of CENVAT, labour cost and all overheads other than selling and distribution overheads. Excise duty is considered as cost for finished goods wherever applicable.
Stores and Spares	Stores and spare parts are valued at purchase cost computed on First-in-First-out method.

i) Employee Benefits

- Retirement benefit in the form of provident fund is a defined contribution scheme and contributions are charged to the Statement of Profit and Loss for the year/period when the contributions are due.
- Gratuity being a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period using the projected unit credit method.
- Leave encashment is recognised on the basis of an actuarial valuation made at the end of each year.
- Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.
- Leave Travel Assistance (LTA) liability has been provided on the basis of actual accumulated obligation.

j) Excise Duty and Cenvat Credit

- i) The excise duty expenses are bifurcated into three components: excise duty expenses related to sales is reduced from gross sales, excise duty relating to the difference between the closing and opening stock of finished goods is recognised in the material cost and inventory adjustments and the un-recovered excise duty is recognised under other expenses.
- ii) CENVAT /Service Tax credit utilised during the year is accounted in excise duty and unutilised CENVAT / Service Tax credit at the year end is considered as duties and taxes refundable.

k) Government Grants

- i) Grants and subsidies are recognised when there is a reasonable assurance that the grant or subsidy will be received and that all underlying conditions thereto will be complied with.
- ii) Grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets.
- iii) Grants in the nature of promoter's contribution are credited to capital reserve account and treated as a part of shareholders' funds.

l) Foreign Exchange Transactions

- i) Transactions denominated in foreign currency are recorded at the exchange rate on the date of transaction. The exchange gain/loss on settlement / negotiation during the year is recognised in the Statement of Profit and Loss.
- ii) Foreign currency monetary transactions remaining unsettled at the end of the year are converted at year-end rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- iii) Assets and liabilities at the end of the year are converted at the year end rate and the resultant gain or loss is accounted for in the Statement of Profit and Loss.
- iv) The overseas trading and non trading offices are integral foreign operation and are accounted accordingly.
- v) Exchange difference arising on a monetary item that , in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in foreign currency translation reserve.
- vi) The goodwill on consolidation is accounted at the rate of exchange on the date of acquisition and is not restated at each balance sheet date.

m) Derivative instruments and hedge accounting

- i) The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company designates these hedging instruments as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurement" (AS-30).The use of hedging instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.
- ii) Hedging instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholders' funds and the ineffective portion is recognised immediately in the Statement of Profit and Loss.
- iii) Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss as they arise.
- iv) Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in shareholders' funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the Statement of Profit and Loss for the period.

n) Research and Development

Revenue expenditure on research and development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to fixed assets.

o) Revenue Recognition

- i) Revenue from sale of goods is recognised net of returns, product expiry claims and trade discount, on transfer of significant risk and rewards in respect of ownership to the buyer which is generally on dispatch of goods. Sales include excise duty but exclude sales tax and value added tax.
- ii) In respect of incentives attributable to the export of goods, the Company following the accounting principle of matching revenue with the cost has recognised export incentive receivable when all conditions precedent to the eligibility of benefits have been satisfied and when it is reasonably certain of deriving the benefit. Since these schemes are meant for neutralisation of duties and taxes on inputs pursuant to exports, the same are grouped under material costs.
- iii) The other export incentives that do not arise out of neutralisation of duties and taxes are disclosed under other operating revenue.
- iv) Revenue in respect of insurance/other claims, commission, etc. are recognised only when it is reasonably certain that the ultimate collection will be made.
- v) Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rate applicable.
- vi) Dividend income is accounted when the right to receive the same is established.

p) Borrowing Cost

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised. Other borrowing costs are recognised as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalisation during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

q) Employee Stock Option Scheme

Employee stock options are evaluated and accounted on intrinsic value method as per the accounting treatment prescribed under Guidance Note on "Accounting for Employee Share-based payments" issued by the ICAI read with SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities and Exchange Board of India. Accordingly the excess of market value of the stock options as on the date of grant over the exercise price of the options is recognised as deferred employee compensation and is charged to Statement of Profit and Loss on graded vesting basis over the vesting period of the options. The un-amortized portion of the deferred employee compensation is reduced from Employee Stock Option Outstanding which is shown under Reserves and Surplus.

r) Taxation

Tax expenses comprise Current Tax and Deferred Tax.:

i) Current Tax:

Current Tax is calculated as per the provisions of the Income tax Act, 1961.

ii) Deferred Tax:

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

iii) **MAT Credit:**

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

s) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognised but disclosed in notes to accounts.

Contingent assets are neither recognised nor recorded in financial statements.

t) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank, cheques on hand, cash in hand and short term investments with an original maturity of three months or less.

u) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Statement of Significant Accounting policies and Other Explanatory Notes (contd.)

(C) Other Explanatory Notes

1. Share Capital

	As at 31-Mar-13		As at 31-Mar-12	
	Numbers	(₹ Crores)	Numbers	(₹ Crores)
Face Value		₹ 2.00 each		₹ 2.00 each
Class of Shares		Equity Shares		Equity Shares
Authorised Capital	28,50,00,000	57.00	28,50,00,000	57.00
Issued, Subscribed and Paid up Capital				
Issued & Subscribed	12,74,80,204	25.50	12,71,08,750	25.42
Paid up	12,61,99,109	25.24	12,58,27,655	25.17
Share Suspense account	-	-	3,22,704	0.06
Total		25.24		25.23

Of the above :

- Aggregate Shares issued under Employees Stock Option Scheme (ESOS) : 21,57,500 Equity Shares of ₹ 2/- each (Previous year 21,08,750 Equity Shares).
- Equity Share of ₹10 each have been sub-divided into five equity shares of ₹ 2/- each pursuant to the resolution passed by the shareholders at the Extra Ordinary General Meeting held on 25th February, 2010.
- 53,210 Equity Shares of ₹ 10 each in 2009-10 and 2,03,009 Equity Shares of ₹ 10/- each in 2008-09 have been extinguished under Buy back Scheme.
- 3,22,704 Equity shares of ₹ 2/- each of the Company have been issued under the scheme of amalgamation of Tonira Pharma Ltd. with the Company.

Disclosures:-

i) Reconciliation of Shares

Particulars	Equity Shares			
	As at 31- Mar-13		As at 31- Mar-12	
	Numbers	(₹ Crores)	Numbers	(₹ Crores)
Shares outstanding at the beginning of the year	12,58,27,655	25.17	12,57,06,405	25.14
Shares Issued during the year	3,71,454	0.07	1,21,250	0.03
Shares outstanding at the end of the year	12,61,99,109	25.24	12,58,27,655	25.17

ii) Details of Shareholding in excess of 5%

Name of Shareholder	As at 31-Mar-13		As at 31-Mar-12	
	Number of shares held	%	Number of shares held	%
Kaygee Investments Private Limited	2,70,18,195	21.41%	2,69,94,495	21.45%
HDFC Trustee Co, Ltd.	89,30,656	7.08%	1,12,83,320	8.97%
Exon Laboratories Private Limited	81,01,000	6.42%	81,01,000	6.44%
Chandurkar Investments Private Limited	69,78,005	5.53%	69,78,005	5.54%

iii) The details of Shares Reserved for issue under options as at 31st March, 2013 are as under:

Options	(In numbers)	
	31.03.2013	31.03.2012
At the beginning of the year	10,500	34,750
Granted	-	-
Exercised #	9,750	24,250
Forfeited / lapsed	750	-
At the end of the year	-	10,500
Number of Shares to be issued	-	52,500
Exercise price for outstanding options : – Grant III	-	₹ 63
Amount to be received on issue under option (₹ Crores)	-	0.33

Due to corporate action on 23rd March, 2010 for sub-division of 1 fully paid up equity share of ₹10/- each into 5 fully paid up equity shares of ₹2/- each, each of the outstanding options now represent a right but not an obligation to the option grantee to apply for 5 fully paid up equity shares of ₹2/- each of the Company at exercise price duly adjusted for the said corporate action.

iv) Rights and obligations of shareholders

The Company has only one class of share referred as Equity shares having a par value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after payment of external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

2. Reserves & Surplus

i) Reserves

	As at 31-Mar-13		As at 31-Mar-12	
	(₹ Crores)		(₹ Crores)	
Capital Reserve				
Opening Balance	0.59		0.04	
(+) Current Year Transfer	-		-	
(+) Addition on amalgamation of Tonira Pharma Ltd.	-		0.55	
Closing Balance		0.59		0.59
Capital Redemption Reserve		0.26		0.26
Securities Premium Account				
Opening Balance	43.61		42.36	
Add : Credited during the year on share issue	0.38		1.25	
Closing Balance		43.99		43.61
Debenture Redemption Reserve *				
Opening Balance	42.00		35.00	
(+) Current Year Transfer	-		7.00	
(-) Transfer to General Reserve	24.50		-	
Closing Balance		17.50		42.00
Share Options Outstanding Account				
Opening Balance	0.08		0.48	
(+) Current Year Transfer	-		-	
(-) Written Back in Current Year	0.08		0.40	
Closing Balance		-		0.08
Other Reserves				
General Reserve **				
Opening Balance	900.43		800.43	
(+) Current Year Transfer	175.50		100.00	
(+) Transfer from Debenture Redemption Reserve	24.50		-	
(+) Reversal on account of disposal of investment in associates	0.03		-	
Closing Balance		1,100.46		900.43
Hedging Reserve ***				
Opening Balance	(30.76)		4.34	
Net transfer during the Year	34.45		(35.10)	
Closing Balance		3.69		(30.76)
Foreign Currency Translation Reserve				
Opening Balance	1.41		(0.08)	
Net transfer during the Year	0.28		1.49	
Closing Balance		1.69		1.41
Balance at the year end		1,168.18		957.62

* Debenture redemption reserve is maintained in accordance with the MCA circular No.04/2013 Dt.11.02.2013.

** General Reserve represents the reserve created in accordance with Companies (Transfer of Profits to Reserves) Rules, 1975.

*** Hedging reserve represents the fair value changes of hedging instruments that are designated and effective as hedges of future cash flows.

ii) Surplus in Profit and Loss Account

	As at 31-Mar-13		As at 31-Mar-12	
	(₹ Crores)		(₹ Crores)	
Balance as per last Balance Sheet	271.16		143.62	
Addition on amalgamation of Tonira Pharma Ltd.	-		4.31	
Net Profit for the year	323.55	594.71	277.06	424.99
Less:				
Transfer to General Reserve	175.50		100.00	
Transfer to Debenture Redemption Reserve	-		7.00	
Interim dividend	25.23		25.15	
Tax on interim dividend	4.09		4.08	
Proposed dividend	25.24		15.14	
Tax on proposed dividend	4.29	234.35	2.46	153.83
Balance as at year end		360.36		271.16
Total Reserves & Surplus (i + ii)		1,528.54		1,228.78

3. Long-term Borrowings - Secured

	Non - Current Portion		Current Portion	
	As at 31/03/2013	As at 31/03/2012	As at 31/03/2013	As at 31/03/2012
	(₹ Crores)		(₹ Crores)	
i. Debentures	70.00	66.66	-	16.67
ii. Foreign Currency Term Loan	296.21	263.52	93.68	52.84
	366.21	330.18	93.68	69.51

a) Security and repayment terms

i) Debentures

12.75% Secured Redeemable Non-Convertible Debentures amounting to ₹ nil (Previous year ₹ 33.33 Crores) - Redeemable in 2 equal annual instalments of ₹ 16.67 Crores on 26th December, 2012 and ₹ 16.66 Crores on 26th December, 2013. The final instalment was prepaid on 3rd January, 2013.

9.95% Secured Redeemable Non-Convertible Debentures of ₹ 50.00 Crores (Previous year ₹ 50 Crores) - Redeemable at the end of 3rd year by exercising put/call option or, at the end of 5th year, both from the date of issue i.e. 3rd October, 2011. Secured by first mortgage and pari-passu charge over Company's office premises at Ahmedabad, Gujarat and first pari-passu charge over movable property of the Company including plant & machinery situated at Ratlam, Athal (Silvassa), Indore (M.P.), Piparia (Silvassa), Pithampur (Indore) and Dehradun.

9.25% Secured Redeemable Non-Convertible Debentures of ₹ 20.00 Crores (Previous year ₹ nil) - Redeemable in 4 equal annual instalments of ₹ 5.00 crore at the end of 2nd year, 3rd year, 4th year and 5th years from the date of issue i.e. 12th December 2012. Secured by first mortgage and pari-passu charge over Company's office premises at Ahmedabad, Gujarat and first charge by way of equitable mortgage charge on immovable properties being land and building situated at Sejavata, Ratlam and Polo Ground, Indore, both in the state of Madhya Pradesh; Village Athal & Village Piparia (Silvassa); Plot No.48, plot no.142-AB, plot no.123, plot no.125 & plot no.126ABCD at Kandivli Industrial Estate in Mumbai and at Dehradun in the state of Uttarakhand.

ii) Foreign Currency Term Loan

ICICI Bank Offshore Banking Unit - ₹ nil (Previous year ₹ 7.64 Crores), secured by exclusive charge on the entire movable fixed assets at SEZ, Indore, Pithampur and pari passu first charge on movable fixed assets at Kandla.

BNP PARIBAS, Singapore Branch - a) ₹ 40.73 Crores (Previous year ₹ 50.88 Crores) Repayable in 4 equal semi annual instalments from 20th March,2013, secured by first pari passu charge by way of hypothecation of movable fixed assets both present and future except on movable fixed assets at Pithampur, Indore.

b) ₹ 54.31 Crores (Previous year ₹ 50.88 Crores) Bullet Repayment at the end of 5th year on 7th October,2016 ,secured by first pari passu charge by way of hypothecation of movable fixed assets both present and future except on movable fixed assets at Pithampur, Indore.

CITI BANK N.A. Bahrain Branch - ₹ 13.58 Crores (Previous year ₹ 19.99 Crores) Repayable in 14 equal quarterly instalments from 21st July,2011, secured by first pari passu charge by way of hypothecation of all the movable fixed assets both present and future except on movable fixed assets at Pithampur, Indore.

DBS BANK, Singapore Branch - ₹ 24.44 Crores (Previous year ₹ 34.09 Crores) Repayable in 9 semi annual instalments from 16th March,2011, secured by first pari passu charge by way of hypothecation of all the movable fixed assets both present and future except on movable fixed assets at Pithampur, Indore.

BARCLAYS BANK PLC, London Branch - ₹ 39.59 Crores (Previous year ₹ 50.88 Crores) Repayable in 13 quarterly instalments from 31st May, 2012, secured by first pari passu charge on the plant & machinery of the Company except assets at Pithampur, Indore.

HSBC Bank Mauritius Ltd. - (a) ₹ 108.62 Crores (Previous year ₹ 101.76 Crores) Repayable in 7 half yearly instalments from 31st July,2013, secured by first pari passu charge on the plant & machinery of the Company except assets at Pithampur, Indore.

b) ₹ 54.31 Crores (Previous year ₹ nil) Repayable in 9 equal quarterly instalments from 26th September, 2016,secured by first pari-passu charge over current and future movable fixed assets of the Company except assets at Pithampur, Indore and at Baroda.

c) ₹ 54.31 Crores (Previous year ₹ nil) Repayable in 13 equal quarterly instalments from 19th November, 2014,secured by first pari-passu charge over current and future movable fixed assets of the Company except assets at Pithampur, Indore and at Baroda.

HSBC Bank London - ₹ nil (Previous year ₹ 0.24 Crore) Repayable in monthly Instalment, secured by fixed charge over book and other debts and floating charge over all assets of Onyx scientific Limited (U.K).

b) Maturity Profile of Borrowings other than Debentures

	As at 31-Mar-2013 (₹ Crores)	As at 31-Mar-2012 (₹ Crores)
Instalment payable between 1 to 2 years	89.77	87.76
Instalment payable between 2 to 5 years	194.37	175.76
Instalment payable beyond 5 years	12.07	-
	296.21	263.52

4. Deferred Tax Liabilities (Net)

	As at 31-Mar-2013 (₹ Crores)	As at 31-Mar-2012 (₹ Crores)
Deferred tax liabilities on account of		
Depreciation including on R & D Assets, Amortisation and impairment	136.29	97.95
Deferred tax asset on account of		
Leave Encashment	4.54	3.08
Bonus	0.68	0.64
Other tax disallowance	0.68	1.08
Total Deferred Tax Asset	5.90	4.80
Net deferred tax liability	130.39	93.15

No credit for deferred tax assets is taken in the consolidated financial statements of the loss making foreign subsidiaries since in the opinion of the Management there is no virtual certainty supported by convincing evidence to assess fairly the future business prospects and the likely tax assessments.

5. Other Long Term Liabilities

	As at 31-Mar-2013 (₹ Crores)	As at 31-Mar-2012 (₹ Crores)
Amount payable on foreign currency hedging transactions	-	0.20
Deposits from dealers	0.40	0.39
Others	0.31	0.51
Total	0.71	1.10

6. Provisions

	Long Term		Short Term	
	As at 31/03/2013	As at 31/03/2012	As at 31/03/2013	As at 31/03/2012
	(₹ Crores)		(₹ Crores)	
Provision for employee benefits				
Gratuity	-	-	0.50	1.38
Provision for leave encashment	12.21	8.72	1.15	0.76
Provision for leave travel assistance (LTA)	-	-	3.25	2.56
Other employee related provision	-	-	2.34	1.70
Others				
Proposed final dividend – ₹ 2.00 per share (Previous year ₹ 1.20 per share)	-	-	25.24	15.14
Provision for tax on proposed final dividend	-	-	4.29	2.46
Provision for taxation* (net of prepaid taxes)	-	-	5.37	4.96
Total	12.21	8.72	42.14	28.96

* Provision for taxation includes provision for wealth tax of ₹ 0.10 crore (Previous year ₹ 0.10 crore).

Disclosures:

a) Disclosure under Accounting Standard -29 "Provisions, Contingent Liabilities and Contingent Assets".

(₹ Crores)

Particulars	Opening Balance	Additions during the year	Amounts paid / reversed during the year	Closing Balance
Provision for wage revision under negotiation (Previous Year)	1.70 (2.65)	0.64 (0.24)	- (1.19)	2.34 (1.70)

- b) As per the Accounting Standard -15 "Employee Benefits" and as defined in the accounting standard the summarised components of net benefit expense recognised in the statement of Profit and Loss and the funded status and amounts recognised in the balance sheet are given herein below.

	Gratuity		Leave Encashment	
	2012-13	2011-12	2012-13	2011-12
	(₹ Crores)		(₹ Crores)	
I. Change in Benefit Obligation				
Liability at the beginning of the year	20.09	14.43	9.48	5.67
Addition on amalgamation/Business Purchase	0.60	0.26	0.19	0.16
Interest cost	1.58	1.18	0.76	0.47
Current Service Cost	2.63	1.92	2.22	1.53
Past Service Cost	-	-	-	-
Benefit Paid	(1.74)	(1.48)	(2.89)	(2.07)
Actuarial (gain)/loss on obligations	2.23	3.78	3.60	3.72
Curtailments and Settlements	-	-	-	-
Liability at the end of the year	25.39	20.09	13.36	9.48
II. Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	18.71	14.10	-	-
Addition on amalgamation/Business Purchase	0.49	0.21	-	-
Expected Return on Plan Assets	2.04	1.58	-	-
Contributions	5.39	4.30	-	-
Benefit paid	(1.74)	(1.48)	-	-
Actuarial gain/(loss) on Plan Assets	-	-	-	-
Fair Value of Plan Assets at the end of the year	24.89	18.71	-	-
III. Actual Return on Plan Assets				
Expected Return on Plan Assets	2.04	1.58	-	-
Actuarial gain/(loss) on Plan Assets	-	-	-	-
Actual Return on Plan Assets	2.04	1.58	-	-
IV. Amount Recognised in the Balance Sheet				
Liability at the end of the year	25.39	20.09	13.36	9.48
Fair Value of Plan Assets at the end of the year	24.89	18.71	-	-
Difference	0.50	1.38	13.36	9.48
Unrecognised Past Service Cost	-	-	-	-
Amount Recognised in the Balance Sheet	0.50	1.38	13.36	9.48
Breakup of Above:				
Current	0.50	1.38	1.15	0.76
Non-Current	-	-	12.21	8.72
Total	0.50	1.38	13.36	9.48
V. Expenses Recognised in the Income Statement				
Current Service Cost	2.63	1.92	2.22	1.53
Interest Cost	1.58	1.18	0.76	0.47
Expected Return on Plan Assets	(2.04)	(1.58)	-	-
Net Actuarial (gain)/loss to be Recognised	2.23	3.78	3.60	3.72
Past Service Cost (Non Vested Benefit) Recognised	-	-	-	-
Past Service Cost (Vested Benefit) Recognised	-	-	-	-
Effect of Curtailment or Settlements.	-	-	-	-
Expense Recognised in the statement of Profit and Loss	4.40	5.30	6.58	5.72
VI. Balance Sheet Reconciliation				
Opening Net Liability	1.38	0.33	9.48	5.67
Addition on amalgamation/Business Purchase	0.11	0.05	0.19	0.16
Expense as above	4.40	5.30	6.58	5.72
Past Service cost	-	-	-	-
Employer's Contribution	(5.39)	(4.30)	(2.89)	(2.07)
Amount Recognised in Balance Sheet	0.50	1.38	13.36	9.48
VII. Category of assets as at the end of the year				
Insurer Managed Funds	24.89	18.71	-	-
(Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available. The plan assets under the fund are deposited under approved securities.)				
VIII. Actuarial Assumptions				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Salary Escalation	6.00%	6.00%	6.00%	6.00%

Notes :

- Employer's contribution includes payments made by the Company directly to its past employees.
- The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- The Company's Leave Encashment liability is entirely unfunded.

7. Short-term Borrowings

(i) Secured Loans:

	As at 31-Mar-13 (₹ Crores)	As at 31-Mar-12 (₹ Crores)
a) Working Capital Loans from banks	80.55	100.79
b) Working Capital Loan from Kotak Mahindra Bank	-	3.31
Sub Total (i)	80.55	104.10

Security:

- Working capital loans from banks - Secured by first charge by way of hypothecation of raw materials, packing materials, work-in process, finished goods, stores and spares, book debts and all other movable current assets of the Company and second charge by way of mortgage of the immovable properties of the Company and hypothecation of plant & machinery of the Company.
- Working capital loan from Kotak Mahindra Bank - Secured by first and exclusive hypothecation on all existing and future current assets and movable fixed assets at Ankleshwar/Nandesari, first and exclusive charge by way of equitable mortgage on the immovable properties at Ankleshwar/Nandesari bearing plot No. 4722,4723,4731 and 4732 at GIDC, Ankleshwar and plot No.23 and 24 at GIDC, Nandesari.

(ii) Unsecured Loans:

	As at 31-Mar-13 (₹ Crores)	As at 31-Mar-12 (₹ Crores)
Short Term Loans from Banks :		
HSBC	43.86	45.26
DBS Bank Ltd.	16.29	-
BNP Paribas Bank	13.58	15.00
Bank of Nova Scotia	2.86	22.90
Buyers Credit	-	14.10
Sub Total (ii)	76.59	97.26
Total Short-Term Borrowings (i)+(ii):	157.14	201.36

(iii) Commercial Paper

During the year the Company had raised and repaid Commercial Paper. The maximum outstanding amount during the year was ₹ 65 Crores (Previous year ₹ 100 Crores) and the closing balance at year end is ₹ nil (Previous year ₹ nil).

8. Trade Payables

	As at 31-Mar-13 (₹ Crores)	As at 31-Mar-12 (₹ Crores)
Trade Payables		
- Against acceptance of Import documents	63.79	71.09
- Others	204.58	163.43
Total	268.37	234.52

9. Other Current Liabilities

	As at 31-Mar-13 (₹ Crores)	As at 31-Mar-12 (₹ Crores)
Current Maturities of Non-Current Liabilities (Refer Note 3)	93.68	69.51
Interest accrued but not due on borrowings	4.59	5.09
Advance received from customers	18.02	4.94
Unpaid dividends *	1.44	1.30
Duties & Taxes Payables	25.43	19.71
Amount payable on foreign currency hedging transactions	5.46	47.21
Payables for Capital Goods	17.15	27.34
Others	0.23	0.23
Total	166.00	175.33

* Unpaid dividend does not include any amount to be credited to Investor Education and Protection fund.

10. Fixed Assets

(₹ Crores)

Description of Assets	Cost					Depreciation, Amortisation & Impairment					Net Block					
	As at 1 st April, 2011	Additions (11-12)	Acquisition through business combination-Amalgamation	Disposals/ Adjust-ments (11-12)	As at 31 st March 2012	Additions (12-13)	Disposals/ Adjust-ments (12-13)	As at 31 st March 2013	Charge for the year (11-12)	Acquisition through business combination-Amalgamation	Disposals/ Adjust-ments (11-12)	As at 31 st March 2012	Charge for the year (12-13)	Disposals/ Adjust-ments (12-13)	As at 31 st March 2013	As at 31 st March 2012
A Tangible Assets																
1 Freehold Land	24.20	3.22	-	-	27.42	1.58	-	29.00	0.03	-	-	0.03	-	-	28.97	27.39
2 Leasehold Land	10.90	4.30	1.62	(0.15)	16.67	5.35	-	22.02	0.57	0.13	(0.04)	0.66	0.15	-	21.21	16.01
3 Buildings	171.45	43.01	17.26	(0.01)	231.71	32.11	(0.12)	263.70	31.85	6.76	0.04	45.58	7.95	(0.02)	210.19	186.13
4 Plant & Machinery	632.84	167.36	48.89	(3.17)	845.92	136.57	(6.27)	976.22	189.51	49.08	(9.77)	262.68	57.54	(3.43)	659.43	583.24
5 Plant & Machinery (Given on Lease)	4.21	0.12	-	-	4.33	0.58	0.18	5.09	0.83	0.28	-	1.11	0.33	-	3.65	3.22
6 Office & Other Equipments	7.10	1.89	0.24	(0.16)	9.07	1.61	(0.17)	10.51	3.15	0.76	(0.04)	3.95	0.89	(0.05)	5.72	5.12
7 Effluent Treatment Plant	8.89	8.51	0.91	(0.24)	18.07	17.44	-	35.51	3.56	1.13	(0.04)	4.70	1.88	-	28.93	13.37
8 Furniture & Fixtures	19.14	4.15	1.42	(0.22)	24.49	4.52	0.02	29.03	9.55	2.04	0.85	12.48	2.17	0.02	14.36	12.01
9 Vehicles	13.49	3.72	0.84	(1.82)	16.23	6.74	(1.97)	21.00	4.57	2.14	0.49	6.07	2.48	(1.59)	14.04	10.16
10 Leasehold Improvement	0.76	-	-	-	0.76	-	-	0.76	0.07	0.30	-	0.37	0.31	-	0.08	0.39
11 R & D Building	7.06	7.89	-	-	14.95	2.57	-	17.52	1.83	0.49	-	2.32	0.56	-	14.64	12.63
12 R & D Leasehold Improvement	0.74	-	-	-	0.74	-	-	0.74	0.06	0.30	-	0.36	0.30	-	0.08	0.38
13 R & D Equipments	74.69	12.38	3.45	(1.48)	89.04	19.71	(0.42)	108.33	34.63	8.01	0.99	43.69	9.62	(0.46)	52.85	45.35
14 R & D Furnitures	1.53	0.17	-	-	1.70	0.66	-	2.36	0.74	0.17	-	0.91	0.25	-	1.20	0.79
Total 'A'	977.00	256.72	74.63	(7.25)	1,301.10	229.44	(8.75)	1,521.79	280.95	71.59	43.25	384.91	84.43	(5.53)	463.81	916.19

B	Intangible Assets														
1	Goodwill		-	-	-	15.88	-	15.88	-	-	-	0.17	-	15.71	-
2	Software		4.79	2.10	-	6.89	4.65	(0.91)	10.63	2.47	1.11	3.58	1.92	6.01	3.31
3	Brands & Trade Mark		2.19	-	-	2.19	-	-	2.19	2.06	0.01	2.07	0.01	2.08	0.12
4	Know-How		3.84	-	-	3.84	0.15	-	3.99	3.65	-	3.65	0.01	3.66	0.19
5	Software - R & D		0.60	0.34	-	0.94	0.06	-	1.00	0.07	0.19	0.26	0.24	0.50	0.68
	Total 'B'		11.42	2.44	-	13.86	20.74	(0.91)	33.69	8.25	1.31	9.56	2.35	11.03	4.30
	TOTAL (A+B)		988.42	259.16	74.63	(7.25)	1,314.96	250.18	(9.66)	1,555.48	289.20	72.90	43.25	(10.88)	920.49

Notes:

- Buildings include cost of shares in Co-operative societies.
- Leasehold rights in respect of certain leasehold properties acquired are in the process of being transferred in the name of the company.
- Out of depreciation and amortisation for the year of ₹ 86.78 crore (Previous year ₹ 72.90 crore), depreciation of ₹ 0.05 crore. (Previous year ₹ 0.07 crore) relating to project under execution for the period before start of production is transferred to project expenses pending allocation.
- Cost of Borrowing of ₹ 2.50 crore (Previous year ₹ 1.18 crore) is capitalised to the projects.
- Goodwill during the year represents excess of consideration over fair value of net assets in respect of acquisition of two API manufacturing business.

11. Goodwill on consolidation arising out of acquisition

		31/3/2013	31/3/2012
		(₹ Crores)	(₹ Crores)
i)	Onyx Research Chemical Ltd.	23.51	23.51
ii)	Tonira Exports Ltd. (on merger of Tonira Pharma Ltd.)	0.08	0.08
		23.59	23.59

12. Investments

i) Non Current Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Face Value (₹)	Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		(₹ Crores)	
			31/3/2013	31/3/2012				31/3/2013	31/3/2012	31/3/2013	31/3/2012
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
A. Details of Trade Investments Investment in Equity Instruments (Associate - accounted under equity method) (Others - at Cost)											
1	Paschim Chemicals Pvt. Ltd.	Associate	-	63,690	100	Unquoted	Fully Paid	-	45.23	-	24.88
2	CCPL Software Pvt.Ltd. #	Associate	55,000	55,000	100	Unquoted	Fully Paid	28.95	28.95	-	-
3	Trophic Wellness Pvt. Ltd. @ (100000 shares fully paid & 680000 partly paid - ₹. 7.50 (Previous year ₹ 5/- per share)	Associate	7,80,000	7,80,000	10	Unquoted	@	19.26	19.26	7.85	7.38
	Total									7.85	32.26
4	Mangalam Drugs & Organics Ltd.	Others	16,33,417	16,33,417	10	Quoted	Fully Paid	-	-	5.09	5.09
										5.09	5.09
	Total									12.94	37.35
# Cost fully written off in books											
B. Details of Non Trade Investments Investment in Equity Instruments (At cost)											
1	Gujarat Industrial Co-Op Bank Ltd.	Others	140	140	50	Unquoted	Fully Paid	-	-	-	-
2	Bharuch Eco Aqua Infrastructure Limited	Others	35,000	35,000	10	Unquoted	Fully Paid	-	-	0.04	0.04
3	Joint Medical Holding (Pty) Ltd *	Others	-	1,000		Unquoted	Fully Paid	-	-	-	-
	Total									0.04	0.04
C. Total Non current Investments (A+B)										12.98	37.39
Less : Provision for Diminution in value of Investment - Mangalam Drugs and Organics Ltd.										4.11	3.46
Non current investments (Net of provision)										8.87	33.93

* The Figure for previous year is ₹ 21,000/-

ii) Current Investments

1.	Aurobindo Pharma Limited.	Others	25,000	25,000	1	Quoted	Fully Paid	0.01	0.01	0.15	0.15
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iii) The associates of the Company and the ownership interest are as follows: -

Name of the Associate	CCPL Software Private Ltd.	Paschim Chemicals Private Ltd.	Trophic Wellness Private Ltd.	Total (₹ Crores)
% of Share held	28.95%	45.23%	19.26%	-
Original cost of Investment	1.31	20.34	8.94	30.59
(Goodwill)/Capital Reserve	(0.79)	(18.34)	(0.52)	-
Accumulated Profit/ (Loss) up to 31/03/12 (Including proportionate Dividend received by associates from cross holdings)	(0.51)*	4.54	(0.48)	4.06
Share of Profit / (Loss) for the year Plus Proportionate Dividend received by Associates	*	(0.17)	(0.61)	(0.78)
Dividend received from associates	-	-	-	-
Less:- Disposal of Investment	-	24.71	-	24.71
Carrying value of Investment on 31/03/13	NIL**	-	7.85	7.85

* No effect of share of loss from CCPL is taken since 01.04.2004, as the Company has no further commitment towards its share of loss in the Associate.

** Balance cost is fully written off in books.

13. Loans and Advances

	Long Term		Short Term	
	As at 31-Mar-13	As at 31-Mar-12	As at 31-Mar-13	As at 31-Mar-12
	(₹ Crores)		(₹ Crores)	
a. Capital Advances				
Unsecured, considered good	31.14	21.00	-	-
b. Others (Unsecured, considered good)				
Advance to suppliers	-	-	21.96	17.82
Loans given to :				
- Employees	1.13	0.96	2.35	1.88
- Others	4.15	4.15	0.51	2.33
Hedging gain receivable	-	-	-	0.02
Prepaid taxes (net of provisions)	2.90	3.57	0.11	0.17
Deposits with Govt departments and others	8.06	6.63	1.85	1.51
Tender Deposits				
- Considered good	-	-	0.57	0.40
- Considered doubtful	-	-	-	0.03
	-	-	0.57	0.43
Less : Provision for doubtful deposits	-	-	-	0.03
	-	-	0.57	0.40
Prepaid expenses	0.39	0.44	8.39	5.77
Advances to Employees				
- Considered good	-	-	3.55	3.13
- Considered doubtful	-	-	1.13	1.71
	-	-	4.68	4.84
Less : Provision for doubtful Advances	-	-	1.13	1.71
	-	-	3.55	3.13
Other Advances	-	0.81	2.28	1.98
Total	47.77	37.56	41.57	35.01

14. Other Assets

	Non Current		Current	
	As at 31-Mar-13	As at 31-Mar-12	As at 31-Mar-13	As at 31-Mar-12
	(₹ Crores)		(₹ Crores)	
Term Deposits with banks #	4.11	2.20	-	-
Export benefits receivables	-	-	38.72	75.82
Foreign exchange gain receivable	-	-	8.60	-
Duties & Taxes Refundable	5.19	5.00	62.28	60.05
Gratuity and other claim receivables	-	-	16.32	7.42
Unbilled Revenue	-	-	9.20	4.20
Others	0.33	0.02	3.35	0.45
Total	9.63	7.22	138.47	147.94

Term deposits amounting to ₹ 2.00 crore (Previous year ₹ 2.00 crore) have been given as margin for guarantee issued by banks to Custom department and for ₹ 1.87 crore (Previous year ₹ 0.20 crore) as deposit for electricity connection.

15. Inventories

	As at 31-Mar-13		As at 31-Mar-12	
	(₹ Crores)		(₹ Crores)	
i) Raw Materials and components				
In hand	274.17		262.87	
In transit	27.35	301.52	48.05	310.92
ii) Packing Materials and components				
In hand	34.05		25.10	
In transit	0.07	34.12	0.01	25.11
iii) Work-in-progress		123.53		111.34
iv) Finished goods				
In hand				
Own	240.91		187.41	
Traded	20.40		21.12	
In transit				
Own	8.72		6.95	
Traded	3.78	273.81	1.30	216.78
v) Stores and spares		8.05		5.74
Total		741.03		669.89

Disclosures:

Valuation methodology

Raw Materials, Packing Materials and components	At cost or Net realisable value which ever is lower
Work In Progress	At cost or Net realisable value which ever is lower
Finished Goods	At cost or Net realisable value which ever is lower
Stores and spares	At cost or Net realisable value which ever is lower

16. Trade receivables

	As at 31-Mar-13		As at 31-Mar-12	
	₹ Crores		₹ Crores	
Outstanding for more than six months				
Unsecured, considered good	11.08		8.20	
Unsecured, considered doubtful	-		0.30	
Less: Provision for doubtful debts	-	11.08	0.30	8.20
Others				
Unsecured, considered good		406.74		336.68
Total		417.82		344.88

17. Cash and Bank Balances

	As at 31-Mar-13	As at 31-Mar-12
	₹ Crores	₹ Crores
Cash & Cash Equivalents		
Cash on hand	0.49	0.41
Balances with banks	13.95	6.72
Cheques, drafts on hand	2.25	3.42
Fixed deposit with bank	40.00	0.17
	56.69	10.72
Other Bank Balances		
Unpaid dividend accounts*	1.44	1.30
Bank margin	0.11	0.14
	1.55	1.44
Total	58.24	12.16

*Unpaid dividend does not include any amount to be credited to Investor Education and Protection fund.

18. Revenue from Operations (Gross)

	2012-13		2011-12	
	₹ Crores		₹ Crores	
Sale of Products (Gross)		2,778.32		2,333.22
Sale of services		20.12		15.90
Other operating revenues				
Focus Market and other Export Incentive Schemes	21.83		17.01	
Miscellaneous Income (Operational)	17.52	39.35	11.86	28.87
Total		2,837.79		2,377.99

19. Other Income

	2012-13		2011-12	
	₹ Crores		₹ Crores	
Interest Income				
- Current	8.20		7.12	
- Non current	0.34	8.54	0.01	7.13
Dividend Income - from Current Investments		1.33		1.18
Sundry Balances w/back		-		1.80
Profit on sale of Investments - Non Current		0.36		-
Profit on sale of Investments - Current		1.37		-
Profit on sale of Assets		0.38		0.20
Miscellaneous Income		2.33		1.34
Foreign currency translation gain on liquidation		-		0.30
Total		14.31		11.95

20. Cost of Materials Consumed

	2012-13		2011-12	
	(₹ Crores)		(₹ Crores)	
Raw Materials Consumed				
Opening Stock	310.92		192.71	
Addition on amalgamation	-		9.59	
Addition on acquisition	-		0.68	
Add : Purchases (Net of Discount)	874.20		852.68	
Add : Raw Material Conversion Charges	22.66		16.68	
	1,207.78		1,072.34	
Less : Closing Stock	301.52	906.26	310.92	761.42
Packing Materials Consumed				
Opening Stock	25.11		23.26	
Addition on amalgamation	-		0.06	
Add : Purchases (Net of Discount)	176.12		150.24	
	201.23		173.56	
Less : Closing Stock	34.12	167.11	25.11	148.45
Neutralisation of duties and taxes on inputs on exports - DEPB/Drawback benefits		(25.57)		(36.24)
Total		1,047.80		873.63

21. Purchases of Stock-in-Trade

	2012-13	2011-12
	(₹ Crores)	(₹ Crores)
Formulations	90.46	79.19
Active Pharmaceutical Ingredients / Intermediates	11.15	20.96
Others	8.86	4.48
Total	110.47	104.63

22. Changes in inventories of finished goods, Work-in-progress and Stock-in-Trade

	2012-13		2011-12	
	(₹ Crores)		(₹ Crores)	
Inventory Adjustments - WIP				
Stock at Commencement	111.34		90.98	
Addition on amalgamation	-		3.92	
Addition on acquisition	-		1.29	
Less: - Stock at closing	123.53	(12.19)	111.34	(15.15)
Inventory Adjustments - Finished Goods				
Stock at Commencement	194.36		131.31	
Addition on amalgamation	-		1.78	
Less : Stock at Closing	249.63	(55.27)	194.36	(61.27)
Inventory Adjustments - Traded Goods				
Stock at Commencement	22.42		23.45	
Addition on amalgamation	-		-	
Less : Stock at Closing	24.18	(1.76)	22.42	1.03
Variation in Excise duty on :				
Closing stock of finished goods	26.26		18.67	
Less: Opening stock of finished goods	18.67	7.59	8.42	10.25
Total		(61.63)		(65.14)

23. Employee Benefits Expenses

	2012-13	2011-12
	(₹ Crores)	(₹ Crores)
Salaries, Bonus, Perquisites, etc.	350.10	296.56
Contribution to Employees welfare funds	17.90	15.65
Leave Encashment	6.58	5.72
Leave Travel Assistance	2.51	1.86
Gratuity Fund Contributions	4.40	5.30
Expense on Employee Stock Option Scheme	0.01	0.10
Staff Welfare expenses	7.63	6.17
Recruitment & Training	2.66	4.13
Total	391.79	335.49

24. Finance Cost

	2012-13	2011-12
	(₹ Crores)	(₹ Crores)
Interest Expense	27.18	35.98
Other borrowing costs	5.86	5.20
Interest on Income tax	0.32	0.10
Total	33.36	41.28

25. Depreciation & Amortisation

	2012-13	2011-12
	(₹ Crores)	(₹ Crores)
Depreciation on Tangible Assets	84.38	71.52
Amortisation on Intangible Assets	2.35	1.31
Short/(excess) depreciation of earlier years	-	(5.70)
Total	86.73	67.13

26. Other Expenses

	2012-13	2011-12
	(₹ Crores)	(₹ Crores)
Consumption of stores & spares	25.73	20.59
Power, Fuel & Water Charges	104.03	83.78
Freight, forwarding and transportation	80.56	75.58
Outside Manufacturing Charges	23.63	20.27
Repairs & Maintenance	61.33	46.04
Loss on sale of asset	1.46	0.98
Fixed Assets Scrapped	0.53	0.57
Commission	27.03	33.72
Field Staff expenses	71.85	66.95
Sales & marketing expenses	105.35	86.79
Product information catalogue	12.04	12.93
Expenditure on scientific research	35.54	25.25
Laboratory expenses and Analytical Charges	19.15	15.22
Rent	12.82	10.52
Rates & Taxes	6.89	5.68
Travelling expenses	24.40	18.29
Professional charges	14.78	11.25
Printing and stationery	6.93	6.59
Books, Subscription & Software	2.03	1.80
Product registration expenses	15.15	6.35
Excise duty	7.18	3.46
Communication Expenses	6.42	7.88
Insurance	13.37	10.42
Intellectual property right expenses	0.72	0.75
Remuneration to Auditors	0.45	0.41
Bank Charges	3.12	3.11
Amalgamation Expenses	0.01	0.32
Provision for doubtful debts/advances	-	1.80
Sundry Balances w/off	0.46	-
Provision for diminution in value of investment	0.65	0.47
Provision for dues from minority interest	-	0.66
Reversal of loss on Investment in associate	-	(0.15)
Other Expenses	17.89	19.03
Total	701.50	597.31

Note: 1) Remuneration to auditors of the Subsidiaries including the step down subsidiaries are grouped with the professional charges.

2) Amalgamation Expenses include a sum of ₹ nil (previous year ₹ 0.02 crore) paid to the auditors.

27. Disclosure as required by Accounting Standard – AS 17 “Segment Reporting” of the Companies (Accounting Standards) Rules 2006.

The entire operations of the Company relate to only one segment viz. “Pharmaceuticals”. As such, there is no separate reportable segment under Accounting Standard - AS 17 on Segment Reporting.

28. Disclosure as required by Accounting Standard – AS 18 “Related Party Disclosure” of the Companies (Accounting Standards) Rules 2006.

Relationships:	
A. Entities where control exists	
Shareholders of Ipca Laboratories Ltd	
Kaygee Investments Pvt.Ltd.	
B. Key Management Personnel	
Mr. Premchand Godha	Chairman & Managing Director
Mr. Ajit Kumar Jain	Joint Managing Director
Mr. Pranay Godha	Executive Director
Mr. Prashant Godha	Executive Director
C. Associates	
Paschim Chemicals Pvt.Ltd. (Upto 18 th Sept,2012)	
Makers Laboratories Ltd.	
Trophic Wellness Pvt.Ltd.	
D. Other Related Parties (Entities in which Directors or their relatives have significant influence)	
Nipra Industries Pvt.Ltd.	
Keymed	
Oscar Industries	
Mrs. Usha P. Godha	
Prabhat Foundation	
Vandhara Resorts Pvt.Ltd.	
Exon Laboratories Pvt.Ltd. (w.e.f. 19 th Sept,2012)	
Paschim Chemicals Pvt.Ltd. (w.e.f. 19 th Sept,2012)	

Details of related party transaction are given in statement 1 attached to the financial statements.

29. Disclosure as required by Accounting Standard – AS 19 “Leases” of the Companies (Accounting Standards) Rules 2006.

- The Company has taken various residential / godowns / office premises (including Furniture and Fittings if any) under leave and licence agreements. These generally range between 11 months to 3 years on leave and licence basis. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Company has given refundable security deposits. The lease payments are recognised in the Statement of Profit and Loss under Rent.
- The Company has three lease commitments for its offices and guest house which expires on 31st March 2015, 31st March 2014 and 31st May 2013 respectively. The Total lease commitment are ₹ 0.61 Crores (USD 1,11,994) [Previous year ₹ 0.60 Crores (USD 1,18,508)]
- The Company has two rent commitments for its offices of Shanghai & Nanjing. The total rent commitments are ₹ 0.01 Crores (CNY 6,800) [Previous year ₹ 0.01 Crores (CNY 11,800)]

30. Disclosure as required by Accounting Standard – AS 20 “Earning Per Share” of the Companies (Accounting Standards) Rules 2006.

The earning per share is calculated by dividing the profit after tax by weighted average no. of shares outstanding for basic and diluted EPS.

Particulars	2012-13		2011-12	
	(₹ Crores)		(₹ Crores)	
(i) Profit after tax		323.55		277.06
(ii) Closing Equity Shares Outstanding (Nos.) :				
Opening Equity shares outstanding (Nos.)	12,61,50,359		12,57,06,405	
Add:- issued during the year (Nos.)	48,750		1,21,250	
Add:- To be issued pursuant to merger of Tonira Pharma Ltd.	-		3,22,704	
Closing Equity Shares Outstanding (Nos.)		12,61,99,109		12,61,50,359
(iii) Weighted Avg no. of shares outstanding (Nos.) (Basic)		12,61,58,506		12,60,52,962
(iv) Weighted Avg no. of shares outstanding (Nos.) (Diluted)		12,61,58,506		12,60,63,771
(v) Nominal value of equity share (₹)		2.00		2.00
(vi) Basic EPS (i/iii) (₹)		25.65		21.98
(vii) Diluted EPS (i/iv) (₹)		25.65		21.97

Disclosure as per guidance note on Accounting for Employee Share-based Payments

If the compensation cost of shares issued under Employees Stock Option Scheme 2006 (ESOS) is determined in accordance with the fair value approach described in the Guidance Note, the Company's net profit for the year ended March 31, 2013 as reported would change to amounts indicated below:

Particulars	2012-13	2011-12
	(₹ Crores)	(₹ Crores)
Net Profit as reported	323.55	277.06
Add: Stock based compensation expense included in the reported income	0.01	0.10
Less: Stock based compensation expenses determined using fair value of options	0.01	0.14
Net profit (adjusted)	323.55	277.02
Weighted average number of shares considered for basic earnings per share	12,61,58,506	12,60,52,962
Weighted average number of shares considered for diluted earnings per share	12,61,58,506	12,60,63,771
Basic earnings per share as reported (₹)	25.65	21.98
Basic earnings per share (adjusted) (₹)	25.65	21.98
Diluted earnings per share as reported (₹)	25.65	21.97
Diluted earnings per share (adjusted) (₹)	25.65	21.97

31. Significant accounting policies and notes to this consolidated financial statement are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the companies. Recognising this purpose, the Company has disclosed only such policies and notes from the individual financial statements, which fairly presents the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the Management could be better viewed when referred from the individual financial statements.

32. Contingent liabilities not provided for in respect of :

Particulars	2012-13	2011-12
	(₹ Crores)	(₹ Crores)
A. Contingent Liabilities		
a) Bills discounted with banks	237.09	147.24
Since Realised	(150.79)	(85.08)
b) Other moneys for which the Company is contingently liable for tax, excise, customs and other matters not accepted by the Company	11.82*	18.53*
c) Claims against the Company not acknowledged as debts.	2.98	0.01
d) Corporate Guarantee given to others	2.28	2.28
e) Guarantees given by banks in favour of Govt. & others/ Letter of Credit opened against which goods are not received*	62.44	65.74
	165.82	148.72
B. Estimated amount of contracts remaining to be executed on capital account and not provided for:		
- Tangible Assets	45.39	52.04
- Intangible Assets	6.29	2.44
	51.68	54.48
C. Uncalled liability on partly paid shares	3.40	4.48
D. Other Commitments	-	-

*Note:- It includes ₹ 4.38 crore (Previous year ₹ 4.38 crore) towards interest and penalty demanded by excise department, Ankleshwar relating to erstwhile Tonira Pharma Limited since amalgamated with the Company and is not payable in accordance with the order passed by the Hon'ble Central Excise and Service Tax Appellate Tribunal (CESTAT), Ahmedabad. The Department had moved the Hon'ble Gujarat High Court against the said CESTAT order and as per the order of the said Hon'ble High Court, the Company has furnished a Bank Guarantee of ₹ 2.00 crore to the Department.

33. a) The Company has entered into various derivatives transactions, which are not intended for trading or speculative purpose but to hedge the export receivable including future receivables and foreign currency loan interest rate risks.

The Company as on 31st March 2013 has the following derivatives instruments / forward cover outstanding.

Sr. No	Type of Transaction	Purpose	Amount Outstanding (In Million)	
			31.03.2013	31.03.2012
i.	USD Interest Rate Swap	To hedge the USD LIBOR risk by moving from Floating LIBOR rate to Fixed LIBOR Rate.	USD 61.79 (outstanding)	USD 62.13 (outstanding)
ii.	Forward Cover beyond six months	To hedge export receivables	STG 12.00 USD 30.50	STG 7.00 USD 64.50

- b) The Company has continued its decision not to exercise the option available under amendment to AS 11 relating to "The effects of Changes in Foreign Exchange Rates" in respect of its Long Term Foreign Currency Monetary Items in respect of foreign currency loans for the acquisition of fixed assets.
- c) The Company has following unhedged foreign exchange risk.

Sr. No	Particulars	31.03.2013 USD (Million)	31.03.2012 USD (Million)
i	Term loan	71.79	62.13
ii.	Short term working capital loan / PCFC / Buyers credit	14.10	16.31
iii.	Sundry creditors for imports	12.08	13.02

- d) The Company has an annual average exports of USD 315 Million (Previous year USD 291 Million) of which the Company has partially hedged its receivables by the aforesaid options disclosed in para (a) above. The unhedged currency risk detailed in para (c) above has a natural hedge against the unhedged export receivables of USD 19.20 Million as at 31st March, 2013 (Previous year USD 4.58 Million).

- e) None of the foreign subsidiaries have effected any steps to hedge their currency risks vis a vis the Indian Parent.

34. The figures of the subsidiaries including the step down subsidiaries are appropriately grouped along with the figures of the parent Ipca Laboratories Ltd.

35. The company's provision for diminution in value of investments in shares of Ipca Pharmaceuticals (Shanghai) Ltd. and National Druggists (Pty) Ltd for ₹ 0.25 crores and ₹ 1.00 crores respectively is reversed in these consolidated accounts since the full loss of the said subsidiaries is accounted in this accounts.

36. In the opinion of the Board of Directors, all the assets other than fixed assets and non current investments have value on realisation in the ordinary course of business atleast equal to the amount at which they are stated in the Balance Sheet.

37. The balance sheet, Statement of profit and loss, cash flow statement, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended 31st March'2013.

38. Previous year's figures have been regrouped and rearranged wherever necessary to make them comparable.

As per our report of even date attached
For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No. 106971W

N. Jayendran
Partner
M.No. 40441

Mumbai,
30th May, 2013

For and on behalf of the Board of Directors
Premchand Godha
Chairman & Managing Director
Ajit Kumar Jain
Joint Managing Director
Pranay Godha
Executive Director
Prashant Godha
Executive Director
Harish P. Kamath
Company Secretary

Statement 1 (refer Note No. 28)

Related Party Disclosure as required by Accounting Standard – AS 18 “Related Party Disclosures” of the Companies (Accounting Standards) Rule 2006.

Transactions with Related Parties

(₹ Crores)

Description	Entities where control exists		Key Management Personnel		Associates		Other Related Parties		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Purchase of goods and services										
Paschim Chemicals Pvt. Ltd.	-	-	-	-	9.83	36.08	12.89	-	22.72	36.08
Exon Laboratories Pvt. Ltd.	-	-	-	-	-	-	28.29	-	28.29	-
Makers Laboratories Ltd.	-	-	-	-	14.29	13.38	-	-	14.29	13.38
Others	-	-	-	-	-	-	1.56	1.16	1.56	1.16
Total	-	-	-	-	24.12	49.46	42.74	1.16	66.86	50.62
Sales of goods and services										
Paschim Chemicals Pvt. Ltd.	-	-	-	-	0.46	3.88	-	-	0.46	3.88
Makers Laboratories Ltd.	-	-	-	-	2.86	5.06	-	-	2.86	5.06
Trophic Wellness Pvt. Ltd.	-	-	-	-	0.57	6.65	-	-	0.57	6.65
Others	-	-	-	-	-	-	2.97	-	2.97	-
Total	-	-	-	-	3.89	15.59	2.97	-	6.86	15.59
Interest income										
Makers Laboratories Ltd.	-	-	-	-	-	0.07	-	-	-	0.07
Paschim Chemicals Pvt. Ltd.	-	-	-	-	-	0.11	-	-	-	0.11
Total	-	-	-	-	-	0.18	-	-	-	0.18
Purchase of fixed assets										
Paschim Chemicals Pvt. Ltd.	-	-	-	-	-	-	0.01	-	0.01	-
Total	-	-	-	-	-	-	0.01	-	0.01	-
Sale of fixed assets										
Paschim Chemicals Pvt. Ltd.	-	-	-	-	0.13	0.16	-	-	0.13	0.16
Exon Laboratories Pvt. Ltd.	-	-	-	-	-	-	0.16	-	0.16	-
Others	-	-	-	-	0.01	0.01	-	-	0.01	0.01
Total	-	-	-	-	0.14	0.17	0.16	-	0.30	0.17
Excise duty, Rent and other expenses										
Vandhara Resorts Pvt.Ltd.	-	-	-	-	-	-	0.29	1.66	0.29	1.66
Makers Laboratories Ltd.	-	-	-	-	0.81	0.75	-	-	0.81	0.75
Others	-	-	-	-	(0.01)	0.03	0.16	0.05	0.15	0.08
Total	-	-	-	-	0.80	0.78	0.45	1.71	1.25	2.49
Net loans and advances given/(Recovered)										
Makers Laboratories Ltd.	-	-	-	-	-	2.00	-	-	-	2.00
Paschim Chemicals Pvt. Ltd.	-	-	-	-	-	(8.04)	-	-	-	(8.04)
Others	-	-	-	-	-	(0.12)	-	-	-	(0.12)
Total	-	-	-	-	-	(6.16)	-	-	-	(6.16)
Investments Sold										
Kaygee Investment Pvt. Ltd.	25.03	-	-	-	-	-	-	-	25.03	-
Total	25.03	-	-	-	-	-	-	-	25.03	-
Investments made										
Trophic Wellness Pvt. Ltd.	-	-	-	-	1.08	-	-	-	1.08	-
Total	-	-	-	-	1.08	-	-	-	1.08	-
Remuneration to Directors										
Mr. Premchand Godha	-	-	10.19	10.15	-	-	-	-	10.19	10.15
Mr. Ajit Kumar Jain	-	-	2.05	1.82	-	-	-	-	2.05	1.82
Others	-	-	2.61	1.97	-	-	-	-	2.61	1.97
Total	-	-	14.85	13.94	-	-	-	-	14.85	13.94
Donation										
Prabhat Foundation	-	-	-	-	-	-	0.50	1.00	0.50	1.00
Total	-	-	-	-	-	-	0.50	1.00	0.50	1.00
Purchase of Business										
Paschim Chemicals Pvt. Ltd.	-	-	-	-	-	-	17.75	-	17.75	-
Exon Laboratories Pvt. Ltd.	-	-	-	-	-	-	49.61	-	49.61	-
Total	-	-	-	-	-	-	67.36	-	67.36	-
Balance at year end										
Receivables										
Makers Laboratories Ltd.	-	-	-	-	-	0.65	-	-	-	0.65
Paschim Chemicals Pvt. Ltd.	-	-	-	-	-	0.92	-	-	-	0.92
Trophic Wellness Pvt. Ltd.	-	-	-	-	1.01	0.88	-	-	1.01	0.88
Total	-	-	-	-	1.01	2.45	-	-	1.01	2.45
Payables										
Mr. Premchand Godha	-	-	7.87	7.72	-	-	-	-	7.87	7.72
Mr. Ajit Kumar Jain	-	-	1.16	1.01	-	-	-	-	1.16	1.01
Makers Laboratories Ltd.	-	-	-	-	1.89	-	-	-	1.89	-
Others	-	-	1.56	1.14	-	-	0.80	0.20	2.36	1.34
Total	-	-	10.59	9.87	1.89	-	0.80	0.20	13.28	10.07

Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to Subsidiary Companies

Particulars	NAME OF THE SUBSIDIARY											
	Ipca Pharma Nigeria Limited, Nigeria	National Druggists (Pty) Limited, South Africa	Ipca Pharmaceuticals Inc., USA	Ipca Pharmaceuticals Limited S.A DE C.V, Mexico	Ipca Pharmaceuticals (Shanghai) Ltd, China	Ipca Pharma (Australia) Pty Ltd, Australia	Ipca Pharma (NZ) Pty Ltd, New Zealand*	Ipca Laboratories (UK) Ltd., UK	Onyx Research Chemicals Limited* UK**	Onyx Scientific Limited, UK***	Ipca Traditional Remedies Private Limited	Tonira Exports Limited
Financial year/period of the subsidiary companies ended on	31 st March, 2013	31 st March, 2013	31 st March, 2013	31 st March, 2013	31 st March, 2013	31 st March, 2013	31 st March, 2013	31 st March, 2013	31 st March, 2013	31 st March, 2013	31 st March, 2013	31 st March, 2013
No. of Equity shares held by Ipca Laboratories Limited in the subsidiary as at 31 st March, 2013	5,15,89,190 Equity shares of Naira 1 each fully paid	10,59,732 Equity shares of Rand 1 each fully paid	1,000 Shares of no par value	Shares of no par value	Shares of no par value	26,944 Equity shares of Aus \$ 1 each fully paid	100 Equity shares of NZ \$ 1 each	9,14,186 Shares of STG £ 1 each	3,85,000 Equity Share of 0.1p each and 7,00,000 Pref. Share of STG 1 each	3,68,122 shares of STG 1 each	29,60,000 shares of ₹ 10 each	99,600 shares of ₹ 10 each
Extent of interest of Ipca Laboratories Limited in the capital of the subsidiary	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	99.2%	99.6%
Net aggregate amount of the profits/(losses) of the subsidiaries so far it concerns to the members of Ipca Laboratories Limited as it is not dealt with the Company's Accounts for the year ended 31 st March, 2013 of the subsidiaries	(N 1,08,87,090) (₹ 26.07 Lacs)	(R 14,50,489) (₹ 92.65 Lacs)	US\$ 93,602 ₹ 50.84 Lacs	(MXN 5,91,389) (₹ 24.57 Lacs)	(RMB 2,47,647.52) (₹ 21.30 Lacs)	Aus \$ 33,337 ₹ 18.68 Lacs	(Aus \$ 33) (₹ 0.02 Lacs)	(STG £ 33,348) (₹ 28.62 Lacs)	(STG £ 4,735) (₹ 4.07 Lacs)	(STG £ 3,19,820) (₹ 277.78 Lacs)	(₹ 0.79 Lacs)	₹ 0.56 Lacs
Net aggregate amount of the profits/(losses) of the subsidiaries so far as dealt with or provision is made for those losses in the Accounts of Ipca Laboratories Limited for the subsidiary's Financial year ended 31 st March, 2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note: 1. Figures in Indian Rupees, wherever it appears in respect of overseas subsidiaries, have been given only as additional information.

* Ipca Pharma (NZ) Pty Ltd, New Zealand is a wholly owned subsidiary of Ipca Pharma (Australia) Pty. Ltd, Australia which is a wholly owned subsidiary of the Company.

** Onyx Research Chemicals Ltd, UK is a wholly owned subsidiary of Ipca Laboratories, UK Ltd, which is a wholly owned subsidiary of the Company.

*** Onyx Scientific Ltd, UK is a wholly owned subsidiary of Onyx Research Chemicals Ltd, UK, which is a wholly owned subsidiary of Ipca Laboratories, UK Ltd.

For and on behalf of the Board of Directors

Premchand Godha
Chairman and Managing Director
Ajit Kumar Jain
Joint Managing Director
Pranay Godha
Executive Director
Prashant Godha
Executive Director

Harish P. Kamath
Company Secretary

Mumbai,
30th May, 2013

Details of Subsidiaries

(₹ In lakhs)

Particulars	Ipca Pharma Nigeria Limited, Nigeria	National Druggist (Pty) Limited, South Africa	Ipca Pharmaceuticals Inc., USA	Ipca Pharmaceuticals Limited S.A DE C.V, Mexico	Ipca Pharmaceuticals (Shanghai) Co Ltd, China	Ipca Pharma (Australia) Pty Ltd, Australia	Ipca Pharma (NZ) Pty. Ltd, New Zealand	Ipca Laboratories (UK) Ltd., UK	Onyx Research Chemicals Limited	Onyx Scientific Limited	Ipca Traditional Remedies Private Limited	Tonira Exports Limited
Capital	188.94	45.72	760.97	97.33	118.90	12.98	0.04	718.46	474.94	249.63	298.40	10.00
Reserves	416.95	(38.17)	(679.85)	(86.52)	(102.04)	58.44	0.10	(378.90)	1,751.64	1,225.47	(295.82)	(7.61)
Total Assets	904.45	9.31	811.69	20.09	20.75	82.79	1.63	4,635.09	3,215.17	2,033.85	2.67	16.27
Total Liabilities	904.45	9.31	811.69	20.09	20.75	82.79	1.63	4,635.09	3,215.17	2,033.85	2.67	16.27
Investments	-	-	-	-	-	0.05	-	4,017.87	3,213.74	-	-	-
Total Income/turnover	2,908.25	7.86	1,398.16	-	51.79	48.18	-	105.13	-	1,967.65	-	1.50
Profit / (loss) Before Taxation	(26.07)	(91.69)	50.84	(24.57)	(21.30)	20.00	(0.02)	(27.49)	(4.07)	(284.31)	(0.79)	0.56
Provision for Taxation	-	0.96	-	-	-	1.32	-	1.13	-	(6.53)	-	-
Profit / (loss) After Taxation	(26.07)	(92.65)	50.84	(24.57)	(21.30)	18.68	(0.02)	(28.62)	(4.07)	(277.78)	(0.79)	0.56
Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	51.32	NIL	NIL	NIL

Exchange rate considered as on 31st March 2013: 1 USD = ₹ 54.30, 1 STG £ = ₹ 82.1016, 1 N (Nigerian Naira) = ₹ 0.3382, 1R (South African Rand) = ₹ 5.8793, 1Aus \$ = ₹ 56.5209, 1RMB (Chinese Yuan) = ₹ 8.6531, 1MXN (Mexican Peso) = ₹ 4.4095, 1 NZ \$ = ₹ 45.4576

The Company owns 100% interest in all the above subsidiaries excepting Ipca Traditional Remedies Pvt. Ltd. in which it holds 99.20% of the paid up equity share capital and Tonira Export Limited in which it holds 99.6% of the paid up equity share capital. Ipca Pharma (NZ) Pty Ltd, New Zealand which is a 100% subsidiary of Ipca Pharma (Australia) Pty Ltd., Onyx Research Chemicals Ltd, UK is a wholly owned subsidiary of Ipca Laboratories (UK) Ltd. and Onyx Scientific Ltd, UK is a wholly owned subsidiary of Onyx Research Chemicals Ltd, UK, which is a wholly owned subsidiary of Ipca Laboratories (UK) Ltd.

For and on behalf of the Board of Directors

Premchand Godha

Chairman and Managing Director

Ajit Kumar Jain

Joint Managing Director

Pranay Godha

Executive Director

Prashant Godha

Executive Director

Harish P. Kamath

Company Secretary

Mumbai,
30th May, 2013

Ipca Laboratories Ltd.

Regd. Office: 48, Kandivli Industrial Estate, Kandivli (West), Mumbai 400 067, India

I / We
of in the district of
being a member / members of the above named
Company hereby appoint.....
ofin
the district of or failing him
of
in the district of
as my / our proxy to vote for me /
us on my / our behalf at the 63rd Annual General Meeting of the Company to be held on Tuesday, 30th July, 2013 at 3.30 p.m. and at any adjournment thereof.

Signed this day of 2013

Signed by the said

Regd. Folio No. *Client ID No.

*DP ID No. No. of Shares held

30 Paise
Revenue
Stamp

Note: The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than FORTY EIGHT hours before the time for holding the meeting.

* Applicable for investors holding shares in electronic form

ATTENDANCE SLIP

Ipca Laboratories Ltd.

Regd. Office: 48, Kandivli Industrial Estate, Kandivli (West), Mumbai 400 067, India

I hereby record my presence at the 63rd Annual General Meeting held at Shri Bhaidas Maganlal Sabhagriha, Swami Bhakti Vedanta Marg, J.V.P.D. Scheme, Vile Parle (West), Mumbai 400 056 on Tuesday, 30th July, 2013 at 3.30 p.m.

Name of the Shareholder(s) (In Block Letters)
.....

Name of the Proxy or Company Representative (In Block Letters)
.....

Signature of the Shareholder or Proxy or Company Representative

Note: 1. A Proxy attending on behalf of a Shareholder should please write the name of the Shareholder from whom he holds Proxy. 2. Members are requested to bring their copy of the Annual Report with them to the Meeting as additional copies of the same will not be made available at the Meeting.

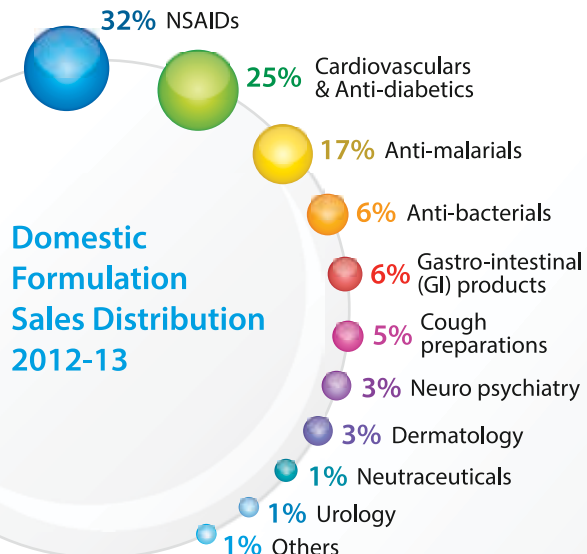
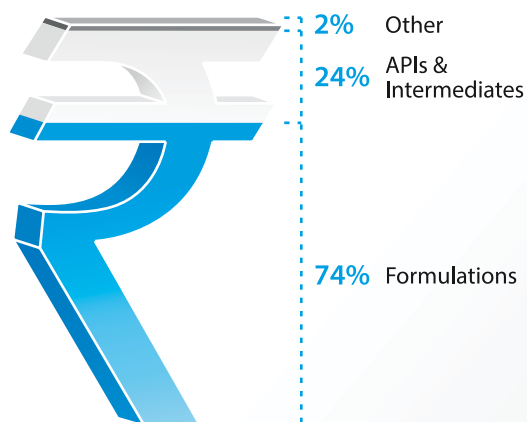
Regd. Folio No. *Client ID No.

*DP ID No. No. of Shares held

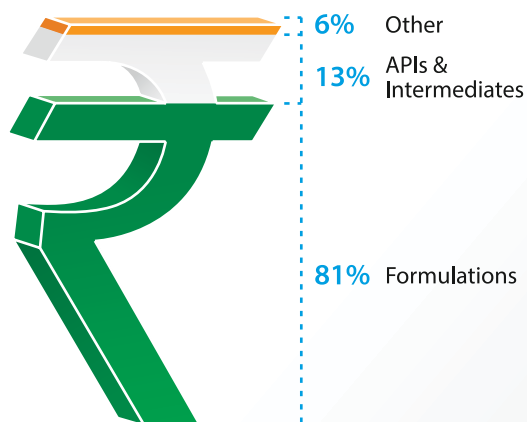
* Applicable for investors holding shares in electronic form

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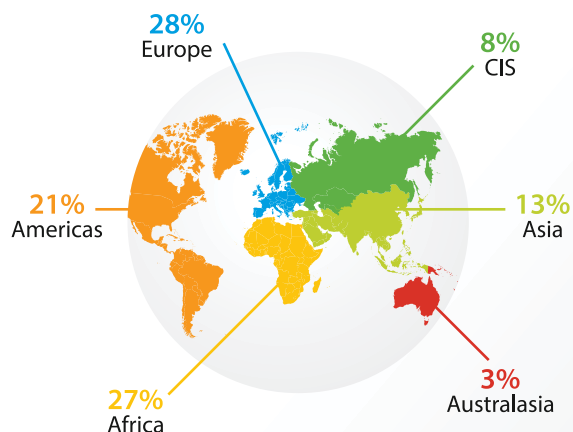
Total Income 2012-13 ₹ 2,797.08 Crores



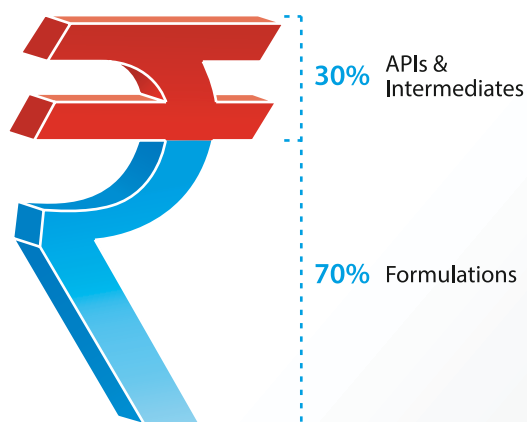
Domestic Income 2012-13 ₹ 1,081.00 Crores



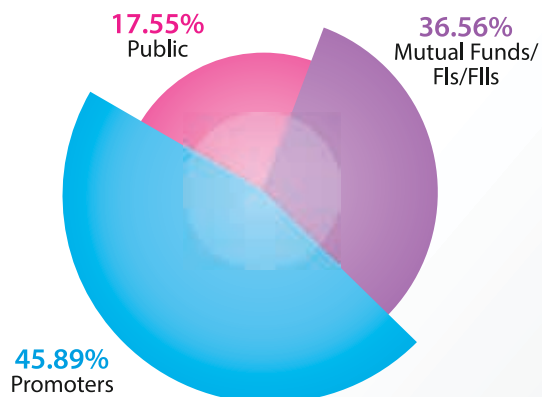
Continent Wise Exports (%)



Export Income 2012-13 ₹ 1,716.08 Crores



Distribution of Shareholding as on 31st March, 2013



International Subsidiaries

Australia

Ipca Pharma (Australia) Pty Ltd.
6, Morotai Avenue, Ashburton
VIC 3147, Melbourne, Australia
T: + 613 98856172
F: + 613 98856173
E: ipca.australia@ipca.com

New Zealand

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3-A, St. Oswalds Road
Greenlane
Auckland 1061, New Zealand
T: + 64 2136 0880
E: ipca.newzealand@ipca.com

UK

Ipca Laboratories (UK) Ltd.
Silverbriar, Sunderland Enterprise Park East
Sunderland SR5 2TQ, UK
T: + 44 191 516 6 516
F: + 44 191 516 6 526
E: ipca.uk@ipca.com

China

Ipca Pharmaceuticals (Shanghai) Ltd.
Room 1110, 11/F Hua Tian Holiday Hotel
Office Building, 469 Zhonghua Xin Road
Zhabei District, Shanghai PRC
T: + 86 21 60954728
F: + 86 21 60954729
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Nigeria

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17, Osolo Way, Ajao Estate
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UK

Onyx Scientific Limited
Silverbriar, Sunderland Enterprise Park East
Sunderland SR5 2TQ, UK
T: + 44 191 516 6 516
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Mexico

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South Africa

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30, Marlborough Road
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F: + 27 11 4345719
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USA

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South Plainfield, NJ 07080, USA
T: + 1 908 412 6561/63
F: + 1 908 412 6564
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Ipca Laboratories Ltd.

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