

New Heights, New Goals



2013-14
ANNUAL REPORT
Ipca Laboratories Ltd.

Ten Years' Highlights

(₹ Crores)

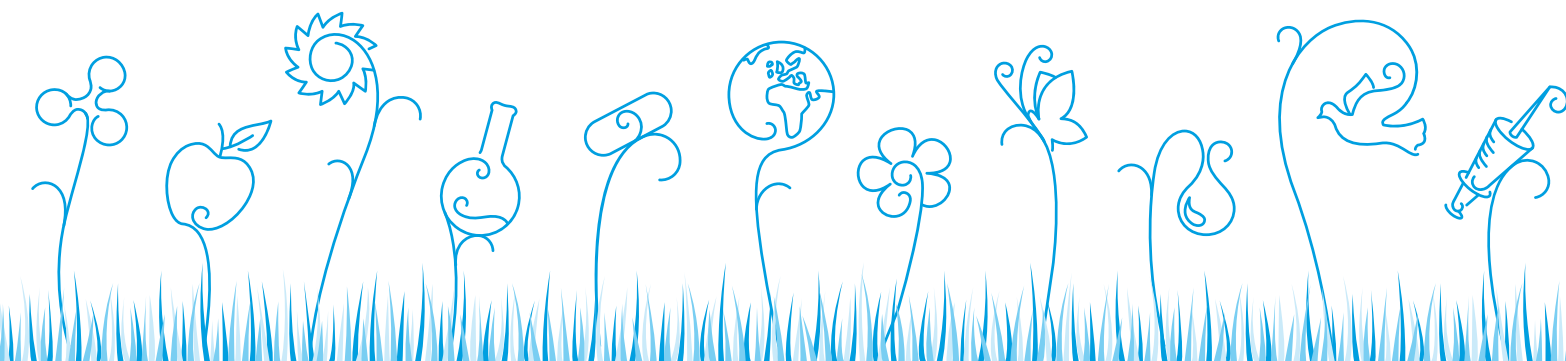
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Total Income*	685.45	752.82	924.84	1059.16	1275.57	1565.50	1889.61	2342.98	2797.08	3256.25
Domestic Income*	274.87	350.99	440.38	522.90	595.18	759.42	864.43	941.01	1081.00	1208.45
Export Income	410.58	401.83	484.46	536.26	680.39	806.08	1025.18	1401.97	1716.08	2047.80
Earning before Interest, Depreciation & Tax	134.48	116.62	202.52	#186.44	#270.01	#344.65	#384.24	#526.40	#639.95	#826.66
Profit before Tax	101.55	78.39	151.24	176.87	124.65	271.73	343.70	368.94	461.37	629.09
Net Profit after Tax	80.71	63.98	122.23	141.12	91.22	209.19	255.37	280.17	331.39	477.37
Share Capital	25.00	25.00	25.00	25.09	24.99	25.04	25.14	25.23	25.24	25.24
Reserves & Surplus	312.59	360.89	461.02	582.57	613.52	849.82	1028.72	1237.04	1544.61	1956.37
Net Worth	337.59	385.89	486.02	607.66	638.51	874.86	1053.86	1262.27	1569.85	1981.61
Net Block	322.46	373.52	431.48	541.04	579.72	674.75	792.57	1007.33	1204.50	1471.01
Dividend (%)	55%	55%	75%	80%	110%	140%	160%	160%	200%	250%
Earnings per share (₹)	32.28	25.59	48.89	56.38	36.33	@ 16.75	20.36	22.23	26.27	37.83
Book Value per share (₹)	135.04	154.36	194.41	242.19	255.51	@ 69.86	83.84	100.06	124.39	157.02

* Net of Excise Duty and Sales Tax

Before Forex Translations Gain /Loss

@ 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
Babulal Jain	Director
Anand T. Kusre	Director
Dev Parkash Yadava	Director
Dr. Ramakanta Panda	Director

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 - Projects
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	Corporate Counsel & Company Secretary
Abha Pant	President - R&D (Formulations)
E. J. Babu	President - API Exports
Sanjay Sinha	President - Operations (Formulations)

Company Secretary

Harish P. Kamath

Auditors

Natvarlal Vepari & Co., Chartered Accountants

Cost Auditors

ABK & Associates, Cost Accountants

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

Research & Development Centre

47, 48, 58-DD, 123 AB, 125 & 126 (Amalgamated)
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

Bankers

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

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, Bharikhola
South District 737121
Telefax: +91 3595 276372

NOTICE is hereby given that the 64th 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 Thursday, 31st July, 2014 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, 2014 and the Statement of Profit & Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare / confirm payment of dividend on equity shares.
3. To appoint a Director in place of Mr. Ajit Kumar Jain (DIN 00012657) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pranay Godha (DIN 00016525) who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby accord its approval to the re-appointment of and remuneration payable to Mr. Ajit Kumar Jain (DIN 00012657) as the Joint Managing Director of the Company for a further period of 5 years commencing 21st August, 2014 on the terms and conditions including remuneration as approved by the Nomination and Remuneration Committee of the Board and as set out in the agreement dated 29th May, 2014 entered into between the Company and Mr Ajit Kumar Jain, a copy whereof initialled by the Chairman for the purpose of identification is placed before the meeting, which agreement is hereby specifically approved."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Babulal Jain (DIN 00016573), a non-executive Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to 31st March, 2019."

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Anand T. Kusre (DIN 00818477), a non-executive Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to 31st March, 2019."

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Dev Parkash Yadava (DIN 00778976), a non-executive Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to 31st March, 2019."

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Ramakanta Panda (DIN 01161791), a non-executive Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to 31st March, 2019."

11. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting of the Company held on 28th July, 2011 and subject to the provisions of sub-section (1) (a) and (c) of Section 180 of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors to borrow any sum or sums of money from time to time which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed at any time the aggregate of the paid-up capital of the company and its free reserves (that is to say, reserves not set apart for any specific purpose), provided that the total amount so borrowed shall not at any time exceed the limit of ₹ 2000 crores (Rupees Two Thousand Crores).

RESOLVED FURTHER that the consent of the Company be and is hereby also accorded to the Board of Directors of the Company to mortgage and/or create charge on any or all of the movable and immovable properties of the Company and also on the whole or substantially the whole of any or all of the undertakings of the Company to secure the borrowings on such terms and conditions as the Board of Directors of the Company may consider to be in the interest of the Company.

RESOLVED FURTHER that the Board of Directors of the Company be and they are hereby authorised to do all such acts, deeds, matters and things that may be necessary, desirable or expedient for giving effect to this Resolution".

- 12.** To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 62 (1)(b) and other applicable provisions, if any, of the Companies Act, 2013 (including any modification or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the regulations/guidelines prescribed by Securities and Exchange Board of India (SEBI) or any other relevant authority, from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions, as may be required, and subject to such conditions as may be prescribed by any of the authority(s) while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers including the powers conferred by this Resolution) is hereby authorized to accept, the Board be and is hereby authorized on behalf of the Company, to create, offer, issue and allot, to or for the benefit of such person(s) as are in the permanent employment of the Company and of its subsidiaries and the Whole-time working Directors of the Company at any time, equity shares or equity linked securities of the Company and/or warrants (whether attached to any security or not) with an option exercisable by the warrant-holders to subscribe for equity shares or other securities convertible into equity shares of the Company at such price which shall not be at a discount of more than 75% of the latest available closing price of the Company's shares on a listed Stock Exchange where there is higher trading volume in Company's shares on a day immediately prior to the date of the meeting of the Board of Directors or Committee thereof in which the options are granted and in such manner, during such period, in one or more tranches and on such terms and conditions as the Board may decide prior to the issue and offer of such equity shares or other securities convertible into equity shares not exceeding in aggregate five per cent (individually in any financial year to any employee/ Whole-time working director not exceeding 0.10%) of the total number of issued equity shares of the Company as on the date(s) of the grant of option(s) under Ipca Laboratories Employees Stock Option Scheme - 2014 (ESOS), as placed before the Meeting and initialled by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT subject to the terms and conditions stated herein, the equity shares allotted pursuant to the aforesaid Resolution shall in all respect rank pari passu with the then existing equity shares of the Company.

RESOLVED FURTHER THAT the Company shall comply with the disclosure and accounting policies prescribed by applicable authorities in this regard from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, issue or allotment of equity shares or securities / options representing the same, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) (including to amend or modify any of the terms of such issue or allotment), as it may, in its absolute discretion, deem fit and without being required to seek any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to vary or modify the terms of ESOS in accordance with any guidelines or regulations that may be issued, from time to time, by any appropriate authority unless such variation, modification or alteration is detrimental to the interests of the employees/ Whole-time working Directors eligible for ESOS.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors of the Company."

- 13.** To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. ABK & Associates, Cost Accountants (ICWA Registration No. 000036) who have been appointed as the Cost Auditors of the Company to conduct the audit of the cost records for the financial year 2014-15 be paid remuneration of ₹ 4,75,000 (Rupees Four Lacs Seventy Five Thousand Only) plus service tax and reimbursement of traveling and other out of pocket expenses."

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. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.**
- 2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 22nd July, 2014 to Thursday, 31st July, 2014 (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 31st July, 2014 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 21st July, 2014.**
- 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 2006-07 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.
 - (e)** The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules) which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts. In terms of the said IEPF Rules, the Company has uploaded the information of the unclaimed dividends in respect of the Final Dividend for the financial year from 2006-07 till Interim Dividend for the financial year 2012-13, on the website of the Company viz. www.ipca.com.
- 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 (excluding Saturday) 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 102 of the Companies Act, 2013 in respect of special business is annexed hereto.
8. Electronic copy of the Notice of the 64th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Ballot Form is being sent to all the members whose e-mail IDs are registered with the Company / Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the notice of the 64th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting alongwith Attendance Slip, Proxy Form and Ballot Form is being sent in the permitted mode.
9. Voting through electronic means:
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 64th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting system provided by National Securities Depository Limited (NSDL).

The instructions for e-voting are as under:

 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants]:
 - (a) Open email and open PDF file viz; "Ipca Laboratories e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (b) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (c) Click on Shareholder – Login
 - (d) Put user ID and password as initial password/PIN noted in step (a) above. Click Login.
 - (e) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (f) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (g) Select "EVEN" (E-Voting Event Number) of Ipca Laboratories Ltd.
 - (h) Now you are ready for e-voting as Cast Vote page opens.
 - (i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (j) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (k) Once you have voted on the resolution, you will not be allowed to modify your vote.

- (I) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@ipca.com with a copy marked to evoting@nsdl.co.in.

- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants or who request physical copy of notice]:

- (a) Initial password will be provided by the Company :

EVEN (E-Voting Event Number)_USER ID_PASSWORD/PIN

- (b) Please follow all steps from Sl. No. (b) to Sl. No. (I) above, to cast vote.

- II. In case of any queries, you may refer the frequently asked questions (FAQs) for shareholders and e-voting user manual for shareholders available at the downloads section of www.evoting.nsdl.com.
- III. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password/ PIN for casting your vote.
- IV. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on Thursday, 24th July, 2014 (9:00 am) and ends on Saturday, 26th July, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th June, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. As the voting would be through electronic means, the Members who do not have access to e-voting, may send their assent or dissent in writing on the Ballot Form enclosed with the Annual Report. You are required to complete and sign the Ballot Form and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company - Mr. P. N. Parikh, Practicing Company Secretary, Scrutinizer, Ipca Laboratories Limited, 48 Kandivli Industrial Estate, Kandivli (West), Mumbai – 400 067 not later than Saturday, 26th July, 2014 (6.00 p.m. IST). Ballot Form received after this date will be treated as invalid.

Members have an option to request for physical copy of the ballot form by sending an email to investors@ipca.com by mentioning their folio / DP ID and Client ID. However, such completed and signed ballot form shall duly reach the Scrutinizer not later than Saturday, 26th July, 2014 (6.00 p.m. IST).

A Member can opt for only one mode of voting, i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

- VII. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20th June, 2014.

VIII. Mr. P. N. Parikh (Membership No. FCS-327) of M/s. Parikh & Associates, Practising Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process (including ballot form received from the members who do not have access to the e-voting facility) in a fair and transparent manner.

IX. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, and send it to the Chairman of the Company.

X. The Results shall be declared at or after the Annual General Meeting of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.ipca.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and also communicated to the Bombay Stock Exchange Ltd. (BSE) and The National Stock Exchange of India Ltd. (NSE).

Registered Office:

48, Kandivli Industrial Estate,
Kandivli (West), Mumbai 400 067.
Tel : 022 – 6647 4747
E-mail: ipca@ipca.com
Website: www.ipca.com
CIN: L24239MH1949PLC007837

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

Harish P. Kamath
Corporate Counsel & Company Secretary

Mumbai

29th May, 2014

Item No. 6

At the meeting of the Board of Directors of the Company held on 29th May, 2014, Mr. Ajit Kumar Jain is re-appointed as the Joint Managing Director of the Company for a further period of 5 years with effect from 21st August, 2014.

This re-appointment is in compliance with Sections 196, 197, 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and is subject to the approval of the shareholders. Accordingly, an agreement setting out terms and conditions of his re-appointment including remuneration payable to him is entered into by the Company with Mr. Ajit Kumar Jain, Joint Managing Director on 29th May, 2014.

The Agreement referred to in the resolution at item 6 of the accompanying notice sets out the remuneration and other terms and conditions applicable to Mr. Ajit Kumar Jain upon his re-appointment as the Joint Managing Director.

The abstract of the terms and conditions of his re-appointment as contained in the said Agreement are as follows:

1. Period: 5 years with effect from 21st August, 2014.
2. The Joint 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 Joint Managing Director shall devote his whole-time attention and abilities to the business of the Company.
4. During the period of his employment, the Joint 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 ₹ 10,00,000/- (Rupees Ten Lacs only) per month with such annual increment as may be decided by the Board subject to a ceiling of ₹ 20,00,000/- (Rupees Twenty 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 profit 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 197 and other applicable provisions of the Companies Act, 2013. The specific amount payable to the Joint 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 Joint Managing Director shall be entitled to the following perquisites:
 - i) Housing: The expenditure incurred by the Company on hiring furnished accommodation for the Joint Managing Director will be subject to a maximum of sixty per cent of the salary. In case no accommodation is provided by the Company, the Joint Managing Director shall be entitled to the house rent allowance subject to the said ceiling of 60% of the salary.
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 Joint Managing Director.
 - ii) Medical, hospitalization and health-care expenses: Actual expenses incurred for the Joint Managing Director and his family including mediclaim policy premium to be paid by the Company.
 - iii) Leave travel concession: For the Joint 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) Contribution to National Pension Scheme: Company's contribution to any superannuation fund or national pension scheme shall be in accordance with the rules of the scheme as may be applicable or as may be framed / decided by the Company.

Contribution to provident fund, superannuation fund and national pension scheme 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 profit, the Company shall pay the aforesaid remuneration by way of salary and perquisites as minimum remuneration.
 7. The Joint 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 this appointment.
 8. The Joint 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 Joint Managing Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
 10. The Joint 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 Joint 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 Joint 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 Joint 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 Joint 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 the Joint Managing Director in the course of his employment, the Company shall pay to his legal representatives the remuneration for the then current month in addition to such other sum as the Board may determine.
16. The Company may by giving not less than thirty days notice in writing determine this agreement if the Joint Managing Director is guilty of inattention to or negligence in the conduct of the Company's 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 Joint Managing Director for the appointment and/or agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Ajit Kumar Jain, Joint Managing Director being an appointee himself, are interested or concerned, financially or otherwise, in passing of this resolution.

The Board recommends approval to his re-appointment as the Joint Managing Director of the Company.

Item No. 7

Mr. Babulal Jain aged 63 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, Nomination and Remuneration Committee and Stakeholders Relationship 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.

His period of office of Director was liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Babulal Jain being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years term upto 31st March, 2019. A notice has been received by the Company from a member proposing Mr. Babulal Jain as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Babulal Jain fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Company's management. Copy of the draft letter for appointment of Mr. Babulal Jain as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Babulal Jain as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Babulal Jain as an Independent Director for the approval by the shareholders of the Company.

Except Mr. Babulal Jain, being an appointee himself, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 8

Mr. Anand T. Kusre aged 64 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. Anand T. 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. He is also the Member of the Audit Committee and Nomination and Remuneration Committee of the Board of Directors of the Company.

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

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

His period of office of Director was liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Anand T. Kusre being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years term upto 31st March, 2019. A notice has been received by the Company from a member proposing Mr. Anand T. Kusre as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Anand T. Kusre fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Company's management. Copy of the draft letter for appointment of Mr. Anand T. Kusre as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Anand T. Kusre as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Anand T. Kusre as an Independent Director for the approval by the shareholders of the Company.

Except Mr. Anand T. Kusre, being an appointee himself, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.8.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 9

Mr. Dev Parkash Yadava, aged 68 years, holds Diplomas in Electrical Engineering, Operation Management and Business Management with National Diploma in Materials Management. He has experience of 45 years in Industrial and Business Management.

He is an independent Director of the Company since 13th April, 2012. He is also member of the Audit Committee, Nomination and Remuneration Committee and Chairman / Member of the Corporate Social Responsibility Committee of the Board of Directors.

He holds 3691 equity shares in the Company.

He is also a Director of the following companies:

1	Sharda Chem International Pvt. Ltd.	2	Unique Sugars Ltd.
3	Alchymars ICM SM Pvt. Ltd.	4	Biopharmax India Pvt. Ltd.
5	Universal Starch Chem Allied Ltd.		

He is the Chairman of the Audit Committee and Member of the Share Transfer Committee of the Board of Directors of Universal Starch Chem Allied Ltd.

His period of office of Director was liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Dev Parkash Yadava being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years term upto 31st March, 2019. A notice has been received by the Company from a member proposing Mr. Dev Parkash Yadava as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Dev Parkash Yadava fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Company's management. Copy of the draft letter for appointment of Mr. Dev Parkash Yadava as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Dev Parkash Yadava as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Dev Parkash Yadava as an Independent Director for the approval by the shareholders of the Company.

Except Mr. Dev Parkash Yadava, being an appointee himself, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.9.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 10

Dr. Ramakanta M. Panda, aged 60 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 an independent Director of the Company since 23rd March, 2013.

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 Private Limited	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 Limited		

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.

His period of office of Director was liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Dr. Panda being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years term upto 31st March, 2019. A notice has been received by the Company from a member proposing Dr. Panda as a candidate for the office of Director of the Company.

In the opinion of the Board, Dr. Panda fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Company's management. Copy of the draft letter for appointment of Dr. Panda as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Panda as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. Panda as an Independent Director for the approval by the shareholders of the Company.

Except Dr. Panda, being an appointee himself, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.10.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 11

Section 180 (1) (a) and (c) of the Companies Act, 2013 requires the Board of Directors of the Company to obtain members' approval to mortgage and / or create charge on the movable and immovable property(ies) and undertaking(s) of the Company and to borrow monies in excess of the aggregate of the paid-up share capital and its free reserves, that is to say reserves not set apart for any specific purpose (excluding temporary loans obtained from the Company's bankers in the ordinary course of business).

At the Annual General Meeting of the Company held on 28th July, 2011, authority was accorded to the Board of Directors to create mortgage / charge on the immovable properties of the Company and also to borrow for the purposes of the business of the Company upto an amount of ₹ 1200 crores (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) notwithstanding the fact that the monies so borrowed may exceed the paid up share capital of the Company and its free reserves. In view of the increase in the paid-up share capital of the Company and its free reserves and proposed capital expenditure plans and also to meet the future long term working capital requirements, the Board considers it necessary to increase the borrowing powers to ₹ 2000 crores (Rupees Two Thousand Crores) and authorise the Board to mortgage and/or create charge on the movable and immovable properties and undertakings of the Company.

The Board of Directors recommend the resolution as set out in item 11 of the accompanying notice for the consideration and approval of the members. None of the directors and key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this item of business.

Item No. 12

The human resource plays an important and vital role in the growth and success of an organization. The Board of Directors of the Company have identified the need to reward the employees so as to enable them to participate in the future growth and financial success of the Company. Therefore, the Board has proposed to offer the employees of the Company and of its subsidiaries as well as Whole-time working Directors of the Company an new option to acquire the equity shares of the Company under Employee Stock Option Scheme (ESOS) so as to motivate, retain and reward eligible employees / Whole-time working Directors for their individual performance and efforts to improve the overall business and financial performance of the Company.

The Board has formulated an new ESOS in accordance with SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 under which the maximum number of equity shares of the Company that could be created, offered, issued and allotted under ESOS should not exceed five percent of the issued equity shares of the Company on the date(s) of the grant of option(s) under ESOS.

The salient features of the Company's ESOS are as under:

Total number of options/shares that could be issued under ESOS: Upto five per cent of the aggregate of the number of issued equity shares of the Company on the date(s) of grant of option(s) to eligible employees of the Company and of its subsidiaries and Whole-time working Directors of the Company.

The options which lapse/expire or are forfeited will also be available for grant to other eligible employee(s)/ Whole-time working Directors.

Grant Date: The date of the Meeting of the Board/Committee approving the grant of ESOS to eligible employees/ Whole-time working Directors shall be deemed to be the Grant Date.

Eligibility for grant of options:

Persons as are in the permanent employment of the Company and of its subsidiary companies in such grade with such experience and association and the Whole-time working Directors of the Company as may be decided by the Board or Committee of Board at its sole discretion.

Employees / Whole-time working Directors who are not eligible for grant of options:

An employee or Whole-time working Director who is a promoter or belongs to the promoter group who either by himself or through his relative or through any body corporate, directly or indirectly, holds more than 10 per cent of the outstanding equity shares of the Company at the time of granting of option shall not be eligible to participate in ESOS. Independent and Promoter Directors on the Board of the Company are also not eligible to participate in the ESOS.

Vesting, requirements of vesting and maximum period of vesting:

The vesting period shall commence on the expiry of one year from the Grant Date and may extend upto four years or such further or other period from the Grant Date as the Board/Committee may determine at its sole discretion.

The options may vest in tranches subject to the terms and conditions as may be stipulated by the Board/Committee which may include satisfactory job performance of the employees/ Whole-time working Directors and their continued employment/Directorship with the Company/subsidiary Company as the case may be unless such employment/Directorship is discontinued on account of death, permanent/total disability or on retirement.

If the employee/ Whole-time working Director voluntarily terminates employment with the Company/subsidiary company or whose employment is terminated by the Company/subsidiary company, the options to the extent not vested on him shall lapse/expire and be forfeited forthwith. However, this shall not be applicable to the employee/ Whole-time working Director of the Company who has resigned or who may resign from time to time to join Company's subsidiary as an employee or Whole-time working Director.

Exercise price:

The equity shares to be issued upon conversion of options would be issued at a price per share (Exercise Price), as the Board/Committee may determine on the date(s) of the grant of option(s) at its sole discretion, which exercise price shall not be at a discount of more than 75% to the latest available closing price of Company's shares on a listed stock exchange where there is highest trading volume in Company shares on a day immediately prior to the date of the meeting of the Board of Directors or committee thereof in which the options are granted.

Exercise period and process of exercise:

The exercise period shall commence from the specified date of vesting and expire at the end of two (2) months from the said vesting date. The said exercise period can be extended by such further periods as may be deemed essential by the Nomination and Remuneration Committee of the Board, from time to time, in the interest of the option holders, subject to the maximum period of 5 years from the date of grant of options. The options would be exercisable by submitting the requisite application form(s)/exercise notice(s) to the Company or such other person as the Company may nominate, subject to conditions for payment of Exercise Price in the manner prescribed by the Board/Committee.

Appraisal process:

The Board/Committee shall determine the eligibility criteria of the employees and the Whole-time working Directors under ESOS based on evaluation of the employees/ Whole-time working Directors on various parameters such as length of service, grade, performance, knowledge, leadership qualities, merit, contribution, conduct, future potential and such other factors as may be deemed appropriate by it.

Maximum number of options to be issued per employee and in aggregate:

The maximum number of options granted to any Eligible Employee/ Whole-time working Director in a financial year shall not exceed 0.10% of the issued equity shares of the Company at the time of granting of the options. The aggregate of all such options granted shall not exceed five per cent (5%) of the aggregate of the number of issued equity shares of the Company on the date(s) of grant of options.

Disclosure and accounting policies:

The Company shall comply with the disclosure and accounting policies prescribed by Securities and Exchange Board of India (SEBI) and any other appropriate authority, from time to time.

In case the Company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors report and also the impact of this difference on profits and on Earnings Per Share (EPS) of the company shall also be disclosed in the Directors report.

Method of valuation:

The Company follows the intrinsic value method for computing the compensation cost, if any, for the options granted. The difference between the compensation cost so calculated and compensation cost that would have been recognised if the Company had used fair value method and its impact on the profits and earnings per share would be disclosed in the Directors' Report. The fair value would be determined using the appropriate model.

In terms of the provisions of Section 62 (1)(b) and other applicable provisions of the Companies Act, 2013 and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, approval of the members is sought to issue equity shares pursuant to the options to be granted under ESOS, from time to time, not exceeding in aggregate five percent of the number of issued equity shares of the Company as on the date(s) of grant of option(s) under ESOS.

The Board/Committee of the Board shall have the absolute authority to vary or modify the terms of ESOS in accordance with the regulations and guidelines prescribed by SEBI or by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interests of the employees/ Whole-time working Directors to whom options are granted under ESOS.

The Board of Directors accordingly recommend the special resolution set out at Item No. 12 of the accompanying Notice for the approval of the members.

Mr. Ajit Kumar Jain, Joint Managing Director / CFO, Whole-time Director and Mr. Harish P. Kamath, Company Secretary and Key Managerial Person may be deemed to be concerned or interested in this resolution to the extent of the benefit they may derive under ESOS. None of the other Directors of the Company or their relatives are deemed to be concerned or interested, financially or otherwise, in the resolution set out at item no. 12.

Item No. 13

The Board of Directors on the recommendation of the Audit Committee have appointed, M/s ABK & Associates, Cost Accountants (ICWA Registration No. 000036), as the Cost Auditors of the Company for the financial year 2014-15. A Certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company during normal business hours on any working day, excluding Saturday.

As per Rule 14 of the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the Shareholders. The Board has decided the remuneration payable to M/s ABK & Associates as Cost Auditors as mentioned in the resolution on the recommendation of the Audit Committee. Hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 13.

The Board of Directors accordingly recommend the resolution set out at Item No. 13 of the accompanying Notice for the approval of the members.

Registered Office:

48, Kandivli Industrial Estate,
Kandivli (West), Mumbai 400 067.
Tel : 022 – 6647 4747
E-mail: ipca@ipca.com
Website: www.ipca.com
CIN: L24239MH1949PLC007837

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

Harish P. Kamath
Corporate Counsel & Company Secretary

Mumbai
29th May, 2014

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the 64th Annual Report and Audited Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS		
	(₹ crores)	
	For the year ended 31.3.2014	For the year ended 31.3.2013
Sales and other Income (net of Excise duty)	3256.25	2797.08
Profit before financial cost, depreciation & Foreign Exchange translations Loss / (Gain)	826.66	639.95
Less : Finance cost	24.58	31.30
Depreciation and Amortisation	100.89	84.00
Loss/(Gain) on foreign exchange translations/transactions	72.10	63.28
Profit before tax	629.09	461.37
Less : Provision for taxation		
Current Tax	135.00	92.68
Deferred Tax	16.72	37.30
Net Profit	477.37	331.39
YOUR DIRECTORS RECOMMEND THE FOLLOWING APPROPRIATIONS		
Surplus in Profit & Loss Account as per last Balance Sheet	373.93	276.89
Net Profit for the year	477.37	331.39
Less:		
Transfer to General Reserve	150.00	175.50
Interim dividend	31.55	25.23
Tax on Interim dividend	5.36	4.09
Proposed final dividend	31.55	25.24
Tax on Proposed Dividend	5.36	4.29
Balance as at year end	627.48	373.93

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry Structure and Development

The global pharmaceutical market is now estimated to be US \$960 billion and is growing at a rate of about 3% per annum. US, Japan and Europe constitute about 75% 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 are growing at a much faster rate of 10% - 12% 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\$ 150 billion and is growing at about 8% per annum. US is the largest market contributing 45% and Canada, Japan and Europe collectively contributing another 35% 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 recognized 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 ₹ 3256.25 crores as against ₹ 2797.08 crores in the previous year, a growth of 16%.

The Company's focus on formulations business resulted into increase in overall formulation sales to ₹ 2416.99 crores, an increase of 17% over previous year formulations sales of ₹ 2072.28 crores.

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

The Active Pharmaceutical Ingredient (API) business also increased by 15% to ₹ 764.77 crores.

During the financial year under report, the Earnings before interest, depreciation and foreign exchange transactions / translation loss increased by 29% to ₹ 826.66 crores as against ₹ 639.95 crores in the previous financial year. The operations have resulted in a net profit of ₹ 477.37 crores during the financial year under report as against ₹ 331.39 crores in the previous financial year, an increase of 44%. Due to steep depreciation of Indian Rupee vis-à-vis major currencies, during the financial year under report, the Company incurred a foreign exchange translations/transactions loss of ₹ 72.10 crores (previous year - loss of ₹ 63.28 crores).

Break-up of Sales		(₹ Crores) (net of excise duty & sales tax)						
	2013-14				2012-13			
	Domestic	Exports	Total	Growth	Domestic	Exports	Total	Growth
Formulations	969.42	1447.57	2416.99	17%	878.10	1194.18	2072.28	18%
APIs & Intermediates	164.54	600.23	764.77	15%	144.64	521.90	666.54	21%
Net Total Sales	1133.96	2047.80	3181.76	16%	1022.74	1716.08	2738.82	19%
Growth	11%	19%	16%		14 %	22%	19%	

d) International Business

The products of the Company are now exported to nearly 130 countries across the globe. During the financial year under report, the international business increased by 19% to ₹ 2047.80 crores as against ₹ 1716.08 crores in the previous year. Formulation exports of the Company increased by 21% to ₹ 1447.57 crores and exports of APIs and Drug Intermediates increased by 15% to ₹ 600.23 crores.

Continent-wise Exports		(₹ Crores)						
	2013-14				2012-13			
	Formulations	APIs and Intermediates	Total	% to exports	Formulations	APIs and Intermediates	Total	% to exports
Europe	378.46	215.08	593.54	29%	292.35	193.31	485.66	28%
Africa	529.83	36.25	566.08	28%	434.89	32.99	467.88	27%
Americas	254.20	165.46	419.66	20%	215.22	137.39	352.61	21%
Asia	66.88	175.48	242.36	12%	71.55	149.09	220.64	13%
CIS	165.82	4.41	170.23	8%	136.48	3.29	139.77	8%
Australasia	52.38	3.55	55.93	3%	43.69	5.83	49.52	3%
Total	1447.57	600.23	2047.80	100%	1194.18	521.90	1716.08	100%

Formulation Exports - Therapeutic Contribution		
Therapeutic Group	2013-14	2012-13
Anti-malarials	35%	37%
Cardiovasculars & Anti-diabetics	31%	29%
Non steroidal Anti-inflammatory drugs (NSAID)	17%	17%
Anti-bacterials	10%	9%
Anthelmintics	3%	4%
Gastro Intestinal (G.I) products	1%	1%
Cough Preparations	1%	1%
Central Nervous System (CNS) products	1%	1%
Others	1%	1%
TOTAL	100%	100%

Europe

The Company achieved European export sales of ₹ 593.54 crores during the financial year under report as against sales of ₹ 485.66 crores in the previous year, a growth of 22% from this continent.

The Company has developed and submitted 61 generic formulation dossiers for registration in Europe out of which 59 dossiers are already registered.

The Company has also obtained certificate of suitability (COS) of 43 APIs (previous year - 41 APIs) from European Directorate for Quality Medicines.

Africa

The Company achieved export sales of ₹ 566.08 crores to Africa during the financial year under report as against ₹ 467.88 crores in the previous year, a growth of 21%.

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. The Company has also further consolidated its anti-malarial institutional business in this continent.

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 ₹ 419.66 crores in this continent as against ₹ 352.61 crores in the previous year, a growth of 19%.

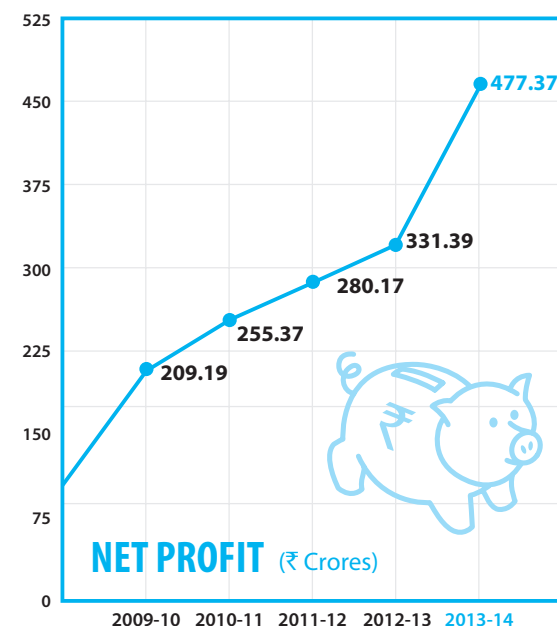
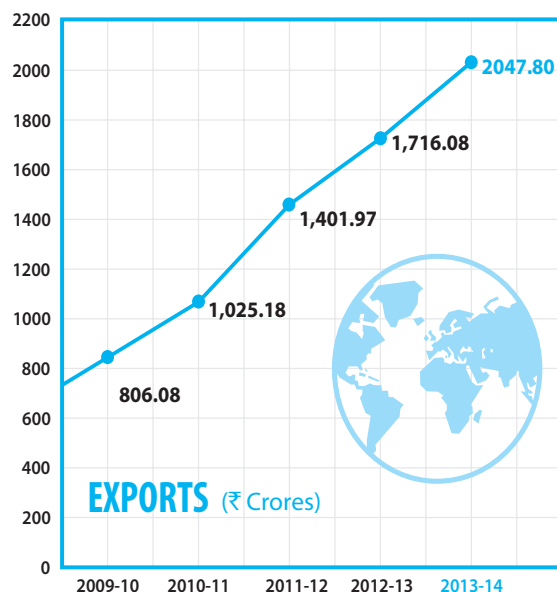
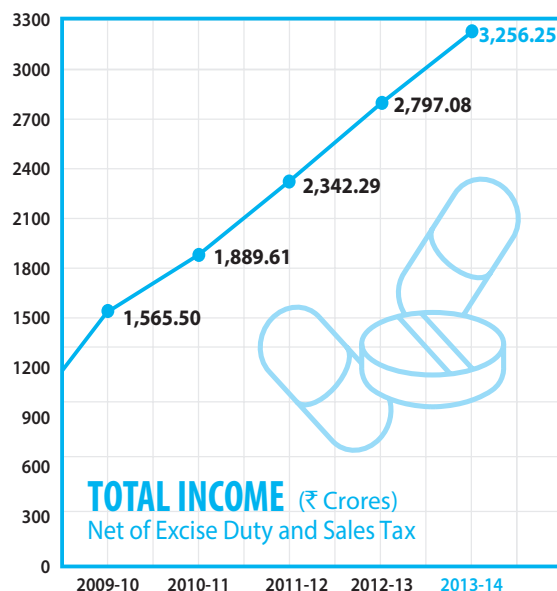
The Company is working on a list of formulations for development and filing of ANDAs with US FDA. Most of these formulations are from own APIs for which the Company has filed/ in the process of filing Drug Master File (DMF).

The Company has signed agreements with marketing partners for sale / distribution of generic formulations on a profit sharing arrangement in the US market. 40 ANDA applications in respect of generic formulations developed by the Company are filed with US FDA (previous year - 33 ANDA) out of which 18 ANDA applications are granted till date.

52 DMFs of the Company are currently filed with US FDA. The API business of the Company from this continent increased by 20% to ₹ 165.46 crores.

The formulations manufacturing unit at Special Economic Zone (SEZ) Indore meeting current Good Manufacturing Practices (cGMP) and regulatory requirements of developed countries which was re-inspected and approved by US FDA has commenced the formulations manufacturing for the US market during the financial year under report.

The Company's wholly owned subsidiary in Mexico is in the process of filing more 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 formulations dossiers are in the process of being registered / submitted for registration in all these markets of Latin America.



Asia

The Asian business (excluding India) recorded a sales of ₹ 242.36 crores as against ₹ 220.64 crores in the previous year, a growth of 10%. The Company exports formulations as well as APIs to several Asian countries. In countries like Nepal, Sri Lanka, 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.

Confederation of Independent States (CIS)

The Company's CIS business recorded sales of ₹ 170.23 crores as against ₹ 139.77 crores in the previous year, a growth of 22%. Most of the business is from branded formulation 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.

Australasia

The Company exports APIs to Australia and formulations to Australia and New Zealand in this sub-continent. The business from this continent was ₹ 55.93 crores during the financial year under report as against ₹ 49.52 crores in the previous year, a growth of 13%.

The Company has developed and submitted 59 generic formulation dossiers for registration in this market out of which 45 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

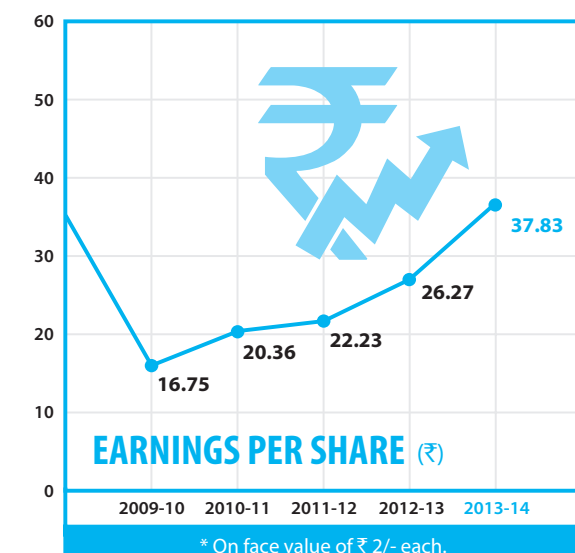
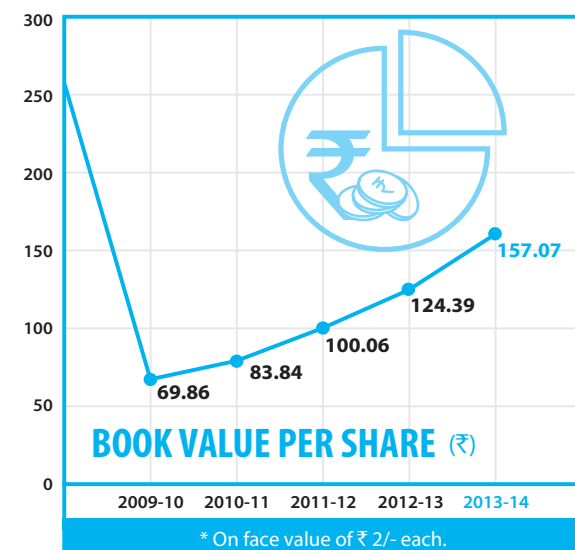
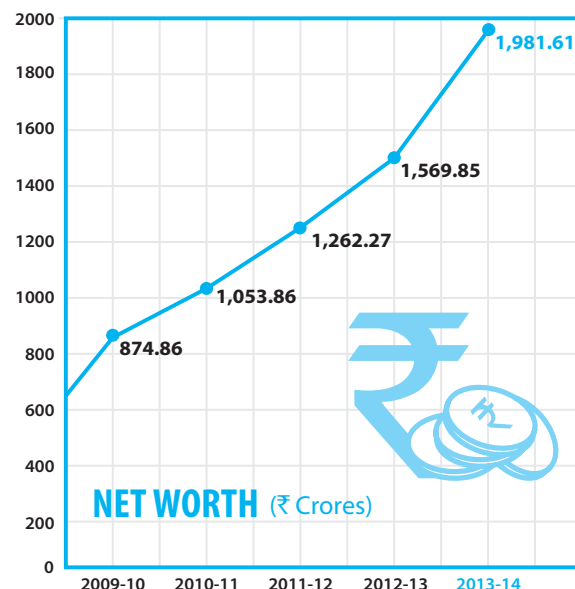
The Company's formulations business in India now comprises of 12 marketing divisions focusing on key therapeutic segments.

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

During the financial year under report, the domestic formulations business recorded a growth of 10% at ₹ 969.42 crores as against ₹ 878.10 crores in the previous year. The lower growth in the domestic formulations business is mainly on account of lower anti-malarial formulations business and price reduction and market disturbances due to introduction of new drug pricing regime in the country.

Domestic Branded Formulations - Therapeutic Contribution

Therapeutic segment	2013-14	2012-13
	% to sales	% to sales
Non steroidal anti-inflammatory drugs (NSAID)	35%	32%
Cardiovasculars & Anti-diabetics	24%	25%
Anti-malarials	14%	17%
Anti-bacterials	6%	6%
Gastro Intestinal (G I) products	5%	6%
Cough Preparations	4%	5%
Dermatology	4%	3%
Neuro Psychiatry	3%	3%
Neutraceuticals	2%	1%
Urology	1%	1%
Others	2%	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 ₹ 764.77 crores as against ₹ 666.54 crores in the previous financial year, a growth of 15%. Nearly 78% of the APIs and Intermediates business is from exports.

The Company exported APIs/Intermediates to 95 countries across the globe. Most of the international customers of the Company are end user formulation manufacturers including several multinational companies.

52 DMFs of the Company are currently filed with US FDA. The Company has also obtained Certificate of Suitability (COS) for 43 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 224 patent applications till date as against 220 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 73 patent applications of the Company are since registered, 53 in India, 12 in US and 8 in the European Union.

h) Manufacturing Facilities

The new hormones API manufacturing facility at Nandesari near Vadodara commenced commercial production during the financial year under report.

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). This R&D and API manufacturing facility is expected to commence commercial production in the current financial year.

The formulations manufacturing units at Athal (Silvassa), Piparia (Silvassa) and SEZ Indore are also in the process of further expanding their manufacturing capacities.

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 11727 permanent employees as on 31st March, 2014 out of which 5917 employees are engaged in the marketing and distribution of Company's formulations.

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 recognized 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.

The Company is 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. Both these R&D Centres shall commence their operations in the current financial year.

The Company has stepped up its R&D expenditure from ₹ 100.74 crores (3.68% of the turnover) in the previous year to ₹ 123.24 crores (3.87% 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.

DIVIDEND

Your Directors had declared interim equity dividend of ₹ 2.50 per share (125%) at the meeting of the Board of Directors of the Company held on 24th October, 2013. The said interim dividend was paid on 11th November, 2013 to those shareholders, whose names appeared on the register of members of the Company on 1st November, 2013. Your directors are now pleased to recommend a final equity dividend of ₹ 2.50 per share (125%), making the total dividend recommended to ₹ 5/- per share (250%) for the financial year under report as against 200% 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 ₹ 63.10 crores and dividend tax amounting to ₹ 10.72 crores, if approved at the ensuing Annual General Meeting, will be appropriated out of the profits for the year.

DIRECTORS

Mr. A. K. Jain and Mr. Pranay Godha, retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. Mr. Babulal Jain, Mr. Anand Kusre, Mr. Dev Parkash Yadava and Dr. Ramakanta Panda are being re-appointed as Independent Directors for a period of five years till 31st March, 2019 under the provisions of Section 149 of the Companies Act, 2013.

Mr. A. K. Jain is re-appointed as the Joint Managing Director of the Company for a further period of 5 years with effect from 21st August, 2014 and the necessary resolution in this regard is being proposed at the ensuing Annual General Meeting for the approval of the members.

Mr. M. R. Chandurkar and Dr. V. V. Subba Rao resigned as Directors due to their other commitments / professional and personal pre-occupations as at the close of business hours on 29th May, 2014. The Board place on record its sincere appreciation for the services rendered to the Company by Mr. M. R. Chandurkar and Dr. V. V. Subba Rao during their tenure as Directors of the Company.

A brief note on Directors retiring by rotation and eligible for re-appointment as well as Independent Directors being 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 alongwith proper explanation relating to material departures;
- 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, 2014 and of the profit and loss 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 Act 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.
- v) that your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi) that your Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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, M/s. ABK & Associates, Cost Accountants (Regn. No. 000036) 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 2013-14.

The Cost Audit Report for the financial year 2012-13, which was due to be filed with the Ministry of Corporate Affairs was filed on 26th September, 2013.

EMPLOYEES

Information under Section 217(2)(A) 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
29th May, 2014

Premchand Godha
Chairman & Managing Director

Annexure I

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:

- a. Replacement of cooling towers
- b. Replacement of inefficient motors with energy efficient motors.
- c. Replacement of electrically operated condensate recovery pump.
- d. Installation of VFDs on major loads.
- e. Installation of power metrix to reduce power losses.
- f. Installation of energy efficient grundfoss pumps.
- g. Condensate recovery improvement.
- h. Flash steam recovery.
- i. Time cycle reduction in process to reduce power consumption in the manufacturing of APIs.
- j. Installation of solar power pack.
- k. Replacement of V belts by flat belts in air handling units.
- l. Installation of energy efficient cooling tower.
- m. Maintain load factor as per contract demand.
- n. Maintain power factor unity.
- o. Replacement of Air Compressors with energy efficient screw compressor
- p. Installation of Eata illuminators
- q. Replacement of convential gear boxes with energy efficient gear boxes

(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:

	2013-14	2012-13
a) Electricity:		
(i) Purchased :		
Units (KWH)	124194309	105596848
Amount (₹ in Lacs)	7082.63	5740.97
Rate/Unit (₹)	5.70	5.44
(ii) Own Generation :		
Through Diesel Generator		
Units (KWH)	2372812	1748730
Units per Ltr. Of Diesel oil (in KWH)	3.28	3.40
Cost of Diesel per KWH (₹)	16.35	12.85
b) Others (₹ in Lacs) :		
High Speed Diesel		
Units	870689	1428513

	2013-14	2012-13
Amount (₹ in Lacs)	482.20	616.90
Rate/Ltr (₹)	55.38	43.19
Furnace Oil		
Units	1338697	979223
Amount (₹ in Lacs)	600.87	400.83
Rate/Kgs (₹)	44.88	40.93
Coal		
Units Kgs	20289453	17230777
Amount (₹ in Lacs)	1620.43	1356.83
Rate/Kg (₹)	7.99	7.87
Pet Coke		
Units Kgs	9525267	7732235
Amount (₹ in Lacs)	780.37	605.80
Rate/Kg (₹)	8.19	7.83
Bio mass		
Units Kgs	745135	-
Amount (₹ in Lacs)	30.67	-
Rate/Kg (₹)	4.12	-
PNG/ CNG		
Units SCM	1239237	1630237
Amount (₹ in Lacs)	539.17	438.78
Rate/SCM (₹)	43.51	26.91
Propane Gas		
Units Kgs	104546	6413
Amount (₹ in Lacs)	90.82	5.81
Rate/Kg (₹)	86.87	90.60
Briquettes		
Units Kgs	199000	-
Amount (₹ in Lacs)	10.00	-
Rate/Kg (₹)	5.03	-

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 under Section 35 (2AB) of Income Tax Act, 1961 for purposes of weighted tax deduction. The Company carries out R&D in several areas including:

- Development of indigenous technologies for major drugs and intermediates, process improvements, technology absorption and optimisation of basic drugs, process simplification, etc.
- Improvement of existing processes to improve yields and quality, reduce cost and lead to eco friendly process.
- Development of newer dosage forms and new drug delivery systems.
- 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:

	2013-14 (₹ Crores)	2012-13 (₹ Crores)
a) Capital	10.31	23.00
b) Revenue	112.93	77.74
c) Total	123.24	100.74
d) R & D expenditure as a percentage of turnover	3.87%	3.68%

- 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 ₹ 2047.80 crores as against ₹ 1716.08 crores in the previous year.

B. Outgo

Detailed information is furnished in the Notes to the Accounts.

For and on behalf of the Board

Mumbai
29th May, 2014

Premchand Godha
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

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 (after resignation of Mr. M. R. Chandurkar and Dr. V. V. Subba Rao as directors of the Company w.e.f. close of business hours on 29th May, 2014) is eight directors of which one is promoter Chairman & Managing Director, one professional non-promoter Joint Managing Director, two promoter Executive Directors and four non-executive independent directors with independent judgment in the deliberation and decision of the Board. The Chairman of the Board is an Executive and Promoter Director.

6 (Six) board meetings were held during the Financial Year 2013-14. The dates on which the said meetings were held are as follows:

30 th May, 2013	30 th July, 2013
26 th September, 2013	24 th October, 2013
28 th January, 2014	22 nd March, 2014

The last Annual General Meeting of the Company was held on 30th July, 2013.

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 (30.07.2013)	No. of Equity shares held in the Company *
		Held	Attended		
Mr. Premchand Godha (DIN 00012691)	Chairman & Managing Director, Promoter Director	6	6	Yes	26,81,340
Mr. Ajit Kumar Jain (DIN 00012657)	Joint Managing Director, Professional, Non-Promoter Director	6	6	Yes	66,000
Mr. Pranay Godha (DIN 00016525)	Executive Director, Promoter Director	6	5	Yes	6,06,936
Mr. Prashant Godha (DIN 00012759)	Executive Director, Promoter Director	6	6	Yes	7,31,800
Mr. Madhukar R. Chandurkar (DIN 00012731)	Non-Executive, Promoter Director (resigned w.e.f 29.05.2014)	6	6	Yes	21,51,000
Mr. Babulal Jain (DIN 00016573)	Non-Executive, Independent Director	6	5	Yes	25,500
Dr. V. V. Subba Rao (DIN 00021071)	Non-Executive, Independent Director (resigned w.e.f 29.05.2014)	6	5	Yes	12,500
Mr. Anand T. Kusre (DIN 00818477)	Non-Executive, Independent Director	6	6	Yes	Nil
Mr. Dev Parkash Yadava (DIN 00778976)	Non-Executive, Independent Director	6	6	Yes	3,691
Dr. Ramakanta M. Panda (DIN 01161791)	Non-Executive, Independent Director	6	4	Yes	Nil

Notes:

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

At the meeting of the Board of Directors of the Company held on 29th May, 2014, Mr. M. R. Chandurkar and Dr. V. V. Subba Rao resigned as Directors of the Company w.e.f. close of business hours on 29th May, 2014.

*The above shareholding as at 31st March, 2014 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 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	6	Nil	Nil
Mr. Ajit Kumar Jain	Nil	Nil	Nil
Mr. Pranay Godha	4	Nil	Nil
Mr. Prashant Godha	5	Nil	Nil
Mr. Madhukar R. Chandurkar (Resigned w.e.f. 29.05.2014)	6	Nil	Nil
Mr. Babulal Jain	1	Nil	Nil
Dr. V. V. Subba Rao (Resigned w.e.f. 29.05.2014)	1	Nil	Nil
Mr. Anand T. Kusre	4	Nil	Nil
Mr. Dev Parkash Yadava	5	2	1
Dr. Ramakanta M. Panda	11	Nil	Nil

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

The memberships / chairmanships in Audit Committee and Stakeholders Relationship 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 are directors in more than 20 companies at the same time and are also not serving as independent director in more than seven listed companies or serve as wholtime Director in any other listed company.

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.

In accordance with requirements of Section 149(6) of the Companies Act, 2013, all the independent directors have given declaration of independence in the first board meeting of the current financial year held on 29th May, 2014.

All the Directors have made necessary disclosures in this regards 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. Ajit Kumar Jain**

Mr. Ajit Kumar Jain aged 59 years is a qualified Chartered Accountant and a Science Graduate and is employed with the Company since 1980. He was first appointed as a Director of the Company designated as Executive Director on August 21, 1994. He is a professional, Wholtime, Non-promoter Director of the Company. He was re-designated as Joint Managing Director at the meeting of the Board of Directors of the Company held on 29th July, 2010.

He has over 3 decades of experience in the pharmaceutical industry in the field of Finance, Accounts, Information Technology, Legal, R&D, General Administration, etc.

He does not hold directorship in any other Company except foreign wholly owned subsidiaries of the Company where he represents the Company as a Director. He holds 66,000 equity shares in the Company.

Mr. Pranay Godha

Mr. Pranay Godha, aged 42 years has done his B.Sc. from University of Bombay and has also obtained a degree in M.B.A from the New York Institute of Technology, USA. He has nearly 15 years experience in the field of Marketing and General Management.

Mr. Pranay Godha was appointed as the Business Development Manager of the Company w.e.f 16th April, 2003 and was subsequently promoted as Vice President - Generics Business of the Company w.e.f. 1st November, 2004. He was further promoted as President – Generics Business of the Company in May, 2006 and subsequently appointed as the Executive Director of the Company with effect from 11th November, 2008.

He holds Directorship in the following companies:

1.	Kaygee Loparex India Private Limited	2.	Kaygee Investments Private Ltd.
3.	Paranthapa Investments & Traders Pvt. Ltd.	4.	Gudakesh Investments & Traders Pvt. Ltd.

He is also Director of foreign wholly owned subsidiaries of the Company where he represents the Company as a Director.

He holds 6,06,936 equity shares in the Company.

Mr. Babulal Jain

Mr. Babulal Jain aged 63 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, Nomination and Remuneration Committee and Stakeholders Relationship 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 64 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. Anand T. 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. He is also the Member of the Audit Committee, Nomination and Remuneration Committee of the Board of Directors of the Company.

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

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

Mr. Dev Parkash Yadava

Mr. Dev Parkash Yadava, aged 68 years, holds Diplomas in Electrical Engineering, Operation Management and Business Management with National Diploma in Materials Management. He has experience of 45 years in Industrial and Business Management.

He is an independent Director of the Company since 13th April, 2012. He is the Chairman / member of the Corporate Social Responsibility (CSR) Committee of the Board. He is also appointed as member of the Audit Committee and Nomination and Remuneration Committee of the Board at the meeting of the Board of Directors of the Company held on 29th May, 2014.

He holds 3,691 equity shares in the Company.

He is also a Director of the following companies:

1.	Sharda Chem International Pvt. Ltd.	2.	Unique Sugars Ltd.
3.	Alchymars ICM SM Pvt. Ltd.	4.	Biopharmax India Pvt. Ltd.
5.	Universal Starch Chem Allied Ltd.		

He is the Chairman of the Audit Committee and Member of the Share Transfer Committee of the Board of Directors of M/s Universal Starch Chem Allied Ltd.

Dr. Ramakanta Panda

Dr. Ramakanta M. Panda, aged 60 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 an independent Director of the Company since 23rd March, 2013.

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 Private Limited	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 Limited		

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, Mr. Anand T. Kusre, Dr. V. V. Subba Rao and Mr. Dev Parkash Yadava (appointed w.e.f 29th May, 2014), 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. Dr. V. V. Subba Rao resigned as the member of the Board / Committees w.e.f. close of business hours on 29th May, 2014.

Mr. Ajit Kumar Jain, Joint Managing Director in-charge of Finance and Mr. Pranay Godha, Executive Director along with Statutory Auditors, Cost Auditors and Mr. Kavish Agrawal, Dy. General Manager (Audit) who is the Internal Auditor of the Company are invitees to the meetings of the Audit Committee. Mr. Harish P. Kamath, Corporate Counsel and Company Secretary is the Secretary of this Committee.

Mr. Kavish Agrawal is appointed as the Internal Auditor of the Company under the provisions of Section 138 of the Companies Act, 2013.

The terms of reference to this Committee, inter-alia, covers all the matters specified under Section 177 of the Companies Act, 2013 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, remuneration and terms of appointment of statutory auditors; review and monitor the Auditors independence and performance and effectiveness of audit process, approval of transactions with related parties, sanctioning of loans and investments, reviewing with the management annual financial statements and Auditors report thereon, 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 2013-14

There were 6 (Six) meetings of the Audit Committee during the Financial Year 2013-14. The dates on which the said meetings were held are as follows:

30 th May, 2013	30 th July, 2013	26 th September, 2013
24 th October, 2013	28 th January, 2014	22 nd March, 2014

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	5
Dr. V. V. Subba Rao (resigned w.e.f. 29.05.2014)	6	5
Mr. Anand T. Kusre	6	6
Mr. Prashant Godha	6	6
Mr. Dev Parkash Yadava (appointed w.e.f. 29.05.2014)	Not Applicable	Not Applicable

Subsidiary Companies

The Company has 1 non-listed, non-material Indian subsidiary company. 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 and the Board of Directors.

4. Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee of the Board which currently comprises of Mr. Babulal Jain (Chairman of the Committee), Mr. Anand T. Kusre, Dr. V. V. Subba Rao and Mr. Dev Parkash Yadava (appointed w.e.f. 29th May, 2014), 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. The role of this Committee; inter-alia, include:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Dr. V. V. Subba Rao resigned as the member of the Board / Committees w.e.f. close of business hours on 29th May, 2014.

There were 2 (Two) meetings of this Committee during the Financial Year 2013-14. The dates on which the said meetings were held are as follows:

30 th May, 2013	24 th October, 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	2	2
Dr. V. V. Subba Rao (resigned w.e.f. 29.05.2014)	2	1
Mr. Anand T. Kusre	2	2
Mr. Dev Parkash Yadava (appointed w.e.f. 29.05.2014)	Not Applicable	Not Applicable

The details of the remuneration payable to Managing Director, Joint Managing Director and Executive Directors for the Financial Year 2013-14 are given below:

(₹)

Name of Directors	Salary	Benefits and Perquisites	Commission*	Total
Mr. Premchand Godha	3,00,00,000	1,46,30,070	9,00,00,000	13,46,30,070
Mr. Ajit Kumar Jain	60,00,000	61,46,490	1,20,00,000	2,41,46,490
Mr. Pranay Godha	40,66,667	40,46,106	81,33,334	1,62,46,107
Mr. Prashant Godha	35,40,000	33,37,799	70,80,000	1,39,57,799

* As provided in the Annual Accounts 2013-14 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, 2014, the Company did not have any outstanding stock options granted either to the Directors or to the Employees.

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 2013-14 are as under:

Name of the Director	Sitting fees Paid (₹)	Commission paid (₹)
Mr. Madhukar R. Chandurkar (Resigned as Director w.e.f. 29 th May, 2014)	1,26,000	Nil
Mr. Babulal Jain	1,83,000	Nil
Dr. V.V. Subba Rao (Resigned as Director w.e.f. 29 th May, 2014)	1,47,000	Nil
Mr. Anand T. Kusre	1,86,000	Nil
Mr. Dev Parkash Yadava	90,000	Nil
Dr. Ramakanta M. Panda	60,000	Nil

5. Stakeholders Relationship 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, Mr. M. R. Chandurkar and Mr. A. K. Jain, Joint Managing Director (appointed w.e.f. 29th May, 2014) are the other members of this committee.

Mr. M. R. Chandurkar resigned as the member of the Board / Committees w.e.f. close of business hours on 29th May, 2014.

There were 3 (Three) meetings of this committee during the financial year 2013-14. The dates on which the said meetings were held are as follows:

30 th July, 2013	28 th January, 2014
22 nd March, 2014	

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	3	2
Mr. Premchand Godha	3	3
Mr. Madhukar R. Chandurkar (resigned w.e.f. 29.05.2014)	3	3
Mr. A. K. Jain (appointed w.e.f. 29.05.2014)	Not Applicable	Not Applicable

Mr. Harish P. Kamath, Corporate Counsel & 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 66 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 financial year ended	Day, Date & Time of AGM	Place of AGM	Special Resolutions Passed
31-3-2013	Tuesday, 30-07-2013 at 3.30 p.m.	Shri Bhaidas Maganlal Sabhagriha, Vile Parle (West), Mumbai	None
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.

Day, Date & Time of EGM	Place of EGM	Special Resolutions Passed
Friday, 29-11-2013 at 4.00 p.m.	Plot No. 47, Opp Anand Mangal Hall, Kandivli Industrial Estate, Charkop, Kandivli West, Mumbai	Increase in the investment limit of Foreign Institutional Investors (FIIs) in the equity share capital of the Company upto 35% of the paid-up equity share capital

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 Blower Policy in the Company and that no personnel has been denied access to the Audit Committee. The Whistle Blowing Policy is posted on the website of the Company.
- 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 requirements of the clause 49 of the listing agreement pertaining to corporate governance such as whistle blower policy, Nomination and 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	Thursday, 31 st July, 2014 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 First quarter results Second quarter results Third quarter results Annual results	1 st April –31 st March last week of July* last week of October* last week of January* last week of May* * tentative
Date of Book closure	Tuesday, 22 nd July, 2014 to Thursday, 31 st July, 2014 (both days inclusive).
Dividend Payment dates(s)	The Company has paid interim dividend of ₹ 2.50 per share (125%) on 11 th November, 2013 on the equity share capital for the financial year 2013-14. It is now proposed to declare final dividend of ₹ 2.50 per share (125%) on equity share capital for the financial year 2013-14 which if sanctioned will be paid on or before 22 nd August, 2014.

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 2014-15 in April, 2014. The fees of the depositories for the financial year 2014-15 are also paid in April and May, 2014.
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 31.3.2014	Please see Annexure 'C'
Dematerialisation of shares and liquidity	98.32% of the paid-up share capital has been dematerialised as on 31 st March, 2014.
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, 2014.
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 (Unit I & Unit II). 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 Corporate Counsel & 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

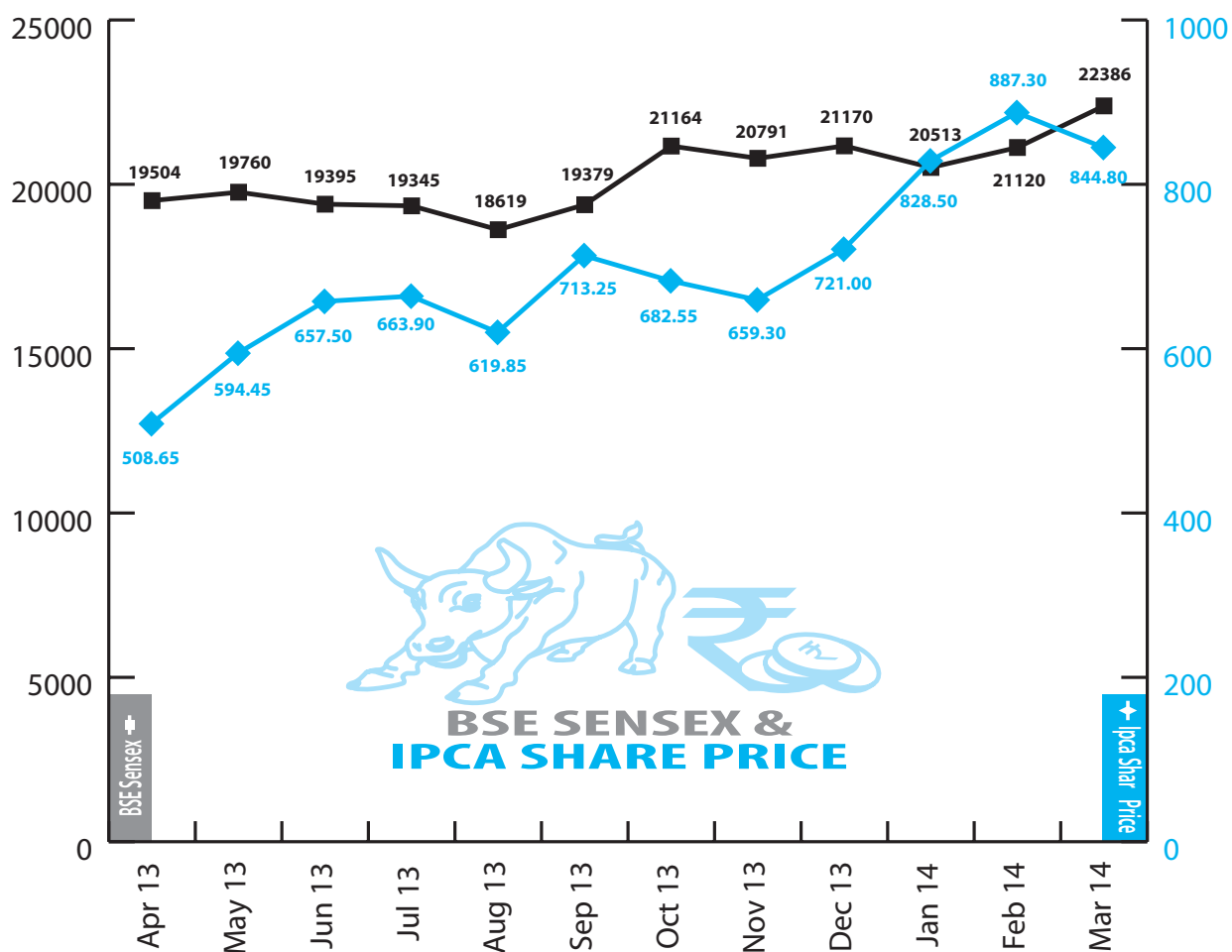
Annexure A

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 2013-14 furnished below:

Year	Month	Highest (₹)		Lowest (₹)	
		BSE	NSE	BSE	NSE
2013	April	540.20	540.85	492.00	493.00
	May	634.15	634.80	506.40	505.00
	June	701.70	701.45	590.00	589.50
	July	708.00	708.55	618.40	618.05
	August	680.00	680.00	609.00	609.35
	September	730.00	730.00	620.20	620.20
	October	744.05	744.35	661.10	661.00
	November	712.90	712.40	658.15	657.10
	December	735.00	737.00	642.50	642.25
2014	January	834.50	835.00	701.00	696.10
	February	906.90	906.85	785.10	785.25
	March	906.00	903.00	807.25	808.05

Annexure B

Graph of share price/ BSE Sensex



Annexure C

The distribution of shareholding as on 31 st March, 2014 is as follows :						
No. of equity shares held			No. of shareholders	%	No. of shares	%
Upto		500	30302	82.14	2697986	2.14
501	to	1000	4669	12.65	4358110	3.45
1001	to	2000	766	2.08	1217918	0.97
2001	to	3000	276	0.75	717769	0.57
3001	to	4000	136	0.37	501509	0.40
4001	to	5000	126	0.34	598107	0.47
5001	to	10000	192	0.52	1402138	1.11
10001	and	above	425	1.15	114705572	90.89
Grand Total			36892	100.00	126199109	100.00
No. of shareholders in Physical Mode			5528	14.98	2115918	1.68
No. of shareholders in Electronic Mode			31364	85.02	124083191	98.32

Shareholding pattern as on 31 st March, 2014 is as follows :			
Categories of shareholders	No. of shareholders	No. of shares	% holding
Indian Promoters	16	57918155	45.89
Banks and Insurance Companies	5	40641	0.03
UTI and Mutual Funds	134	14428877	11.43
FII and NRIs	970	32412891	25.69
Domestic Companies	773	7040432	5.58
Resident Individuals	34994	14358113	11.38
	36892	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 March 31, 2014 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 complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement..
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
29th May, 2014

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, 2014.

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

29th May, 2014

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, 2014 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.

Mumbai
 29th May, 2014

For Ipca Laboratories Ltd.
Premchand Godha
 Chairman & Managing Director / CEO
Ajit Kumar Jain
 Joint Managing Director / CFO

INDEPENDENT AUDITORS' REPORT

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, 2014, 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") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and General Circular 08/2014 dated April 4, 2014 with respect to the Financial Statements. 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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 31st March, 2014;
- (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 (Auditor's 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 Account 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 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
- 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, 2014 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,
29th May, 2014

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 material discrepancies, if any, 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 other sub-clauses of clause 4(iii) of the Companies (Auditors' Report) Order, 2003 are 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. During the course of our audit, we have not come across any major weaknesses or continuing failure to correct any major weaknesses in the internal control system of the Company in respect of this area.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Act have been entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (v)(a) above and exceeding the value of ₹ 5.00 lacs with any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (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. There is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.

- (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 by and large regular in depositing provident fund, employees state insurance, income tax, sales tax, service tax, customs duty, excise duty and cess dues with the appropriate authorities.
 (b) 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.
 (c) According to the information and explanations given to us, details of dues of income tax, sales tax / VAT, service tax, customs duty, excise duty and cess, which have not been deposited on account of any dispute, are stated in the statement attached herewith.
- (x) The Company does not have any accumulated losses and has not incurred cash losses during the financial year and also in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanation given to us by the Management, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of clause 4(xii) of the Companies (Auditors' Report) Order, 2003 are not applicable..
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society and accordingly the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable.
- (xiv) According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable.
- (xv) According to the information and explanations given to us and the records examined by us, the terms and conditions of guarantee given by the Company for loan taken by its wholly owned subsidiary from bank are not prima facie prejudicial to the interest of the Company.
- (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 did not issue any debentures during the period and therefore the provisions of clause 4(xix) of the Companies (Auditors' Report) Order, 2003 are not applicable.
- (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 upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the period.

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

N Jayendran
 Partner
 M. No. 40441

Mumbai,
 29th May, 2014

Statement Of Statutory Dues Outstanding On Account Of Disputes, As On March 31, 2014, Referred To In Para 4(ix)(c) of The Annexure To Auditors' Report

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 & 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 - Sept 2009	Assistant Commissioner / Deputy Commissioner, Central Excise, LTU Mumbai
Service Tax	Availment of Credit of Service Tax on H.O. invoices.	2.06	April 2006- Sept 2009	Commissioner of Central Excise, LTU Mumbai
Service Tax	Availment of Credit of Service Tax on H.O. invoices.	0.91	April 2006- 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
Service Tax	Availment Of Cenvat Credit on Service Tax	0.02	2009-2010 & 2010-2011	Deputy Commissioner, Central Excise & Service Tax, LTU Mumbai
Excise Duty	Valuation of as such clearances of RM/PM on 115%	0.12	2001-2002 & 2002-2003	Commissioner, Central Excise & Service Tax, LTU Mumbai
Excise Duty	Payment of excise duty on 4-OH	0.33	Apr 2003 – Sept 2007	CESTAT, New Delhi
Excise Duty	Payment of excise duty on 4-OH	0.18	Oct 2007 – Dec 2008	CESTAT, New Delhi
Service Tax	Availment Of Cenvat Credit on Service Tax	0.76	2006-2007 & 2007 - 2008	CESTAT, Mumbai
Service Tax	Service tax on import of services	0.20	Oct 2008 - Dec 2012	Service Tax, LTU Mumbai
Sales Tax	Disputed Demand	0.08	2010-2011	Deputy Commissioner of VAT, Baroda
Sales Tax	Demand due to non –submission of Form C	0.04	2010-2011	Additional Commissioner, Sales Tax, Indore
Sales Tax	Check post penalty	0.04	2013-2014	Deputy Commissioner, Sales Tax (appeal), LTU Indore
Sales Tax	Check post penalty	0.01	2013-2014	Deputy Commissioner, Sales Tax (appeal), LTU Indore
Sales Tax	Check post penalty	0.03	2013-2014	Deputy Commissioner, Sales Tax (appeal), LTU Indore
Sales Tax	Check post penalty	0.01	2013-2014	Deputy Commissioner, Sales Tax (appeal), LTU Indore
Sales Tax	Disputed demand	0.01	2006-2007	Sales Tax Authority, Cuttack
Sales Tax	Disputed demand	0.07	2006-2007	Gujarat VAT Tribunal, Ahmedabad
Sales Tax	Disputed demand	0.02	2007-2008	Jt. Commissioner of Commercial Tax, Rajkot
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	ITAT, Mumbai
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
	Total	12.37		

STANDALONE ACCOUNTS

Balance Sheet as at 31st March, 2014

Particulars	Note Ref.	As at 31/03/2014	As at 31/03/2013
		(₹ Crores)	(₹ Crores)
Equity & Liabilities			
1 Shareholders' Funds			
(a) Share Capital	1	25.24	25.24
(b) Reserves & Surplus	2	1,956.37	1,544.61
(c) Money Received Against Share Warrants		-	-
		1,981.61	1,569.85
2 Share Application Money Pending Allotment		-	-
3 Non-Current Liabilities			
(a) Long-Term Borrowings	3	292.12	366.21
(b) Deferred Tax Liabilities (net)	4	147.11	130.39
(c) Other Long Term Liabilities	5	0.38	0.40
(d) Long Term Provisions	6	14.49	12.21
		454.10	509.21
4 Current Liabilities			
(a) Short-Term Borrowings	7	137.96	157.14
(b) Trade Payables	8	337.36	265.46
(c) Other Current Liabilities	9	251.35	165.18
(d) Short-Term Provisions	6	54.72	41.91
		781.39	629.69
Total		3,217.10	2,708.75
Assets			
1 Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		1,285.10	1,052.67
(ii) Intangible Assets		21.01	22.66
(iii) Capital Work-in-Progress		148.63	120.99
(iv) Intangible Assets Under Development		16.27	8.18
		1,471.01	1,204.50
(b) Non-Current Investments	11	28.75	21.79
(c) Deferred Tax Assets (net)		-	-
(d) Long-Term Loans & Advances	12	124.76	88.16
(e) Other Non-Current Assets	13	9.03	9.50
		1,633.55	1,323.95
2 Current Assets			
(a) Current Investments	11	0.15	0.15
(b) Inventories	14	838.30	733.34
(c) Trade Receivables	15	448.49	415.93
(d) Cash and Bank Balances	16	69.49	54.66
(e) Short-term loans and advances	12	65.47	49.64
(f) Other current assets	13	161.65	131.08
		1,583.55	1,384.80
Total		3,217.10	2,708.75

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,

29th May, 2014

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, 2014

Particulars	Note Ref.	2013-14	2012-13
		(₹ Crores)	(₹ Crores)
I. Revenue from Operations (Gross)	17	3,266.86	2,803.09
Less : Excise Duty		32.04	24.67
Revenue from Operations (Net)		3,234.82	2,778.42
II. Other Income	18	21.43	18.66
III. Total Revenue (I + II)		3,256.25	2,797.08
IV. Expenses			
Cost of Materials Consumed	19	1,097.51	1,044.75
Purchases of Stock-in-Trade	20	90.49	106.08
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(60.63)	(59.77)
Employee Benefit Expenses	22	477.86	376.57
Finance Cost	23	24.58	31.30
Depreciation & Amortisation	24	100.89	84.00
Other Expenses	25	824.36	689.50
Foreign Exchange (Gain)/Loss - Net		72.10	63.28
Total Expenses (IV)		2,627.16	2,335.71
V. Profit Before exceptional, extraordinary items and Tax (III-IV)		629.09	461.37
VI. Tax Expense			
Current Tax		135.00	92.68
Deferred Tax		16.72	37.30
VII. Profit after Tax before Exceptional item (V-VI)		477.37	331.39
VIII. Exceptional Items		-	-
IX. Profit after Tax and Exceptional item (VII-VIII)		477.37	331.39
X. Earnings per Equity Share: (₹)	29		
Basic		37.83	26.27
Diluted		37.83	26.27
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,
29th May, 2014

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, 2014

		2013-14		2012-13		
		(₹ Crores)		(₹ Crores)		
A. Cash Flow From Operating Activities						
1)	Net profit before taxation and extraordinary item		629.09		461.37	
	Adjustments for :					
	Depreciation , amortisation and impairment	100.89		84.00		
	(Profit) / Loss on sale of assets	0.60		1.20		
	(Profit) / Loss on sale of Investment	-		(4.69)		
	(Profit) / Loss on sale of mutual fund Investments (short term)	(3.08)		(1.37)		
	Assets scrapped	0.41		0.23		
	Sundry Balances written off /(back) - net	(1.91)		(0.58)		
	Provision for doubtful debts/advances	0.12		-		
	Provision for diminution in value of investment - in subsidiaries	0.39		1.25		
	Provision for diminution in value of investment - others	0.21		0.65		
	Employee Stock Option Compensation expenses	-		0.01		
	Unrealised foreign exchange (gain) / loss	23.97		15.08		
	Interest income	(13.17)		(8.54)		
	Dividend income	(0.01)		(1.31)		
	Interest expense	24.58	133.00	31.30	117.23	
2)	Operating profit before working capital changes		762.09		578.60	
	Decrease/(Increase) in Receivables	(91.82)		(35.79)		
	Decrease/(Increase) in Inventories	(104.96)		(61.31)		
	Increase/(Decrease) in Current Liabilities & Provisions	91.96	(104.82)	(2.92)	(100.02)	
3)	Cash generated from operation		657.27		478.58	
	Income tax paid (Net)		(130.19)		(91.73)	
	Net cash from operating activities		527.08		386.85	
B. Cash Flow From Investing Activities						
	Purchase of fixed assets including Capital WIP		(383.92)		(228.55)	
	Acquisition of Business		-		(67.36)	
	Investment in subsidiaries		(1.05)		(0.30)	
	Investment in Joint Ventures		(6.51)		-	
	Purchase of Investment in Associate		-		(1.08)	
	Sale of Investment in Associate		-		25.03	
	Purchase/redemption of mutual fund units					
	- Purchases	(1,903.12)		(1,805.99)		
	- Redemption	1,906.20	3.08	1,807.36	1.37	
	Proceeds from sale of assets		0.80		1.18	
	Interest received		13.22		7.48	
	Dividend received		0.01		1.31	
	Net cash from / (used) in investing activities		(374.37)		(260.92)	
C. Cash Flow From Financing Activities						
	Proceeds from Issue of Share Capital including premium		-		0.31	
	Increase/(Decrease) in short term borrowings		(17.17)		(44.32)	
	Proceeds from long-term borrowings		66.90		110.39	
	Repayment of long-term borrowings		(93.68)		(52.60)	
	Proceeds from issuance of Debentures		-		20.00	
	Repayment of Debentures		-		(33.33)	
	Interest paid		(28.29)		(34.30)	
	Dividend & dividend tax paid		(66.12)		(46.78)	
	Net cash (used in) financing activities		(138.36)		(80.63)	
	Net increase / (decrease) in cash and cash equivalents (A + B + C)		14.35		45.30	
	Cash and cash equivalents at beginning of year		53.11		7.81	
	Cash and cash equivalents at end of year		67.46		53.11	
	Components of Cash & Cash equivalents :					
	Cash and Cheques on hand		2.50		2.63	
	Balance with banks		64.96		50.48	
			67.46		53.11	

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,
29th May, 2014

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) 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 and Companies Act, 2013 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and General Circular 08/2014 dated April 4, 2014 with respect to the Financial Statements. 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 / Intangible Assets are recorded at cost of acquisition or construction. Cost of acquisition comprises its purchase price including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discount and rebates are deducted in arriving at the purchase price. 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) Capital Work In Progress represents expenditure incurred on capital asset that are under construction or are pending capitalisation and includes Project expenses pending allocation. Project expenses pending allocation are apportioned to the fixed assets of the project proportionately on capitalisation.
- 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.

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 whichever 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)
Leasehold Land	Period of Lease
Buildings	28 to 58
Plant and Machinery and R&D Equipments	9 to 20
Computers	6
Furniture and Fixtures	10
Vehicles	6
Leasehold Improvements	Period of Lease

- 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
Goodwill	4

- iii) 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

- 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.

i) Excise Duty and Cenvat / Service Tax Credit

- 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 recognized in the material cost and inventory adjustments and the un-recovered excise duty is recognized under other expenses.
- 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

- Grants and subsidies are recognized when there is a reasonable assurance that the grant or subsidy will be received and that all underlying conditions thereto will be complied with.
- Grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets.
- 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

- 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.
- Foreign currency monetary transactions remaining unsettled at the end of the year are converted at year-end rates. The resultant gain or loss is accounted for in the Statement of Profit and Loss.
- 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.

- 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.

I) 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 amount 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 recognized 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 recognized 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 realised. 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 reasonable certainty 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 recognizes 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 reasonable certainty 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

Particulars	As at 31-Mar-2014		As at 31-Mar-2013	
	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	12,74,80,204	25.50
Paid up	12,61,99,109	25.24	12,61,99,109	25.24
Total		25.24		25.24

Of the above :

- Aggregate Shares issued under Employees Stock Option Scheme (ESOS) : NIL Equity Shares of ₹ 2/- each (Previous year 21,57,500 Equity Shares of ₹ 2/- each).
- 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 203,009 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 during 2012-13 under the scheme of amalgamation of erstwhile Tonira Pharma Limited with the Company.

Disclosures:

i) Reconciliation of Shares

Particulars	Equity Shares			
	As at 31- Mar 2014		As at 31-Mar-2013	
	Numbers	(₹ Crores)	Numbers	(₹ Crores)
Shares outstanding at the beginning of the year	12,61,99,109	25.24	12,58,27,655	25.17
Shares Issued during the year	-	-	3,71,454	0.07
Shares outstanding at the end of the year	12,61,99,109	25.24	12,61,99,109	25.24

ii) Details of Shareholding in excess of 5%

Name of Shareholder	As at 31-Mar-2014		As at 31-Mar-2013	
	Number of shares held	%	Number of shares held	%
Kaygee Investments Private Limited	2,70,18,195	21.41%	2,70,18,195	21.41%
HDFC Trustee Co. Ltd.	39,01,357	3.09%	89,30,656	7.08%
Exon Laboratories Private Limited	82,71,000	6.55%	81,01,000	6.42%
Chandurkar Investments Private Limited	69,78,005	5.53%	69,78,005	5.53%

iii) The details of Shares Reserved for issue under options as at 31st March, 2014 are as under:

Options	31/03/2014	31/03/2013
	(Nos.)	(Nos.)
At the beginning of the year	-	10,500
Granted	-	-
Exercised #	-	9,750
Forfeited / lapsed	-	750
At the end of the year	-	-
Number of Shares to be issued	-	-
Exercise price for outstanding options	NA	NA
Amount to be received on issue under option (₹ Crores)	NA	NA

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-2014		As at 31-Mar-2013	
	(₹ Crores)		(₹ Crores)	
Capital Reserve		0.59		0.59
Capital Redemption Reserve		0.26		0.26
Securities Premium Account				
Opening Balance	43.99		43.61	
Add : Credited during the year on share issue	-		0.38	
Closing Balance		43.99		43.99
Debenture Redemption Reserve *				
Opening Balance	17.50		42.00	
(+) Current Year Transfer	-		-	
(-) Transfer to General Reserve	-		24.50	
Closing Balance		17.50		17.50
Share Options Outstanding Account				
Opening Balance	-		0.08	
(+) Current Year Transfer	-		-	
(-) Written Back in Current Year	-		0.08	
Closing Balance		-		-

	As at 31-Mar-2014		As at 31-Mar-2013	
	(₹ Crores)		(₹ Crores)	
Other Reserves :				
General Reserve **				
Opening Balance	1,100.00		900.00	
(+) Current Year Transfer	150.00		175.50	
(+) Transfer from Debenture Redemption Reserve	-		24.50	
Closing Balance		1,250.00		1,100.00
Hedging Reserve ***				
Opening Balance	3.69		(30.76)	
Net transfer during the Year	(0.39)		34.45	
Closing Balance		3.30		3.69
Foreign Currency Translation Reserve ****				
Opening Balance	4.65		4.37	
Net transfer during the Year	8.60		0.28	
Closing Balance		13.25		4.65
Balance at the year end		1,328.89		1,170.68

* 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.

**** 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.

ii) Surplus in Profit and Loss Account

	As at 31-Mar-2014		As at 31-Mar-2013	
	(₹ Crores)		(₹ Crores)	
Balance as per last Balance Sheet	373.93		276.89	
Net Profit for the year	477.37	851.30	331.39	608.28
Less:				
Transfer to General Reserve	150.00		175.50	
Interim dividend	31.55		25.23	
Tax on interim dividend	5.36		4.09	
Proposed dividend	31.55		25.24	
Tax on proposed dividend	5.36	223.82	4.29	234.35
Balance as at year end		627.48		373.93
Total Reserves & Surplus (i + ii)		1,956.37		1,544.61

3. Long-term Borrowings - Secured

	Non - Current Portion As at		Current Maturities as at	
	31-Mar-2014	31-Mar-2013	31-Mar-2014	31-Mar-2013
	(₹ Crores)		(₹ Crores)	
i. Debentures	15.00	70.00	55.00	-
ii. Foreign Currency Term Loan	277.12	296.21	109.62	93.68
Total	292.12	366.21	164.62	93.68

a) Details of above:-

Sr. No.	Name of the Instruments / Institutions	Non - Current Portion As at		Current Maturities As at		Details of Securities	Repayment terms
		31/03/2014	31/03/2013	31/03/2014	31/03/2013		
		(₹ Crores)		(₹ Crores)			
i.	Debentures						
1.	9.95% Secured Redeemable Non-Convertible Debentures	-	50.00	50.00	-	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.	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. 3 rd October, 2011.
2.	9.25% Secured Redeemable Non-Convertible Debentures	15.00	20.00	5.00	-	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.	Redeemable in 4 equal annual installments of ₹ 5.00 crores at the end of 2nd year, 3 rd year, 4 th year and 5th year from the date of issue i.e. 12 th December 2012.
	Total (i)	15.00	70.00	55.00	-		
ii.	Foreign Currency Term Loans						
1.	a) BNP PARIBAS, Singapore Branch	-	13.57	14.98	27.16	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.	Repayable in 4 equal semi annual installments from 20 th March, 2013.
	b) BNP PARIBAS, Singapore Branch	59.92	54.31	-	-	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.	Bullet Repayment at the end of 5th year on 7 th October, 2016.
2.	CITI BANK N.A. Bahrain Branch	-	5.82	6.42	7.76	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.	Repayable in 14 equal quarterly installments from 21 st July, 2011.
3.	a) DBS BANK, Singapore Branch	-	12.49	13.78	11.95	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.	Repayable in 9 semi annual installments from 16 th March, 2011.
	b) DBS BANK, Singapore Branch	49.35	-	10.57	-	Secured by first pari passu charge by way of hypothecation of all the movable fixed assets both present and future.	Repayable in 17 equal quarterly installments from 16 th September, 2014.
4.	Barclays Bank PLC, London Branch	6.29	22.65	18.70	16.94	Secured by first pari passu charge on the plant & machinery of the Company except assets at Pithampur, Indore.	Repayable in 13 quarterly installments from 31 st May, 2012.
5.	a) HSBC Bank Mauritius Ltd.	50.94	78.75	35.95	29.87	Secured by first pari passu charge on the plant & machinery of the Company except assets at Pithampur, Indore.	Repayable in 7 half yearly installments from 31 st July, 2013.
	b) HSBC Bank Mauritius Ltd.	59.92	54.31	-	-	Secured by first pari-passu charge over current and future movable fixed assets of the Company except assets at Pithampur, Indore and at Baroda.	Repayable in 9 equal quarterly installments from 26 th September, 2016.
	c) HSBC Bank Mauritius Ltd.	50.70	54.31	9.22	-	Secured by first pari-passu charge over current and future movable fixed assets of the Company except assets at Pithampur, Indore and at Baroda.	Repayable in 13 equal quarterly installments from 19 th November, 2014.
	Total (ii)	277.12	296.21	109.62	93.68		
	Grand Total (i + ii)	292.12	366.21	164.62	93.68		

b) Maturity Profile of Borrowings other than Debentures

	As at 31/03/2014 (₹ Crores)	As at 31/03/2013 (₹ Crores)
Instalment payable between 1 to 2 years	74.78	89.77
Instalment payable between 2 to 5 years	202.34	194.37
Instalment payable beyond 5 years	-	12.07
Total	277.12	296.21

4. Deferred Tax Liabilities (net)

	As at 31/03/2014 (₹ Crores)	As at 31/03/2013 (₹ Crores)
Deferred tax liabilities on account of		
Depreciation including on R & D Assets, Amortisation and impairment	153.83	136.29
Deferred tax asset on account of		
Leave Encashment	5.36	4.54
Bonus	0.68	0.68
Other tax disallowance	0.68	0.68
Total Deferred Tax Asset	6.72	5.90
Net deferred tax liability	147.11	130.39

5. Other Long Term Liabilities

	As at 31/03/2014 (₹ Crores)	As at 31/03/2013 (₹ Crores)
Deposits from dealers	0.38	0.40
Total	0.38	0.40

6. Provisions

	Long Term		Short Term	
	As at 31/03/2014	As at 31/03/2013	As at 31/03/2014	As at 31/03/2013
	(₹ Crores)		(₹ Crores)	
Provision for employee benefits				
Gratuity	-	-	1.14	0.50
Provision for leave encashment	14.49	12.21	1.27	1.15
Provision for leave travel assistance (LTA)	-	-	3.62	3.25
Other employee related provision	-	-	1.83	2.34
Others				
Proposed final dividend - ₹ 2.50 per share (Previous year ₹ 2/- per share)	-	-	31.55	25.24
Provision for tax on proposed final dividend	-	-	5.36	4.29
Provision for taxation* (net of prepaid taxes)	-	-	9.95	5.14
Total	14.49	12.21	54.72	41.91

* Provision for taxation includes provision for wealth tax of ₹ 0.25 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.

Particulars	(₹ Crores)			
	Opening Balance	Additions during the year	Amounts paid / reversed during the year	Closing Balance
Provision for wage revision under negotiation (Previous Year)	2.34 (1.70)	1.16 (0.64)	1.67 -	1.83 (2.34)

- 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 recognized in the statement of Profit and Loss and the funded status and amounts recognized in the balance sheet are given herein below.

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
	(₹ Crores)		(₹ Crores)	
I. Change in Benefit Obligation				
Liability at the beginning of the year	25.39	20.09	13.36	9.48
Addition on amalgamation/Business Purchase	-	0.60	-	0.19
Interest cost	2.03	1.58	1.11	0.76
Current Service Cost	3.34	2.63	2.96	2.22
Past Service Cost	-	-	-	-
Benefit Paid	(1.64)	(1.74)	(3.92)	(2.89)
Actuarial (gain)/loss on obligations	1.50	2.23	2.25	3.60
Curtailments and Settlements	-	-	-	-
Liability at the end of the year	30.62	25.39	15.76	13.36
II. Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	24.89	18.71	-	-
Addition on amalgamation/Business Purchase	-	0.49	-	-
Expected Return on Plan Assets	2.39	2.04	-	-
Contributions	3.84	5.39	-	-
Benefit paid	(1.64)	(1.74)	-	-
Actuarial gain/(loss) on Plan Assets	-	-	-	-
Fair Value of Plan Assets at the end of the year	29.48	24.89	-	-
III. Actual Return on Plan Assets				
Expected Return on Plan Assets	2.39	2.04	-	-
Actuarial gain/(loss) on Plan Assets	-	-	-	-
Actual Return on Plan Assets	2.39	2.04	-	-
IV. Amount Recognised in the Balance Sheet				
Liability at the end of the year	30.62	25.39	15.76	13.36
Fair Value of Plan Assets at the end of the year	29.48	24.89	-	-
Difference	1.14	0.50	15.76	13.36
Unrecognised Past Service Cost	-	-	-	-
Amount Recognised in the Balance Sheet	1.14	0.50	15.76	13.36
Breakup of Above:				
Current	1.14	0.50	1.27	1.15
Non-Current	-	-	14.49	12.21
Total	1.14	0.50	15.76	13.36
V. Expenses Recognised in the Income Statement				
Current Service Cost	3.34	2.63	2.96	2.22
Interest Cost	2.03	1.58	1.11	0.76
Expected Return on Plan Assets	(2.39)	(2.04)	-	-
Net Actuarial (gain)/loss to be Recognised	1.50	2.23	2.25	3.60
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	4.48	4.40	6.32	6.58
VI. Balance Sheet Reconciliation				
Opening Net Liability	0.50	1.38	13.36	9.48
Addition on amalgamation/Business Purchase	-	0.11	-	0.19
Expense as above	4.48	4.40	6.32	6.58
Past Service cost	-	-	-	-
Employer's Contribution	(3.84)	(5.39)	(3.92)	(2.89)
Amount Recognised in Balance Sheet	1.14	0.50	15.76	13.36

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
	(₹ Crores)		(₹ Crores)	
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.)	29.48	24.89	-	-
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

	As at 31/03/2014 (₹ Crores)	As at 31/03/2013 (₹ Crores)
(i) Secured Loans:		
Working Capital Loan from banks	137.96	80.55

- Secured by first charge by way of hypothecation of all the stocks, 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.

	As at 31/03/2014 (₹ Crores)	As at 31/03/2013 (₹ Crores)
(ii) Unsecured Loans:		
Short Term Loans from Banks	-	76.59
Total Short-Term Borrowings (i)+(ii)	137.96	157.14

8. Trade Payables

	As at 31/03/2014 (₹ Crores)	As at 31/03/2013 (₹ Crores)
Trade Payables		
- Micro Small and Medium Enterprises	1.99	1.43
- Against acceptance of Import documents	71.66	63.79
- Others	263.71	200.24
Total	337.36	265.46

Disclosures:

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

Particulars	2013-14 (₹ Crores)	2012-13 (₹ Crores)
a) Principal Amount due at year end for period beyond 45 days	0.66	0.29
b) Interest due thereon at year end	0.01	0.01
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	5.87	6.25
d) Interest paid to suppliers under the MSMED Act,2006	0.12	0.06
e) Interest due & payable to suppliers under MSMED Act,2006 towards payment already made	0.06	0.11

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-2014 (₹ Crores)	As at 31-Mar-2013 (₹ Crores)
Current Maturities of Non-Current Liabilities (Refer Note 3)	164.62	93.68
Interest accrued but not due on borrowings	4.49	4.59
Advance received from customers	10.73	18.07
Unpaid dividends *	1.76	1.44
Duties & Taxes Payable	34.30	24.79
Amount payable on hedging transactions	5.52	5.46
Payables for Capital Goods	29.93	17.15
Total	251.35	165.18

* 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, 2012	Additions (12-13)	Disposals/ Adjustments (12-13)	As at 31 st March 2013	Additions (13-14)	Disposals/ Adjustments (13-14)	As at 31 st March 2014	As at 1 st April 2012	Charge for the year (12-13)	Disposals/ Adjustments (12-13)	As at 31 st March 2013	Charge for the year (13-14)	Disposals/ Adjustments (13-14)	As at 31 st March 2014	As at 31 st March 2013
A. Tangible Assets																
1.	Freehold Land	27.42	1.58	-	29.00	13.72	3.40	46.12	0.03	-	-	0.03	-	-	0.03	28.97
2.	Leasehold Land	16.60	5.35	-	21.95	1.32	(3.40)	19.87	0.64	0.15	-	0.79	0.21	-	1.00	21.16
3.	Buildings	224.71	32.11	(0.16)	256.66	104.18	(0.71)	360.13	40.71	7.35	(0.01)	48.05	8.44	(0.03)	56.46	208.61
4.	Plant & Machinery	824.87	136.55	(6.44)	954.98	184.87	(4.78)	1,135.07	246.28	55.70	(3.47)	298.51	64.67	(3.12)	360.06	656.47
5.	Plant & Machinery (Given on Lease)	4.33	0.58	0.18	5.09	0.74	-	5.83	1.11	0.33	-	1.44	0.38	-	1.82	3.65
6.	Office & Other Equipments	8.71	1.54	(0.18)	10.07	2.62	(0.13)	12.56	3.72	0.85	(0.08)	4.49	1.00	(0.06)	5.43	5.58
7.	Effluent Treatment Plant	18.07	17.44	-	35.51	2.27	-	37.78	4.70	1.88	-	6.58	2.76	-	9.34	28.93
8.	Furniture & Fixtures	23.76	4.52	(0.01)	28.27	4.35	(0.11)	32.51	11.88	2.14	-	14.02	2.61	(0.01)	16.62	14.25
9.	Vehicles	14.99	6.43	(1.50)	19.92	4.79	(1.46)	23.25	5.41	2.26	(1.32)	6.35	2.98	(1.00)	8.33	13.57
10.	Leasehold Improvement	0.76	-	-	0.76	-	-	0.76	0.37	0.31	-	0.68	0.04	-	0.72	0.08
11.	R & D Building	14.96	2.57	-	17.53	0.05	0.62	18.20	2.32	0.56	-	2.88	0.61	0.01	3.50	14.65
12.	R & D Leasehold Improvement	0.74	-	-	0.74	-	-	0.74	0.36	0.30	-	0.66	0.04	-	0.70	0.08
13.	R & D Equipments	89.03	19.71	(0.42)	108.32	9.81	(1.04)	117.09	43.69	9.62	(0.46)	52.85	10.31	(1.17)	61.99	55.47
14.	R & D Furnitures	1.70	0.66	-	2.36	0.19	-	2.55	0.91	0.25	-	1.16	0.20	-	1.36	1.20
Total (A)		1,270.65	229.04	(8.53)	1,491.16	328.91	(7.61)	1,812.46	362.13	81.70	(5.34)	438.49	94.25	(5.38)	527.36	1,052.67

B. Intangible Assets												
1. Goodwill	-	15.88	-	15.88	-	-	15.88	-	0.17	3.97	4.14	15.71
2. Software	6.89	4.65	(0.91)	10.63	4.94	(0.06)	15.51	3.58	1.92	2.52	7.12	6.01
3. Brands & Trade Mark	2.19	-	-	2.19	-	-	2.19	2.07	0.01	-	2.08	0.11
4. Know-How	3.84	0.15	-	3.99	-	-	3.99	3.65	0.01	0.04	3.70	0.33
5. Software - R & D	0.94	0.06	-	1.00	0.26	-	1.26	0.26	0.24	0.28	0.78	0.50
Total (B)	13.86	20.74	(0.91)	33.69	5.20	(0.06)	38.83	9.56	2.35	6.81	17.82	22.66
Total (A+B)	1,284.51	249.78	(9.44)	1,524.85	334.11	(7.67)	1,851.29	371.69	84.05	101.06	545.18	1,075.33

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 ₹ 101.06 crores (Previous year ₹ 84.05 crores), depreciation of ₹ 0.17 crore (Previous year ₹ 0.05 crore) relating to project under execution for the period before start of production is transferred to project expenses pending allocation.
- Cost of Borrowing of ₹ 3.61 crores (Previous year ₹ 2.50 crores) is capitalised to the projects.

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)	
			31/03/2014	31/03/2013				31/03/2014	31/03/2013	31/03/2014	31/03/2013
(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	8.54	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	1.09	0.97
8.	Ipca Traditional Remedies Pvt. Ltd.*	Subsidiary	-	29,60,000	₹ 10	Unquoted	Fully Paid	-	99.20	-	2.96
9.	Tonira Export Limited	Subsidiary	1,00,000	1,00,000	₹ 10	Unquoted	Fully Paid	100.00	100.00	0.10	0.10
	Total									21.74	23.65
10.	CCPL Software Pvt.Ltd. #	Associate	55,000	55,000	₹ 100	Unquoted	Fully Paid	28.95	28.95	-	-
11.	Trophic Wellness Pvt. Ltd. @ (100000 shares fully paid & 680000 partly paid - ₹ 7.50 (Previous year ₹ 7.50 per share)	Associate	7,80,000	7,80,000	₹ 10	Unquoted	@	19.26	19.26	8.94	8.94
	Total									8.94	8.94
12.	Avik Pharmaceutical Ltd.	Joint Venture	5,00,000	-	₹ 100	Unquoted	Fully Paid	49.02	-	6.51	-
	Total									6.51	-
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									42.28	37.68

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.	Narmada Clean Tech Ltd. (NCTL) (formerly known as Bharuch Eco Aqua Infrastructure Ltd.)	Others	35000	35000	₹ 10	Unquoted	Fully Paid	-	-	0.04	0.04
	Total									0.04	0.04
C. Total Non current Investments (A+B)										42.32	37.72
Less : Provision for Diminution in value (Refer table (iii) below)										13.57	15.93
Non current investments (Net of provision)										28.75	21.79

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) 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)	
			31/03/2014	31/03/2013
1.	Ipca Pharmaceuticals Inc., USA	Subsidiary	7.61	7.61
2.	Ipca Traditional Remedies Pvt. Ltd.*	Subsidiary	-	2.96
3.	National Druggist (PTY) Ltd. South Africa	Subsidiary	0.64	0.25
4.	Ipca Pharmaceuticals(Shanghai) Ltd.China	Subsidiary	1.00	1.00
5.	Mangalam Drugs & Organics Ltd.	Others	4.32	4.11
	Total		13.57	15.93

iv) Aggregate value of investments

Particulars	(` Crores)	
	31/03/2014	31/03/2013
Aggregate book value of quoted investments (Non Current - Trade)	5.09	5.09
Aggregate Market value of quoted Investments (Non Current - Trade)	0.77	0.98
Aggregate book value of unquoted investments (Non Current - Trade)	37.19	32.59
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)	1.28	0.36

*Ipca Traditional Remedies Pvt.Ltd. has been liquidated during the year and the carrying value of investment was adjusted against the provision made for diminution in value of Investment.

12. Loans and Advances

	Long Term		Short Term	
	As at 31/03/2014	As at 31/03/2013	As at 31/03/2014	As at 31/03/2013
	(₹ Crores)		(₹ Crores)	
a. Loans and advances to related parties				
Unsecured, considered good (Refer Note (c) given hereunder)	61.51	40.35	0.93	1.36
b. Capital Advances				
Unsecured, considered good	49.46	31.14	-	-
c. Others (Unsecured, considered good)				
Advance to suppliers	-	-	10.43	21.94
Loans given to :				
- Employees	1.28	1.13	2.59	2.32
- Others	-	4.15	6.52	0.45
Hedging gain receivable	-	-	5.07	8.60
Prepaid taxes (net of provisions)	2.88	2.88	-	-
Deposits with Govt. departments and others	9.08	8.12	1.81	1.61
Tender Deposits				
- Considered good	-	-	0.91	0.57
- Considered doubtful	-	-	0.02	-
	-	-	0.93	0.57
Less : Provision for doubtful deposits	-	-	0.02	-
	-	-	0.91	0.57
Prepaid expenses	0.55	0.39	8.70	7.77
Advances to Employees				
- Considered good	-	-	4.62	3.55
- Considered doubtful	-	-	1.13	1.13
	-	-	5.75	4.68
Less : Provision for doubtful advances	-	-	1.13	1.13
	-	-	4.62	3.55
Other Advances	-	-	23.89	1.47
Total	124.76	88.16	65.47	49.64

Disclosures:

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

Sr. No.	Name of the company and Relationship	(₹ Crores)			
		Balance as at 31/03/2014	Maximum outstanding during the year 2013-14	Balance as at 31/03/2013	Maximum outstanding during the year 2012-13
i)	Ipca Laboratories (U.K.) Ltd. U.K.- 100% Subsidiary	49.88	49.88	41.71	41.71

Loans and advances to subsidiary company is interest free and there is no repayment schedule fixed.

- 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.

- c) Details of Loans and advances to Related Parties.

Sr. No.	Name of the company and Relationship	Balance as at 31/03/2014	Balance as at 31/03/2013
i)	Ipca Laboratories (U.K.) Ltd. U.K.- 100% Subsidiary	49.88	41.71
ii)	Avik Pharmaceutical Limited	12.56	-
	Total	62.44	41.71

13. Other Assets

	Non Current		Current	
	As at 31/03/2014	As at 31/03/2013	As at 31/03/2014	As at 31/03/2013
	(₹ Crores)		(₹ Crores)	
Term Deposits with banks #	2.22	4.11	-	-
Export benefits receivables	-	-	49.24	38.72
Duties & Taxes Refundable	6.41	5.06	89.57	62.27
Gratuity and other claim receivables	-	-	6.32	16.32
Unbilled Revenue	-	-	7.74	9.20
Others	0.40	0.33	8.78	4.57
Total	9.03	9.50	161.65	131.08

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

14. Inventories

	As at 31-Mar-2014		As at 31-Mar-2013	
	(₹ Crores)		(₹ Crores)	
i) Raw Materials and components				
In hand	310.83	333.16	273.62	300.97
In transit	22.33		27.35	
ii) Packing Materials and components				
In hand	34.44	35.10	34.05	34.12
In transit	0.66		0.07	
iii) Work-in-progress		163.26		122.08
iv) Finished goods				
In hand				
Own	263.34	295.07	237.62	268.12
Traded	19.42		20.40	
In transit				
Own	9.14		6.32	
Traded	3.17		3.78	
v) Stores and spares		11.71		8.05
Total		838.30		733.34

Valuation methodology

Raw Materials, Packing Materials and components	At lower of cost or estimated net realisable value
Work In Progress	At lower of cost or estimated net realisable value
Finished Goods	At lower of cost or estimated net realisable value
Stores and spares	At lower of cost or estimated net realisable value

15. Trade receivables

	As at 31-Mar-2014		As at 31-Mar-2013	
	(₹ Crores)		(₹ Crores)	
Outstanding for more than six months				
Unsecured, considered good	12.74	12.74	9.99	9.99
Unsecured, considered doubtful	0.10		-	
Less: Provision for doubtful debts	0.10		-	
Others				
Unsecured, considered good		435.75		405.94
Total		448.49		415.93

16. Cash and Bank Balances

	As at 31-Mar-2014 (₹ Crores)	As at 31-Mar-2013 (₹ Crores)
Cash & Cash Equivalents		
Cash on hand	0.45	0.43
Balances with banks	4.94	10.48
Cheques, drafts on hand	2.05	2.20
Fixed deposit with bank	60.02	40.00
	67.46	53.11
Other Bank Balances		
Unpaid dividend accounts*	1.76	1.44
Fixed deposit with bank**	0.20	-
Bank margin	0.07	0.11
	2.03	1.55
Total	69.49	54.66

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

**Term deposits amounting to ₹ 0.20 crore (Previous year ₹ Nil) as deposit for electricity connection.

17. Revenue from Operations (Gross)

	2013-14 (₹ Crores)	2012-13 (₹ Crores)
Sale of Products (Gross)	3,213.80	2,763.49
Sale of services	0.06	0.25
Other operating revenues		
Focus Market and other Export Incentive Schemes	18.19	21.83
Dossier Income	18.22	7.45
Miscellaneous Income (Operational)	16.59	10.07
	53.00	39.35
Total	3,266.86	2,803.09

Disclosures:

	2013-14 (₹ Crores)	2012-13 (₹ Crores)
i. Sale of Products (Net)		
Gross Sales	3,213.80	2,763.49
Less: - Excise Duty	32.04	24.67
	3,181.76	2,738.82
ii. Details of Sale of Products		
Formulations	2,416.99	2,072.28
Active Pharmaceutical Ingredients / Intermediates	758.55	658.35
Others	6.22	8.19
Total	3,181.76	2,738.82

18. Other Income

	2013-14 (₹ Crores)	2012-13 (₹ Crores)
Interest Income	13.17	8.54
Dividend Income - from Current Investments	0.01	1.31
Sundry Balances w/back (net)	1.91	0.58
Profit on sale of Investments - Non Current	-	4.69
Profit on sale of Investments - Current	3.08	1.37
Profit on sale of Assets	0.23	0.26
Miscellaneous Income	3.03	1.91
Total	21.43	18.66

19. Cost of Materials Consumed

	2013-14		2012-13	
	(₹ Crores)		(₹ Crores)	
Raw Materials Consumed				
Opening Stock	300.97		310.29	
Add : Purchases (Net of Discount)	941.49		871.23	
Add : Raw Material Conversion Charges	14.69		22.66	
	1,257.15		1,204.18	
Less : Closing Stock	333.16	923.99	300.97	903.21
Packing Materials Consumed				
Opening Stock	34.12		25.11	
Add : Purchases (Net of Discount)	204.21		176.12	
	238.33		201.23	
Less : Closing Stock	35.10	203.23	34.12	167.11
Neutralisation of duties and taxes on inputs on exports - DEPB/Drawback benefits		(29.71)		(25.57)
Total		1,097.51		1,044.75

Disclosures:

i) Details of Raw Materials Consumption

	2013-14	2012-13
	(₹ Crores)	(₹ Crores)
Artemisinin	110.35	156.87
Novaldiamine	21.75	18.86
Ethoxymethylene Malonic Acid ester	19.78	20.07
Para Hydroxy Acetophenone	18.91	21.11
Amoxycillin Trihydrate	26.72	18.77
Others (None of which individually forms more than 10% of the total consumption.)	726.48	667.53
Total	923.99	903.21

ii) Details of Indigenous and Imported Consumption

	2013-14		2012-13	
	(₹ Crores)	Percentage	(₹ Crores)	Percentage
Raw materials				
Imported	433.65	46.93	416.77	46.14
Indigenous	490.34	53.07	486.44	53.86
Total	923.99	100.00	903.21	100.00
Packing materials				
Imported	5.50	2.71	2.26	1.35
Indigenous	197.73	97.29	164.85	98.65
Total	203.23	100.00	167.11	100.00

20. Purchases of Stock-in-Trade

	2013-14	2012-13
	(₹ Crores)	(₹ Crores)
Formulations	84.09	86.29
Active Pharmaceutical Ingredients / Intermediates	2.20	10.93
Others	4.20	8.86
Total	90.49	106.08

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

	2013-14		2012-13	
	(₹ Crores)		(₹ Crores)	
Inventory Adjustments - WIP				
Stock at Commencement	122.08		110.87	
Less: - Stock at closing	163.26	(41.18)	122.08	(11.21)
Inventory Adjustments - FG				
Stock at Commencement	243.94		189.55	
Less : Stock at Closing	272.48	(28.54)	243.94	(54.39)
Inventory Adjustments - Stock-in-Trade				
Stock at Commencement	24.18		22.42	
Less : Stock at Closing	22.59	1.59	24.18	(1.76)
Variation in Excise duty on :				
Closing stock of finished goods	33.76		26.26	
Less: Opening stock of finished goods	26.26	7.50	18.67	7.59
Total		(60.63)		(59.77)

Disclosures:

Finished Goods (Including Stock-in-Trade)

	Closing Stock		Opening Stock	
	2013-14	2012-13	2013-14	2012-13
	(₹ Crores)		(₹ Crores)	
Formulations	155.69	126.98	126.98	99.53
Active Pharmaceutical Ingredients / Intermediates	139.38	141.14	141.14	111.78
Others	-	-	-	0.66
Total	295.07	268.12	268.12	211.97

22. Employee Benefits Expenses

	2013-14	2012-13
	(₹ Crores)	(₹ Crores)
Salaries , Bonus , Perquisites , etc.	429.90	335.84
Contribution to Employees welfare funds	21.28	17.33
Leave Encashment	6.32	6.58
Leave Travel Assistance	2.73	2.51
Gratuity Fund Contributions	4.48	4.40
Expense on Employee Stock Option Scheme	-	0.01
Staff Welfare expenses	9.78	7.43
Recruitment & Training	3.37	2.47
Total	477.86	376.57

23. Finance Cost

	2013-14	2012-13
	(₹ Crores)	(₹ Crores)
Interest Expense	18.81	25.12
Other borrowing cost	5.27	5.86
Interest on Income tax	0.50	0.32
Total	24.58	31.30

24. Depreciation & Amortisation

	2013-14	2012-13
	(₹ Crores)	(₹ Crores)
Depreciation on Tangible Assets	94.08	81.65
Amortisation on Intangible Assets	6.81	2.35
Total	100.89	84.00

25. Other Expenses

	2013-14	2012-13
	(₹ Crores)	(₹ Crores)
Consumption of stores & spares	30.65	25.21
Power, Fuel & Water Charges	125.94	103.36
Freight, forwarding and transportation	93.45	79.09
Outside Manufacturing Charges	18.12	23.63
Repairs & Maintenance	76.73	59.91
Loss on sale of assets	0.83	1.46
Fixed Assets Scrapped	0.41	0.23
Commission on sales and Brokerage	33.83	26.89
Field Staff expenses	72.01	70.98
Sales & marketing expenses	107.22	107.49
Product information catalogue	16.91	12.04
Expenditure on scientific research	62.45	35.54
Laboratory expenses and Analytical Charges	21.59	17.41
Rent	11.71	9.99
Rates & Taxes	14.88	10.76
Travelling expenses	28.47	22.84
Professional charges	15.48	14.03
Printing and stationery	7.43	6.86
Books, Subscription & Software	8.27	2.00
Product registration expenses	18.44	14.80
Excise duty	5.27	7.18
Communication Expenses	7.51	6.21
Insurance	13.71	12.60
Intellectual property right expenses	2.22	0.72
Remuneration to Auditors	0.53	0.45
Bank Charges	3.02	2.71
Amalgamation Expenses	-	0.01
Provision for doubtful debts/advances	0.12	-
Provision for diminution in value of investment in		
- Subsidiaries	0.39	1.25
- Others	0.21	0.65
Other Expenses	26.56	13.20
Total	824.36	689.50
Details of:		
1. Repairs & Maintenance:		
- Building	14.70	12.52
- Machinery	61.12	46.59
- Others	0.91	0.80
	76.73	59.91
2. Remuneration To Auditors:		
- Audit Fees	0.34	0.34
- Tax Matters	0.06	-
- Certification and other Services	0.07	0.08
- Out of Pocket expenses	0.06	0.03
	0.53	0.45

Disclosures:**i) Details of Stores and Spares**

	2013-14		2012-13	
	(₹ Crores)	Percentage	(₹ Crores)	Percentage
Break up of Consumption				
Imported	5.63	18.37	3.53	14.00
Indigenous	25.02	81.63	21.68	86.00
Total	30.65	100.00	25.21	100.00

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

	2013-14	2012-13
	(₹ Crores)	(₹ Crores)
Expenditure on Scientific Research (Includes stores and chemicals, Bio-availability, Bio-equivalence and Toxicity Studies)	62.45	35.54
Cost of materials consumed	0.62	0.38
Employee Benefits Expenses	28.80	23.30
Other Expenses	21.06	18.52
Depreciation & Amortisation	11.44	10.97
Total	124.37	88.71

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

In accordance with AS-17 “Segment Reporting”, The Company has only one reportable primary business segment i.e. Pharmaceuticals. However, the Company has secondary geographical segment which is disclosed in Consolidated Financial Statements as per AS-17.

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. (Liquidated on 29 th March, 2014)	India
Tonira Exports Limited	India
<u>Step-down Subsidiaries</u>	
Ipca Pharma (NZ) Pvt. Ltd.	New Zealand
Onyx Research Chemicals Limited	United Kingdom
Onyx Scientific Limited	United Kingdom
B. Associates	
Paschim Chemicals Pvt.Ltd.(Upto 18 th Sept, 2012)	India
Makers Laboratories Ltd.	India
Trophic Wellness Pvt.Ltd.	India

Relationships	Country
C. Joint Venture Avik Pharmaceutical Ltd.(From 18 th November, 2013)	India
D. 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
E. Other Related Parties (Entities in which Directors or their relatives have significant influence) Nipra Industries Pvt.Ltd. Nipra Packaging Pvt. Ltd. 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) Mexin Medicaments Pvt.Ltd.	India India India Indian India India India India India

Details of related party transactions 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 / offices premises (including Furniture and Fittings if any) under leave and license agreements. These generally range between 11 months to 3 years under 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 recognized 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	2013-14		2012-13	
	(₹ Crores)		(₹ Crores)	
(i) Profit after tax		477.37		331.39
(ii) Closing Equity Shares Outstanding (Nos.) :				
Opening Equity shares outstanding (Nos.) :	12,61,99,109		12,61,50,359	
Add:- issued during the year (Nos.)	-		48,750	
Closing Equity Shares Outstanding (Nos.)		12,61,99,109		12,61,99,109
(iii) Weighted Avg no. of shares outstanding (Nos.) (Basic)		12,61,99,109		12,61,58,506
(iv) Weighted Avg no. of shares outstanding (Nos.) (Diluted)		12,61,99,109		12,61,58,506
(v) Nominal value of equity share (₹)		2.00		2.00
(vi) Basic EPS (i/iii) (₹)		37.83		26.27
(vii) Diluted EPS (i/iv) (₹)		37.83		26.27

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 31st March, 2014 as reported would change to amounts indicated below:

Particulars	2013-14	2012-13
	(₹ Crores)	(₹ Crores)
Net Profit as reported (after exceptional items)	477.37	331.39
Add: Stock based compensation expense included in the reported income	-	0.01
Less: Stock based compensation expenses determined using fair value of options	-	0.01
Net profit (adjusted)	477.37	331.39
Weighted average number of shares considered for basic earnings per share	12,61,99,109	12,61,58,506
Weighted average number of shares considered for diluted earnings per share	12,61,99,109	12,61,58,506
Basic earnings per share as reported (₹)	37.83	26.27
Basic earnings per share (adjusted) (₹)	37.83	26.27
Diluted earnings per share as reported (₹)	37.83	26.27
Diluted earnings per share (adjusted) (₹)	37.83	26.27

30. Disclosure as required by Accounting Standard - AS 27 "Financial Reporting of Interest in Joint Ventures" of the Companies (Accounting Standards) Rules 2006.

During the year the Company has acquired 49.02% of Shares in Avik Pharmaceutical Ltd. It is a Jointly Controlled entity in which the Company has a control of 49.02%. In the standalone Balance Sheet of the Company, Joint Venture interest is reported under Long term Investment at Cost. Proportionate share of the Company as on 31st March, 2014 in the assets, liabilities, income, expenditure, contingent liabilities and capital commitments of the Joint Venture company is as follows:

Particulars	31/03/2014	31/03/2013
	(₹ Crores)	(₹ Crores)
Assets		
Non Current Assets	3.05	-
Current Assets	4.81	-
Total	7.86	-
Liabilities		
Share Capital	5.00	-
Reserves & Surplus	(10.47)	-
Non Current Liabilities	8.46	-
Current Liabilities	4.87	-
Total	7.86	-
Income		
Sales and Other Income	2.63	-
Expenditure		
Cost of Sales	1.47	-
Other Expenses	2.30	-
Total	3.77	-
Contingent Liabilities	-	-
Capital Commitments	-	-

31. CIF Value of Imports

	2013-14	2012-13
	(₹ Crores)	(₹ Crores)
Raw materials	416.61	366.28
Packing Materials	5.29	2.53
Traded goods	0.46	6.30
Capital goods	98.67	41.04
Stores and machine components	5.63	3.53
Others	1.52	2.38
	528.18	422.06

32. Earning in Foreign Currency

	2013-14	2012-13
	(₹ Crores)	(₹ Crores)
FOB value of exports	1,983.62	1,666.69
Deemed exports	2.39	0.33
Interest	-	0.01
Dossier Income	18.22	7.45
Other Service charges	0.59	2.12
	2,004.82	1,676.60

33. Expenditure in foreign currency

	2013-14	2012-13
	(₹ Crores)	(₹ Crores)
Professional charges	2.19	3.68
Interest on foreign currency loan	14.92	10.52
Overseas office expenses	68.26	52.36
Product registration and marketing expenses	36.64	29.20
Commission on Sales	29.84	25.25
Scientific Research expenses	20.62	10.84
Other matters	26.53	26.45
	199.00	158.30

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

Particulars	As at 31/03/2014	As at 31/03/2013
	(₹ Crores)	(₹ Crores)
A. Contingent Liabilities		
a) Bills discounted with banks	256.40	237.09
Since Realised	(103.77)	(150.79)
b) Other moneys for which the Company is contingently liable for tax, excise, customs and other matters not accepted by the Company	16.44*	11.82*
Amount deposited under protest	(4.08)	(0.05)
c) Claims against the Company not acknowledged as debts	2.95	2.98
d) Corporate Guarantee given to others	8.28	2.28
e) Guarantees given by banks in favour of Govt. & others / Letter of Credit opened against which goods are not received *	82.71	62.44
	258.93	165.77
B. Estimated amount of contracts remaining to be executed on capital account and not provided for:		
- Tangible Assets	155.45	45.39
- Intangible Assets	28.16	6.29
	183.61	51.68
C. Uncalled liability on partly paid shares	3.40	3.40
D. Other Commitments	-	-

*Note:- It includes ₹ 4.38 crores (Previous year ₹ 4.38 crores) 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 crores (Previous year ₹ 2.00 crores) to the Department.

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

The Company as on 31st March 2014 has the following derivatives instruments / forward cover outstanding.

Sr. No.	Type of Transaction	Purpose	Amount Outstanding (In Million)	
			31/03/2014	31/03/2013
i.	USD Interest Rate Swap	To hedge the USD LIBOR risk by moving from Floating LIBOR rate to Fixed LIBOR Rate.	USD 44.54 (outstanding)	USD 61.79 (outstanding)
ii.	Forward Cover beyond six months	To hedge export receivables	GBP 6.00 USD 19.50	GBP 12.00 USD 30.50

- 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 liability.

Sr. No.	Particulars	Currency	31/03/2014		31/03/2013	
			Amount in Foreign Currency (In Million)	Amount (₹ Crores)	Amount in Foreign Currency (In Million)	Amount (₹ Crores)
i.	ECB Term loan and interest	USD	64.79	388.20	72.08	391.46
ii.	Packing Credit and interest	USD	12.13	72.70	14.10	76.60
iii.	Trade and Other Payables (Net of advance given)	USD	15.25	91.40	16.12	87.55
		EURO	0.04	0.33	0.54	3.77
		GBP	0.01	0.06	-	-

- d) Unhedged receivables in foreign currency.

Sr. No.	Particulars	Currency	31/03/2014		31/03/2013	
			Amount in Foreign Currency (In Million)	Amount (₹ Crores)	Amount in Foreign Currency (In Million)	Amount (₹ Crores)
i.	Long Term Loan	GBP	4.92	48.95	4.92	40.35
ii.	Short Term Loan and Interest receivable	GBP	0.17	1.70	0.31	2.57
		EURO	0.09	0.70	-	-
iii.	Trade Receivables (Net of advance received)	USD	46.04	275.91	48.00	260.66
		ACUD	0.19	1.14	0.52	2.81
		AUD	1.84	10.19	0.19	1.09
		CAD	0.45	2.47	0.42	2.22
		EURO	3.73	30.68	4.38	30.50
		NZD	0.69	3.60	0.14	0.64
		GBP	1.32	13.18	3.53	28.98
		COP	544.22	1.66	450.07	1.35
iv.	Unbilled Revenue	USD	0.97	5.78	1.08	5.89
		CAD	0.34	1.96	0.62	3.31

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'2014.
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,
29th May,2014

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

Description	(₹ Crores)									
	Entities where control exists		Associates		Joint Venture		Key Management Personnel		Other Related Parties	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Purchase of goods and services										
Paschim Chemicals Pvt. Ltd.	-	-	-	9.83	-	-	-	-	12.89	-
Exon Laboratories Pvt. Ltd.	-	-	-	-	-	-	-	-	28.29	-
Makers Laboratories Ltd.	-	-	15.27	14.29	-	-	-	-	-	15.27
Ipca Pharmaceuticals, Inc. USA	6.65	4.24	-	-	-	-	-	-	-	6.65
Avik Pharmaceutical Ltd.	-	-	-	-	3.11	-	-	-	-	3.11
Others	0.62	0.38	-	-	-	-	-	-	5.25	1.64
Total	7.27	4.62	15.27	24.12	3.11	-	-	-	5.25	42.82
Sales of goods and services										
Ipca Pharma Nigeria Ltd.	16.32	14.69	-	-	-	-	-	-	-	16.32
Ipca Pharmaceuticals, Inc. USA	11.77	9.14	-	-	-	-	-	-	-	11.77
Paschim Chemicals Pvt. Ltd.	-	-	-	0.46	-	-	-	-	-	-
Makers Laboratories Ltd.	-	-	2.88	2.86	-	-	-	-	-	2.88
Trophic Wellness Pvt. Ltd.	-	-	2.18	0.57	-	-	-	-	-	2.18
Others	-	-	-	-	2.52	-	-	-	2.97	2.52
Total	28.09	23.83	5.06	3.89	2.52	-	-	-	2.97	35.67
Interest and rent income										
Avik Pharmaceutical Ltd.	-	-	-	-	0.76	-	-	-	-	0.76
Total	-	-	-	-	0.76	-	-	-	-	0.76
Purchase of fixed assets										
Paschim Chemicals Pvt. Ltd.	-	-	-	-	-	-	-	-	0.01	-
Makers Laboratories Ltd.	-	-	0.01	-	-	-	-	-	-	0.01
Total	-	-	0.01	-	-	-	-	-	0.01	0.01
Sale of fixed assets										
Paschim Chemicals Pvt. Ltd.	-	-	-	0.13	-	-	-	-	-	-
Exon Laboratories Pvt. Ltd.	-	-	-	-	-	-	-	-	0.16	-
Others	-	-	-	0.01	-	-	-	-	-	-
Total	-	-	-	0.14	-	-	-	-	0.16	-
Excise duty, Rent and other expenses										
Ipca Pharma (Australia) Pty Ltd. Australia	0.71	0.89	-	-	-	-	-	-	-	0.71
Vandhara Resorts Pvt.Ltd.	-	-	-	-	-	-	-	-	0.29	-
Ipca Pharma Nigeria Ltd.	1.87	1.88	-	-	-	-	-	-	-	1.87
Makers Laboratories Ltd.	-	-	0.41	0.81	-	-	-	-	-	0.41
Avik Pharmaceutical Ltd.	-	-	-	-	0.54	-	-	-	-	0.54
Others	0.31	0.01	0.10	(0.01)	-	-	-	-	0.14	0.16
Total	2.89	2.78	0.51	0.80	0.54	-	-	-	0.14	0.45
Net loans and advances given/(Recovered)										
Ipca Laboratories (U.K.) Ltd.	(0.55)	1.38	-	-	-	-	-	-	-	(0.55)
Avik Pharmaceutical Ltd.	-	-	-	-	2.62	-	-	-	-	2.62
Total	(0.55)	1.38	-	-	2.62	-	-	-	-	2.07
Investments sold										
Kaygee Investment Pvt. Ltd.	-	25.03	-	-	-	-	-	-	-	-
Total	-	25.03	-	-	-	-	-	-	-	25.03
Investments made										
Ipca Pharmaceuticals, Inc. USA	0.94	-	-	-	-	-	-	-	-	0.94
Ipca Pharmaceuticals Ltd. SA de CV,Mexico	0.12	0.30	-	-	-	-	-	-	-	0.12
Trophic Wellness Pvt. Ltd.	-	-	-	1.08	-	-	-	-	-	-
Total	1.06	0.30	-	1.08	-	-	-	-	-	1.06
Guarantee given against standby Letter of Credit issued by Company's banker										
Ipca Pharmaceuticals, Inc. USA	5.98	-	-	-	-	-	-	-	-	5.98
Total	5.98	-	-	-	-	-	-	-	-	5.98
Remuneration to Directors										
Mr. Premchand Godha	-	-	-	-	-	-	13.46	10.19	-	13.46
Mr. Ajit Kumar Jain	-	-	-	-	-	-	2.41	2.05	-	2.41
Others	-	-	-	-	-	-	3.02	2.61	-	3.02
Total	-	-	-	-	-	-	18.89	14.85	-	18.89
Donation										
Prabhat Foundation	-	-	-	-	-	-	-	-	0.50	-
Total	-	-	-	-	-	-	-	-	0.50	-
Purchase of Business										
Paschim Chemicals Pvt. Ltd.	-	-	-	-	-	-	-	-	17.75	-
Exon Laboratories Pvt. Ltd.	-	-	-	-	-	-	-	-	49.61	-
Total	-	-	-	-	-	-	-	-	67.36	-
Balance at year end										
Receivables										
Ipca Laboratories (U.K.) Ltd.	51.35	42.92	-	-	-	-	-	-	-	51.35
Ipca Pharma Nigeria Ltd.	3.90	4.87	-	-	-	-	-	-	-	3.90
Ipca Pharmaceuticals, Inc. USA	2.70	7.05	-	-	-	-	-	-	-	2.70
Avik Pharmaceutical Ltd.	-	-	-	-	15.88	-	-	-	-	15.88
Others	0.13	0.14	0.06	1.01	-	-	-	-	-	0.19
Total	58.08	54.98	0.06	1.01	15.88	-	-	-	-	74.02
Payables										
Mr. Premchand Godha	-	-	-	-	-	-	9.22	7.87	-	9.22
Mr. Ajit Kumar Jain	-	-	-	-	-	-	1.35	1.16	-	1.35
Makers Laboratories Ltd.	-	-	1.83	1.89	-	-	-	-	-	1.83
Others	0.03	0.05	-	-	-	-	1.77	1.56	0.56	0.80
Total	0.03	0.05	1.83	1.89	-	-	12.34	10.59	0.56	0.80

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED ACCOUNTS

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, Joint Ventures and Associates (Ipca Group), which comprise the consolidated Balance Sheet as at 31st March 2014, the 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, 2014;
- (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 ₹ 141.79 crores as at 31st March, 2014 and total revenue of ₹ 84.30 crores for the year then ended;
- (b) Joint Venture whose financial statement reflect total assets of ₹ 16.02 crores as at 31st March, 2014 and total revenue of ₹ 15.27 crores for the year then ended, the Company's share of such joint venture in the total asset being ₹ 7.85 crores and in the total revenue being ₹ 2.63 crores for the period 1st December, 2013 to 31st March, 2014.

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 ₹ 0.78 crores as at 31st March, 2014 and total income of ₹ 0.29 crores for the year then ended referred to in point (a) above, which are based on unaudited financial statements certified by the respective managements of the said subsidiaries.

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

Mumbai,
29th May, 2014

CONSOLIDATED ACCOUNTS

Consolidated Balance Sheet as at 31st March, 2014

Particulars	Note Ref.	As at 31/03/2014	As at 31/03/2013
		(₹ Crores)	(₹ Crores)
Equity & Liabilities			
1. Shareholders' Funds			
(a) Share Capital	1	25.24	25.24
(b) Reserves & Surplus	2	1,934.42	1,528.54
(c) Money Received Against Share Warrants		-	-
		1,959.66	1,553.78
2. Share Application Money Pending Allotment		-	-
3. Minority Interest		-	-
4. Non-Current Liabilities			
(a) Long-Term Borrowings	3	294.00	366.21
(b) Deferred Tax Liabilities (net)	4	147.11	130.39
(c) Other Long Term Liabilities	5	1.30	0.71
(d) Long Term Provisions	6	14.93	12.21
		457.34	509.52
5. Current Liabilities			
(a) Short-Term Borrowings	7	143.94	157.14
(b) Trade Payables	8	341.30	268.37
(c) Other Current Liabilities	9	252.41	166.00
(d) Short-Term Provisions	6	55.64	42.14
		793.29	633.65
Total		3,210.29	2,696.95
Assets			
1. Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		1,297.96	1,057.98
(ii) Intangible Assets		21.19	22.66
(iii) Capital Work-in-Progress		148.63	120.99
(iv) Intangible Assets Under Development		16.27	8.18
		1,484.05	1,209.81
(b) Goodwill on Consolidation	11	34.44	23.59
(c) Non-Current Investments	12	9.00	8.87
(d) Deferred Tax Assets (net)		-	-
(e) Long-Term Loans & Advances	13	71.32	47.88
(f) Other Non-Current Assets	14	9.15	9.63
		1,607.96	1,299.78
2. Current Assets			
(a) Current Investments	12	0.15	0.15
(b) Inventories	15	847.58	741.03
(c) Trade Receivables	16	449.52	417.81
(d) Cash and Bank Balances	17	76.28	58.24
(e) Short-term loans and advances	13	67.27	41.46
(f) Other current assets	14	161.53	138.48
		1,602.33	1,397.17
Total		3,210.29	2,696.95

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
29th May, 2014

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

Consolidated Statement of Profit and Loss for the year ended 31st March, 2014

Particulars	Note Ref.	2013-14	2012-13
		(₹ Crores)	(₹ Crores)
Revenue			
I. Revenue from Operations (Gross)	18	3,313.81	2,837.79
Less : Excise Duty		32.04	24.67
Revenue from Operations (Net)		3,281.77	2,813.12
II. Other Income	19	22.26	14.31
III. Total Revenue (I + II)		3,304.03	2,827.43
IV. Expenses			
Cost of Materials Consumed	20	1,102.81	1,047.80
Purchases of Stock-in-Trade	21	95.13	110.47
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(61.36)	(61.63)
Employee Benefit Expenses	23	497.99	391.79
Finance Cost	24	26.88	33.36
Depreciation & Amortisation	25	103.13	86.73
Other Expenses	26	836.64	701.50
Foreign Exchange (Gain)/Loss - Net		72.22	63.14
Total Expenses (IV)		2,673.44	2,373.16
V. Profit Before exceptional, extraordinary items and Tax (III-IV)		630.59	454.27
VI. Tax Expense			
Current Tax		135.67	92.70
Deferred Tax		16.72	37.24
		152.39	129.94
VII. Profit after Tax before Exceptional item (V-VI)		478.20	324.33
VIII. Exceptional Items		-	-
IX. Profit after Tax and Exceptional item (VII-VIII)		478.20	324.33
Share of profits/(loss) from Investments in Associates		0.34	(1.05)
Proportionate share of dividend received by associates from cross-holding		-	0.27
X. Net Profit after tax, minority interest and share of profit/(loss) of associates		478.54	323.55
XI. Earnings per Equity Share: (₹)	30		
Basic		37.92	25.65
Diluted		37.92	25.65
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
29th May, 2014

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

Consolidated Statement of Cash Flow for the year ended 31st March, 2014

		2013-14		2012-13	
		(₹ Crores)		(₹ Crores)	
A. Cash Flow From Operating Activities					
1)	Net profit before taxation and extraordinary item		630.59		454.27
	Adjustments for :				
	Depreciation and Amortisation	103.13		86.73	
	(Profit) / Loss on sale of assets	0.61		1.08	
	(Profit) / Loss on sale of Investment	-		(0.36)	
	(Profit) / Loss on sale of mutual fund Investments (short term)	(3.08)		(1.37)	
	Assets scrapped	0.77		0.53	
	Sundry Balances written off/(back) - net	(1.91)		0.46	
	Provision for Doubtful Debts/Advances	0.65		-	
	Provision for diminution in value of investment	0.21		0.65	
	Loss on liquidation of subsidiary	0.25		-	
	Employee Stock Option Compensation expenses	-		0.01	
	Unrealised Foreign exchange (gain) / loss	24.45		14.94	
	Interest income	(13.39)		(8.54)	
	Dividend income	(0.01)		(1.33)	
	Interest expense	26.88	138.56	33.36	126.16
2)	Operating profit before working capital changes		769.15		580.43
	(Increase) / Decrease in Receivables	(93.03)		(33.56)	
	(Increase) / Decrease in Inventories	(105.81)		(63.09)	
	Increase / (Decrease) in Current Liabilities & Provisions	93.25		(3.73)	
	Movement in Foreign Currency Translation Reserve	1.53	(104.06)	0.28	(100.10)
3)	Cash generated from operation		665.09		480.33
	Income tax paid (Net)		(130.50)		(91.56)
	Net cash from operating activities		534.59		388.77
B. Cash Flow From Investing Activities					
	Purchase of fixed assets including Capital WIP		(392.40)		(229.42)
	Acquisition of Business		-		(67.36)
	Purchase of Investment in Associate		-		(1.08)
	Investment in Joint Ventures		(6.51)		-
	Sale of Investment in Associate		-		25.03
	Sale of other investment		-		0.06
	Purchase / Redemption of mutual fund units				
	- Purchases	(1,903.12)		(1,805.99)	
	- Redemption	1,906.20	3.08	1,807.36	1.37
	Proceeds from sale of assets		1.13		1.51
	Interest received		13.38		8.69
	Dividend received		0.01		1.33
	Net cash from / (used in) investing activities		(381.31)		(259.87)
C. Cash Flow From Financing Activities					
	Proceeds from Issuance of Share Capital including Premium		-		0.31
	(Decrease) / Increase in short term borrowings		(11.19)		(44.32)
	Proceeds from long-term borrowings		66.90		110.39
	Repayment of long-term borrowings		(95.13)		(52.84)
	Proceeds from issue of debentures		-		20.00
	Repayment of debentures		-		(33.33)
	Interest paid		(30.59)		(36.36)
	Dividend & dividend tax paid		(66.12)		(46.78)
	Net cash used in financing activities		(136.13)		(82.93)
	Net increase in cash and cash equivalents (A + B + C)		17.15		45.97
	Cash and cash equivalents at beginning of year		56.69		10.72
	Addition on Acquisition of Joint Venture		0.41		-
	Cash and cash equivalents at end of year		74.25		56.69
Components of Cash & Cash equivalents :					
	Cash and Cheques on hand		2.85		2.74
	Balance with banks		71.40		53.95
			74.25		56.69

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
29th May, 2014

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, Associates and Joint Venture. The consolidated financial statements have been prepared in accordance with Accounting Standard - 21 "Consolidated Financial Statement", Accounting Standard - 23 "Accounting for Investment in associate in consolidated financial statements" and Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures" 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 , its subsidiary companies and its Joint Venture 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.

Investments in Joint Venture have been accounted as per Accounting Standard - 27 "Financial Reporting of Interests in Joint Ventures".

The financial statements of the Subsidiaries, Associate and Joint Venture 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 recognized in the financial statement as Goodwill on consolidation or Capital Reserve.

The list of subsidiary companies, associates and joint venture included in consolidation and Company's holding therein are as under: -

Name of the Companies	Relationship	Country of Incorporation	% of ultimate holding	
			2013-14	2012-13
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
Tonira Exports Ltd.	Subsidiary	India	100.00	100.00
Onyx Research Chemicals Ltd. (Subsidiary of Ipca Laboratories (U.K.) Ltd.)	Step down subsidiary	UK	100.00	100.00
Onyx Scientific Ltd. (Subsidiary of Onyx Research Chemicals 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
Avik Pharmaceutical Ltd. (w.e.f 18 th Nov'2013)	Joint Venture	India	49.02	-
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

[* Ipca Traditional Remedies Private Ltd. has been liquidated during the year.]

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 and Companies Act, 2013 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and General Circular 08/2014 dated April 4, 2014 with respect to the Financial Statements. 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 / Intangible Assets are recorded at cost of acquisition or construction. Cost of acquisition comprises its purchase price including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discount and rebates are deducted in arriving at the purchase price. 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. Capital Work In Progress represents expenditure incurred on capital asset that are under construction or are pending capitalisation and includes Project expenses pending allocation. Project expenses pending allocation are apportioned to the fixed assets of the project proportionately on capitalisation.
- 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.

e) Goodwill on Consolidation

Goodwill on Consolidation represents excess cost of investment over the company's share of equity that 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)
Leasehold Land	Period of Lease
Buildings	28 to 58
Plant and Machinery and R&D Equipments	9 to 20
Computers	6
Furniture and Fixtures	10
Vehicles	6
Leasehold Improvements	Period of Lease

- 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
Goodwill	4

- iii) 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 and 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

- 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.

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. The resultant gain or loss is accounted for in the Statement of Profit and Loss.
- iii) 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.
- 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 amount 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 realised. 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.

(C) Other Explanatory Notes

1. Share Capital

Particulars	As at 31-Mar-2014		As at 31-Mar-2013	
	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	12,74,80,204	25.50
Paid up	12,61,99,109	25.24	12,61,99,109	25.24
Total		25.24		25.24

Of the above :

- Aggregate Shares issued under Employees Stock Option Scheme (ESOS) : NIL Equity Shares of ₹ 2/- each (Previous year 21,57,500 Equity Shares of ₹ 2/- each).
- 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 during 2012-13 under the scheme of amalgamation of erstwhile Tonira Pharma Limited with the Company.

Disclosures:-

i) Reconciliation of Shares

Particulars	Equity Shares			
	As at 31-Mar-2014		As at 31-Mar-2013	
	Numbers	(₹ Crores)	Numbers	(₹ Crores)
Shares outstanding at the beginning of the year	12,61,99,109	25.24	12,58,27,655	25.17
Shares Issued during the year	-	-	371,454	0.07
Shares outstanding at the end of the year	12,61,99,109	25.24	12,61,99,109	25.24

ii) Details of Shareholding in excess of 5%

Name of Shareholder	As at 31-Mar-2014		As at 31-Mar-2013	
	Number of shares held	%	Number of shares held	%
Kaygee Investments Private Limited	2,70,18,195	21.41%	2,70,18,195	21.41%
HDFC Trustee Co. Ltd.	39,01,357	3.09%	89,30,656	7.08%
Exon Laboratories Private Limited	82,71,000	6.55%	81,01,000	6.42%
Chandurkar Investments Private Limited	69,78,005	5.53%	69,78,005	5.53%

iii) The details of Shares Reserved for issue under options as at 31st March, 2014 are as under:

Options	(In numbers)	
	31/03/2014	31/03/2013
At the beginning of the year	-	10,500
Granted	-	-
Exercised #	-	9,750
Forfeited / lapsed	-	750
At the end of the year	-	-
Number of Shares to be issued	-	-
Exercise price for outstanding options	NA	NA
Amount to be received on issue under option (₹ Crores)	NA	NA

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-2014		As at 31-Mar-2013	
	(₹ Crores)		(₹ Crores)	
Capital Reserve		0.59		0.59
Capital Redemption Reserve		0.26		0.26
Securities Premium Account				
Opening Balance	43.99		43.61	
Add : Credited during the year on share issue	-		0.38	
Closing Balance		43.99		43.99
Debenture Redemption Reserve *				
Opening Balance	17.50		42.00	
(+) Current Year Transfer	-		-	
(-) Transfer to General Reserve	-		24.50	
Closing Balance		17.50		17.50
Share Options Outstanding Account				
Opening Balance	-		0.08	
(+) Current Year Transfer	-		-	
(-) Written Back in Current Year	-		0.08	
Closing Balance		-		-
Other Reserves :				
General Reserve **				
Opening Balance	1,100.46		900.43	
(+) Current Year Transfer	150.00		175.50	
(+) Transfer from Debenture Redemption Reserve	-		24.50	
(+) Reversal on account of liquidation of subsidiary	0.02		-	
(+) Reversal on account of disposal of investment in associates	-		0.03	
Closing Balance		1,250.48		1,100.46
Hedging Reserve ***				
Opening Balance	3.69		(30.76)	
Net transfer during the Year	(0.39)		34.45	
Closing Balance		3.30		3.69
Foreign Currency Translation Reserve				
Opening Balance	1.69		1.41	
Net transfer during the Year	1.53		0.28	
Closing Balance		3.22		1.69
Balance at the year end		1,319.34		1,168.18

* 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-2014		As at 31-Mar-2013	
	(₹ Crores)		(₹ Crores)	
Balance as per last Balance Sheet	360.36		271.16	
Net Profit for the year	478.54	838.90	323.55	594.71
Less:				
Profit transfer to General Reserve	150.00		175.50	
Interim dividend	31.55		25.23	
Tax on interim dividend	5.36		4.09	
Proposed dividend	31.55		25.24	
Tax on proposed dividend	5.36	223.82	4.29	234.35
Balance as at year end		615.08		360.36
Total Reserves & Surplus (i + ii)		1,934.42		1,528.54

3. Long-term Borrowings

A) - Secured

	Non - Current Portion As at		Current Maturities as at	
	31-Mar-2014	31-Mar-2013	31-Mar-2014	31-Mar-2013
	(₹ Crores)		(₹ Crores)	
i. Debentures	15.00	70.00	55.00	-
ii. Foreign Currency Term Loan	277.12	296.21	109.62	93.68
Total	292.12	366.21	164.62	93.68

Details of above:-

Sr. No.	Name of the Instruments / Institutions	Non - Current Portion As at		Current Maturities As at		Details of Securities	Repayment terms
		31/03/2014	31/03/2013	31/03/2014	31/03/2013		
		(₹ Crores)		(₹ Crores)			
i.	Debentures						
1.	9.95% Secured Redeemable Non-Convertible Debentures	-	50.00	50.00	-	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.	Redeemable at the end of 3 rd year by exercising put/call option or, at the end of 5 th year, both from the date of issue i.e. 3 rd October, 2011.
2.	9.25% Secured Redeemable Non-Convertible Debentures	15.00	20.00	5.00	-	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.	Redeemable in 4 equal annual installments of ₹ 5.00 crores at the end of 2 nd year, 3 rd year,4 th year and 5 th year from the date of issue i.e. 12 th December 2012.
	Total (i)	15.00	70.00	55.00	-		
ii.	Foreign Currency Term Loans						
1.	a) BNP PARIBAS, Singapore Branch	-	13.57	14.98	27.16	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.	Repayable in 4 equal semi annual installments from 20 th March, 2013.
	b) BNP PARIBAS, Singapore Branch	59.92	54.31	-	-	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.	Bullet Repayment at the end of 5 th year on 7 th October, 2016.
2.	CITI BANK N.A. Bahrain Branch	-	5.82	6.42	7.76	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.	Repayable in 14 equal quarterly installments from 21 st July, 2011.

Sr. No.	Name of the Instruments / Institutions	Non - Current Portion As at		Current Maturities As at		Details of Securities	Repayment terms
		31/03/2014	31/03/2013	31/03/2014	31/03/2013		
		(₹ Crores)		(₹ Crores)			
3.	a) DBS BANK, Singapore Branch	-	12.49	13.78	11.95	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.	Repayable in 9 semi annual installments from 16 th March, 2011.
	b) DBS BANK, Singapore Branch	49.35	-	10.57	-	Secured by first pari passu charge by way of hypothecation of all the movable fixed assets both present and future.	Repayable in 17 equal quarterly installments from 16 th September, 2014.
4.	Barclays Bank PLC, London Branch	6.29	22.65	18.70	16.94	Secured by first pari passu charge on the plant & machinery of the Company except assets at Pithampur, Indore.	Repayable in 13 quarterly installments from 31 st May, 2012.
5.	a) HSBC Bank Mauritius Ltd.	50.94	78.75	35.95	29.87	Secured by first pari passu charge on the plant & machinery of the Company except assets at Pithampur, Indore.	Repayable in 7 half yearly installments from 31 st July, 2013.
	b) HSBC Bank Mauritius Ltd.	59.92	54.31	-	-	Secured by first pari-passu charge over current and future movable fixed assets of the Company except assets at Pithampur, Indore and at Baroda.	Repayable in 9 equal quarterly installments from 26 th September, 2016.
	c) HSBC Bank Mauritius Ltd.	50.70	54.31	9.22	-	Secured by first pari-passu charge over current and future movable fixed assets of the Company except assets at Pithampur, Indore and at Baroda.	Repayable in 13 equal quarterly installments from 19 th November, 2014.
	Total (ii)	277.12	296.21	109.62	93.68		
	Total (A) (i + ii)	292.12	366.21	164.62	93.68		

B) - Unsecured				
Others	1.88		-	
Total (B)	1.88		-	
Grand Total (A + B)	294.00	366.21	164.62	93.68

Disclosure:-

Maturity Profile of Borrowings other than Debentures	As at 31-Mar-2014	As at 31-Mar-2013
	(₹ Crores)	(₹ Crores)
Instalment payable between 1 to 2 years	76.66	89.77
Instalment payable between 2 to 5 years	202.34	194.37
Instalment payable beyond 5 years	-	12.07
Total	279.00	296.21

4. Deferred Tax Liabilities (Net)

	As at 31-Mar-2014 (₹ Crores)	As at 31-Mar-2013 (₹ Crores)
Deferred tax liabilities on account of		
Depreciation including on R & D Assets, Amortisation and impairment	153.83	136.29
Deferred tax asset on account of		
Leave Encashment	5.36	4.54
Bonus	0.68	0.68
Other tax disallowance	0.68	0.68
Total Deferred Tax Asset	6.72	5.90
Net deferred tax liability	147.11	130.39

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-2014 (₹ Crores)	As at 31-Mar-2013 (₹ Crores)
Deposits from dealers	0.38	0.40
Others	0.92	0.31
Total	1.30	0.71

6. Provisions

	Long Term		Short Term	
	As at 31-Mar-2014	As at 31-Mar-2013	As at 31-Mar-2014	As at 31-Mar-2013
	(₹ Crores)		(₹ Crores)	
Provision for employee benefits				
Gratuity	0.23	-	1.26	0.50
Provision for leave encashment	14.70	12.21	1.34	1.15
Provision for leave travel assistance (LTA)	-	-	3.62	3.25
Other employee related provision	-	-	1.83	2.34
Others				
Proposed final dividend ₹ 2/- per share (Previous year ₹ 1.20 per share)	-	-	31.55	25.24
Provision for tax on proposed final dividend	-	-	5.36	4.29
Provision for taxation* (net of prepaid taxes)	-	-	10.68	5.37
Total	14.93	12.21	55.64	42.14

* Provision for taxation includes provision for wealth tax of ₹ 0.25 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	2.34	1.16	1.67	1.83
(Previous Year)	(1.70)	(0.64)	-	(2.34)

- 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.

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
	(₹ Crores)		(₹ Crores)	
I. Change in Benefit Obligation				
Liability at the beginning of the year	25.39	20.09	13.36	9.48
Addition on amalgamation/Business Purchase	0.30	0.60	0.28	0.19
Interest Cost	2.05	1.58	1.11	0.76
Current Service Cost	3.37	2.63	2.97	2.22
Past Service Cost	-	-	-	-
Benefit Paid	(1.68)	(1.74)	(3.93)	(2.89)
Actuarial (gain)/loss on obligations	1.54	2.23	2.25	3.60
Curtailments and Settlements	-	-	-	-
Liability at the end of the year	30.97	25.39	16.04	13.36
II. Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	24.89	18.71	-	-
Addition on amalgamation/Business Purchase	-	0.49	-	-
Expected Return on Plan Assets	2.39	2.04	-	-
Contributions	3.88	5.39	-	-
Benefit Paid	(1.68)	(1.74)	-	-
Actuarial gain/(loss) on Plan Assets	-	-	-	-
Fair Value of Plan Assets at the end of the year	29.48	24.89	-	-
III. Actual Return on Plan Assets				
Expected Return on Plan Assets	2.39	2.04	-	-
Actuarial gain/(loss) on Plan Assets	-	-	-	-
Actual Return on Plan Assets	2.39	2.04	-	-
IV. Amount Recognised in the Balance Sheet				
Liability at the end of the year	30.97	25.39	16.04	13.36
Fair Value of Plan Assets at the end of the year	29.48	24.89	-	-
Difference	1.49	0.50	16.04	13.36
Unrecognised Past Service Cost	-	-	-	-
Amount Recognised in the Balance Sheet	1.49	0.50	16.04	13.36
Breakup of Above:				
Current	1.26	0.50	1.34	1.15
Non-Current	0.23	-	14.70	12.21
Total	1.49	0.50	16.04	13.36
V. Expenses Recognised in the Income Statement				
Current Service Cost	3.37	2.63	2.97	2.22
Interest Cost	2.05	1.58	1.11	0.76
Expected Return on Plan Assets	(2.39)	(2.04)	-	-
Net Actuarial (gain)/loss to be Recognised	1.54	2.23	2.25	3.60
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	4.57	4.40	6.33	6.58
VI. Balance Sheet Reconciliation				
Opening Net Liability	0.50	1.38	13.36	9.48
Addition on amalgamation/Business Purchase	0.30	0.11	0.28	0.19
Expense as above	4.57	4.40	6.33	6.58
Past Service cost	-	-	-	-
Employer's Contribution	(3.88)	(5.39)	(3.93)	(2.89)
Amount Recognised in Balance Sheet	1.49	0.50	16.04	13.36
VII. Category of assets as at the end of the year				
Insurer managed Funds	29.48	24.89	-	-
(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 :

- i) Employer's contribution includes payments made by the Company directly to its past employees.
- ii) 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.
- iii) The Company's Leave Encashment liability is entirely unfunded.
- iv) The Gratuity liability amounting to ₹ 0.35 Crores is Unfunded

7. Short-Term Borrowings

(i) Secured Loans:

	As at 31-Mar-2014	As at 31-Mar-2013
	(₹ Crores)	(₹ Crores)
a) Working Capital Loans from banks	137.96	80.55
b) Other Loans from banks	5.98	-
Sub Total (i)	143.94	80.55

Security:

- a) Working Capital Loans from banks :- Secured by first charge by way of hypothecation of all the stocks, 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) Other Loans from banks: - Secured by Collateral property being immovable property in USA, which is defined under the Loan agreement. Further, a Standby Letter of credit from Citibank N.A., India Branch has been submitted which has been guaranteed by parent company Ipca laboratories limited.

(ii) Unsecured Loans:

	As at 31-Mar-2014	As at 31-Mar-2013
	(₹ Crores)	(₹ Crores)
Short Term Loans from Banks	-	76.59
Total Short-Term Borrowings (i)+(ii)	143.94	157.14

8. Trade Payables

	As at 31-Mar-2014	As at 31-Mar-2013
	(₹ Crores)	(₹ Crores)
Trade Payables		
- Against acceptance of Import documents	71.66	63.79
- Others	269.64	204.58
Total	341.30	268.37

9. Other Current Liabilities

	As at 31-Mar-2014	As at 31-Mar-2013
	(₹ Crores)	(₹ Crores)
Current Maturities of Non-Current Liabilities (Refer Note 3)	164.62	93.68
Interest accrued but not due on borrowings	4.49	4.59
Advance received from customers	10.74	18.02
Unpaid dividends*	1.76	1.44
Duties & Taxes Payable	34.87	25.43
Amount payable on foreign currency hedging transactions	5.52	5.46
Payables for Capital Goods	29.93	17.15
Others	0.48	0.23
Total	252.41	166.00

* 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, 2012	Additions (12-13)	Disposals/ Adjustments (12-13)	As at 31 st March 2013	Additions (13-14)	Acquisition through business combination	Disposals/ Adjustments (13-14)	As at 31 st March 2014	Charge for the year (12-13)	Disposals/ Adjustments (12-13)	As at 31 st March 2013	Charge for the year (13-14)	Acquisition through business combination	Disposals/ Adjustments (13-14)	As at 31 st March 2014	As at 31 st March 2013	
A. Tangible Assets																		
1.	Freehold Land	27.42	1.58	-	29.00	13.72	-	3.40	46.12	0.03	-	-	0.03	-	-	0.03	46.09	28.97
2.	Leasehold Land	16.67	5.35	-	22.02	1.32	0.46	(3.38)	20.42	0.66	0.15	-	0.81	0.21	-	1.00	19.42	21.21
3.	Buildings	231.71	32.11	(0.12)	263.70	110.57	1.25	0.34	375.86	45.58	7.95	(0.02)	53.51	8.93	0.51	63.98	311.88	210.19
4.	Plant & Machinery	845.92	136.57	(6.27)	976.22	185.22	2.16	(1.45)	1,162.15	262.68	57.54	(3.43)	316.79	66.18	1.39	384.07	778.08	659.43
5.	Plant & Machinery (Given on Lease)	4.33	0.58	0.18	5.09	0.74	-	-	5.83	1.11	0.33	-	1.44	0.38	-	1.82	4.01	3.65
6.	Office & Other Equipments	9.07	1.61	(0.17)	10.51	2.63	0.02	(0.22)	12.94	3.95	0.89	(0.05)	4.79	1.04	-	5.71	7.23	5.72
7.	Effluent Treatment Plant	18.07	17.44	-	35.51	2.27	0.11	-	37.89	4.70	1.88	-	6.58	2.76	0.06	9.40	28.49	28.93
8.	Furniture & Fixtures	24.49	4.52	0.02	29.03	4.61	0.24	(0.12)	33.76	12.48	2.17	0.02	14.67	2.63	0.12	17.42	16.34	14.36
9.	Vehicles	16.23	6.74	(1.97)	21.00	5.01	0.11	(1.83)	24.29	6.07	2.48	(1.59)	6.96	3.16	0.06	8.94	15.35	14.04
10.	Leasehold Improvement	0.76	-	-	0.76	-	-	-	0.76	0.37	0.31	-	0.68	0.04	-	0.72	0.04	0.08
11.	R & D Building	14.95	2.57	-	17.52	0.05	-	0.62	18.19	2.32	0.56	-	2.88	0.61	-	3.50	14.69	14.64
12.	R & D Leasehold Improvement	0.74	-	-	0.74	-	-	-	0.74	0.36	0.30	-	0.66	0.04	-	0.70	0.04	0.08
13.	R & D Equipments	89.04	19.71	(0.42)	108.33	9.81	-	(1.04)	117.10	43.69	9.62	(0.46)	52.85	10.31	-	61.99	55.11	55.48
14.	R & D Furnitures	1.70	0.66	-	2.36	0.19	-	-	2.55	0.91	0.25	-	1.16	0.20	-	1.36	1.19	1.20
Total 'A'		1,301.10	229.44	(8.75)	1,521.79	336.14	4.35	(3.68)	1,858.60	384.91	84.43	(5.53)	463.81	96.49	2.14	560.64	1,297.96	1,057.98

B. Intangible Assets													
1. Goodwill	-	15.88	-	15.88	-	-	-	15.88	-	0.17	-	4.14	15.71
2. Software	6.89	4.65	(0.91)	10.63	4.94	-	(0.06)	15.51	3.58	1.92	-	7.12	6.01
3. Brands & Trade Mark	2.19	-	-	2.19	-	-	-	2.19	2.07	0.01	-	2.08	0.11
4. Know-How	3.84	0.15	-	3.99	0.18	-	-	4.17	3.65	0.01	-	3.70	0.33
5. Software - R & D	0.94	0.06	-	1.00	0.26	-	-	1.26	0.26	0.24	-	0.78	0.50
Total 'B'	13.86	20.74	(0.91)	33.69	5.38	-	(0.06)	39.01	9.56	2.35	-	17.82	22.66
Total (A + B)	1,314.96	250.18	(9.66)	1,555.48	341.52	4.35	(3.74)	1,897.61	394.47	86.78	2.14	578.46	1,080.64

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 ₹103.30 crores (Previous year ₹ 86.78 crores), depreciation of ₹ 0.17 crore (Previous year ₹ 0.05 crore) relating to project under execution for the period before start of production is transferred to project expenses pending allocation.
- Cost of Borrowing of ₹ 3.61 crores (Previous year ₹ 2.50 crores) is capitalised to the projects.
- Disposals/ Adjustments under gross block and accumulated depreciation includes ₹ 6.03 crores (Previous year ₹ 0.31 crore) and ₹ 5.18 crores (Previous year ₹ 0.10 Crore) respectively pertaining to foreign currency translation reserve.

11. Goodwill on consolidation arising out of acquisition

Name of the Company	As at 31-Mar-2014	As at 31-Mar-2013
	(₹ Crores)	(₹ Crores)
i) Onyx Research Chemicals Ltd.	23.51	23.51
ii) Tonira Exports Ltd. (on merger of Tonira Pharma Ltd.)	0.08	0.08
iii) Avik Pharmaceutical Ltd.	10.85	-
Total	34.44	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)	
			31/03/2014	31/03/2013				31/03/2014	31/03/2013	31/03/2014	31/03/2013
(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.	CCPL Software Pvt.Ltd. #	Associate	55,000	55,000	100	Unquoted	Fully Paid	28.95	28.95	-	-
2.	Trophic Wellness Pvt. Ltd. @ (100000 shares fully paid & 680000 partly paid - ₹. 7.50 (Previous year ₹ 7.50 per share)	Associate	7,80,000	7,80,000	10	Unquoted	@	19.26	19.26	8.19	7.85
3.	Mangalam Drugs & Organics Ltd.	Others	16,33,417	16,33,417	10	Quoted	Fully Paid	-	-	5.09	5.09
Total										13.28	12.94
# 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.	Narmada Clean Tech Ltd. (NCTL) (formerly known as Bharuch Eco Acqua Infrastructure Ltd.)	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)										13.32	12.98
Less : Provision for Diminution in value of Investment - Mangalam Drugs and Organics Ltd.										4.32	4.11
Non current investments (Net of provision)										9.00	8.87

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.	Trophic Wellness Private Ltd.	Total (₹ Crores)
% of Share held	28.95%	19.26%	-
Original cost of Investment	1.31	8.94	10.25
(Goodwill)/Capital Reserve	(0.79)	(0.52)	-
Accumulated Profit/ (Loss) up to 31/03/13 (Including proportionate Dividend received by associates from cross holdings)	(0.51)*	(1.09)	(1.09)
Share of Profit / (Loss) for the year Plus Proportionate Dividend received by Associates	*	0.34	0.34
Dividend received from associates	-	-	-
Less: - Disposal of Investment	-	-	-
Carrying value of Investment on 31/03/14	NIL**	8.19	8.19

* 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 31/03/2014	As at 31/03/2013	As at 31/03/2014	As at 31/03/2013
	(₹ Crores)		(₹ Crores)	
a. Loans and advances to related parties				
Unsecured, considered good (Refer disclosure given hereunder)	6.40	-	-	-
b. Capital Advances				
Unsecured, considered good	49.46	31.14	-	-
c. Others (Unsecured, considered good)				
Advance to suppliers	-	-	10.53	21.96
Loans given to :				
- Employees	1.28	1.13	2.65	2.35
- Others	0.54	4.15	6.55	0.51
Hedging gain receivable	-	-	5.07	-
Prepaid taxes (net of provisions)	3.57	3.01	-	-
Deposits with Govt. departments and others	9.10	8.06	2.40	1.85
Tender Deposits				
- Considered good	-	-	0.91	0.57
- Considered doubtful	-	-	0.02	-
	-	-	0.93	0.57
Less : Provision for doubtful deposits	-	-	0.02	-
	-	-	0.91	0.57
Prepaid expenses	0.97	0.39	9.67	8.39
Advances to Employees				
- Considered good	-	-	4.62	3.55
- Considered doubtful	-	-	1.13	1.13
	-	-	5.75	4.68
Less : Provision for doubtful Advances	-	-	1.13	1.13
	-	-	4.62	3.55
Other Advances	-	-	24.87	2.28
Total	71.32	47.88	67.27	41.46

Disclosures:

Details of Loans and advances to Related Parties.

(₹ Crores)

Sr. No.	Name of the company and Relationship	Balance as at 31/03/2014	Balance as at 31/03/2013
i)	Avik Pharmaceutical Limited - Joint Venture	6.40	-
	Total	6.40	-

14. Other Assets

	Non Current		Current	
	As at 31/03/2014	As at 31/03/2013	As at 31/03/2014	As at 31/03/2013
	(₹ Crores)		(₹ Crores)	
Term Deposits with banks #	2.22	4.11	-	-
Export benefits receivables	-	-	49.24	38.72
Foreign exchange gain receivable	-	-	-	8.60
Duties & Taxes Refundable	6.53	5.19	90.29	62.28
Gratuity and other claim receivables	-	-	6.32	16.32
Unbilled Revenue	-	-	7.74	9.20
Others	0.40	0.33	7.94	3.36
Total	9.15	9.63	161.53	138.48

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

15. Inventories

	As at 31-Mar-2014		As at 31-Mar-2013	
	(₹ Crores)		(₹ Crores)	
i) Raw Materials and components				
In hand	311.56		274.17	
In transit	22.33	333.89	27.35	301.52
ii) Packing Materials and components				
In hand	34.44		34.05	
In transit	0.66	35.10	0.07	34.12
iii) Work-in-progress		165.68		123.53
iv) Finished goods				
In hand				
Own	268.37		240.91	
Traded	19.33		20.40	
In transit				
Own	10.33		8.72	
Traded	3.17	301.20	3.78	273.81
v) Stores and spares		11.71		8.05
Total		847.58		741.03

Disclosures:

Valuation methodology

Raw Materials, Packing Materials and components	At lower of cost or estimated net realisable value
Work In Progress	At lower of cost or estimated net realisable value
Finished Goods	At lower of cost or estimated net realisable value
Stores and spares	At lower of cost or estimated net realisable value

16. Trade receivables

	As at 31-Mar-2014		As at 31-Mar-2013	
	(₹ Crores)		(₹ Crores)	
Outstanding for more than six months				
Unsecured, considered good	12.90		11.08	
Unsecured, considered doubtful	0.65		-	
Less: Provision for doubtful debts	0.65	12.90	-	11.08
Others				
Unsecured, considered good		436.62		406.73
Total		449.52		417.81

17. Cash and Bank Balances

	As at	As at
	31-Mar-2014	31-Mar-2013
	(₹ Crores)	(₹ Crores)
Cash & Cash Equivalents		
Cash on hand	0.80	0.49
Balances with banks	11.38	13.95
Cheques, drafts on hand	2.05	2.25
Fixed deposit with bank	60.02	40.00
	74.25	56.69
Other Bank Balances		
Unpaid dividend accounts	1.76	1.44
Fixed deposit with bank*	0.20	-
Bank margin	0.07	0.11
	2.03	1.55
Total	76.28	58.24

* Term deposits amounting to ₹ 0.20 crore (Previous year ₹ Nil) as deposit for electricity connection.

18. Revenue from Operations (Gross)

	2013-14		2012-13	
	(₹ Crores)		(₹ Crores)	
Sale of Products (Gross)		3,231.47		2,778.32
Sale of services		29.34		20.12
Other operating revenues				
Focus Market and other Export Incentive Schemes	18.19		21.83	
Dossier Income	18.22		7.45	
Miscellaneous Income (Operational)	16.59	53.00	10.07	39.35
Total		3,313.81		2,837.79

19. Other Income

	2013-14	2012-13
	(₹ Crores)	(₹ Crores)
Interest Income	13.39	8.54
Dividend Income - from Current Investments	0.01	1.33
Sundry Balances w/back	1.91	-
Profit on sale of Investments - Non Current	-	0.36
Profit on sale of Investments - Current	3.08	1.37
Profit on sale of Assets	0.27	0.38
Miscellaneous Income	3.60	2.33
Total	22.26	14.31

20. Cost of Materials Consumed

	2013-14		2012-13	
	(₹ Crores)		(₹ Crores)	
Raw Materials Consumed				
Opening Stock	301.52		310.92	
Addition on acquisition	0.06		-	
Add : Purchases (Net of Discount)	946.91		874.20	
Add : Raw Material Conversion Charges	14.69		22.66	
	1,263.18		1,207.78	
Less : Closing Stock	333.89	929.29	301.52	906.26
Packing Materials Consumed				
Opening Stock	34.12		25.11	
Add : Purchases (Net of Discount)	204.21		176.12	
	238.33		201.23	
Less : Closing Stock	35.10	203.23	34.12	167.11
Neutralisation of duties and taxes on inputs on exports - DEPB/Drawback benefits		(29.71)		(25.57)
Total		1,102.81		1,047.80

21. Purchases of Stock-in-Trade

	2013-14	2012-13
	(₹ Crores)	(₹ Crores)
Formulations	88.73	90.46
Active Pharmaceutical Ingredients / Intermediates	2.20	11.15
Others	4.20	8.86
Total	95.13	110.47

22. Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade

	2013-14		2012-13	
	(₹ Crores)		(₹ Crores)	
Inventory Adjustments - WIP				
Stock at Commencement	123.53		111.34	
Addition on acquisition	0.27		-	
Less: - Stock at closing	165.68	(41.88)	123.53	(12.19)
Inventory Adjustments - Finished Goods				
Stock at Commencement	249.63		194.36	
Addition on acquisition	0.41		-	
Less : Stock at Closing	278.70	(28.66)	249.63	(55.27)
Inventory Adjustments - Traded Goods				
Stock at Commencement	24.18		22.42	
Less : Stock at Closing	22.50	1.68	24.18	(1.76)
Variation in Excise duty on :				
Closing stock of finished goods	33.76		26.26	
Less: Opening stock of finished goods	26.26	7.50	18.67	7.59
Total		(61.36)		(61.63)

23. Employee Benefits Expenses

	2013-14	2012-13
	(₹ Crores)	(₹ Crores)
Salaries , Bonus , Perquisites , etc.	447.18	349.00
Contribution to Employees welfare funds	23.45	19.00
Leave Encashment	6.33	6.58
Leave Travel Assistance	2.73	2.51
Gratuity	4.57	4.40
Expense on Employee Stock Option Scheme	-	0.01
Staff Welfare expenses	10.26	7.63
Recruitment & Training	3.47	2.66
Total	497.99	391.79

24. Finance Cost

	2013-14	2012-13
	(₹ Crores)	(₹ Crores)
Interest Expense	21.11	27.18
Other borrowing cost	5.27	5.86
Interest on Income tax	0.50	0.32
Total	26.88	33.36

25. Depreciation & Amortisation

	2013-14	2012-13
	(₹ Crores)	(₹ Crores)
Depreciation on Tangible Assets	96.32	84.38
Amortisation on Intangible Assets	6.81	2.35
Total	103.13	86.73

26. Other Expenses

	2013-14	2012-13
	(₹ Crores)	(₹ Crores)
Consumption of stores & spares	31.49	25.73
Power, Fuel & Water Charges	127.91	104.79
Freight, forwarding and transportation	95.08	80.56
Outside Manufacturing Charges	16.87	23.63
Repairs & Maintenance	78.88	61.33
Loss on sale of assets	0.88	1.46
Fixed Assets Scrapped	0.77	0.53
Commission on Sales and Brokerage	33.83	27.03
Field Staff expenses	72.94	71.85
Sales & marketing expenses	102.27	105.35
Product information catalogue	16.91	12.04
Expenditure on scientific research	62.47	35.54
Laboratory expenses and Analytical Charges	22.75	18.39
Rent	13.68	12.82
Rates & Taxes	16.48	10.93
Travelling expenses	30.34	24.40
Professional charges	16.21	14.78
Printing and stationery	7.52	6.93
Books, Subscription & Software	8.30	2.03
Product registration expenses	18.82	15.15
Excise duty	5.27	7.18
Communication Expenses	7.88	6.42
Insurance	14.53	13.37
Intellectual property right expenses	2.22	0.72
Remuneration to Auditors	0.53	0.45
Bank Charges	3.35	3.12
Amalgamation Expenses	-	0.01
Provision for doubtful debts/advances	0.65	-
Sundry Balances w/off	-	0.46
Provision for diminution in value of investment	0.21	0.65
Loss on liquidation of subsidiary	0.25	-
Other Expenses	27.35	13.85
Total	836.64	701.50

Note: Remuneration to auditors of the Subsidiaries and Joint Venture including the step down subsidiaries are grouped with the professional charges.

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

- i) In accordance with AS-17 “Segment Reporting”, the Company has only one reportable primary business segment i.e. Pharmaceuticals.
- ii) Information about secondary geographical segments:

(₹ Crores)			
Particulars	India	Outside India	Total
Segment Revenue - Current year	1,186.28	2,095.49	3,281.77
- Previous year	1,062.34	1,750.78	2,813.12

Notes:

- a. The Segment Revenue in the geographical segments considered for disclosure are on the basis of customer location.
- b. In the case of Segment asset and segment capital expenditure the amount attributable to geographical segment “Outside India” is less than 10% of the respective Total assets and Total capital expenditure of the reporting enterprise and hence not disclosed separately.

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. Associates	
Paschim Chemicals Pvt.Ltd. (Upto 18 th Sept,2012)	
Makers Laboratories Ltd.	
Trophic Wellness Pvt.Ltd.	
C. Joint Venture	
Avik Pharmaceutical Ltd.(From 18 th November,2013)	
D. 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
E. Other Related Parties (Entities in which Directors or their relatives have significant influence)	
Nipra Industries Pvt.Ltd.	
Nipra Packaging Pvt. Ltd.	
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)	
Mexin Medicaments Pvt.Ltd.	

Details of related party transactions 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 under 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 two lease commitments for its office and guesthouse which expires on 31st March 2017 and 31st May 2015 respectively. The Total lease commitment are ₹ 0.91 Crore (USD 1,52,332) [Previous year ₹ 0.61 Crore (USD 1,11,994)]
- The Company has two rent commitments for its offices of Shanghai & Nanjing. The Total Rent commitment are ₹ NIL [Previous year ₹ 0.01 Crore (CNY 6,800)]
- The following operating lease payments are committed to be paid as under for Onyx Scientific Limited :

Expiring:	31/03/2014	31/03/2013
Within one year	97.11	3.90
Between one and five years	-	79.36
	97.11	83.26

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	2013-14		2012-13	
	(₹ Crores)		(₹ Crores)	
(i) Profit after tax		478.54		323.55
(ii) Closing Equity Shares Outstanding (Nos.) :				
Opening Equity shares outstanding (Nos.)	12,61,99,109		12,61,50,359	
Add:- issued during the year (Nos.)	-		48,750	
Closing Equity Shares Outstanding (Nos.)		12,61,99,109		12,61,99,109
(iii) Weighted Avg no. of shares outstanding (Nos.) (Basic)		12,61,99,109		12,61,58,506
(iv) Weighted Avg no. of shares outstanding (Nos.) (Diluted)		12,61,99,109		12,61,58,506
(v) Nominal value of equity share (₹)		2.00		2.00
(vi) Basic EPS (i/iii) (₹)		37.92		25.65
(vii) Diluted EPS (i/iv) (₹)		37.92		25.65

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 31st March, 2014 as reported would change to amounts indicated below:

Particulars	2013-14	2012-13
	(₹ Crores)	(₹ Crores)
Net Profit as reported	478.54	323.55
Add: Stock based compensation expense included in the reported income	-	0.01
Less: Stock based compensation expenses determined using fair value of options	-	0.01

Particulars	2013-14	2012-13
	(₹ Crores)	(₹ Crores)
Net profit (adjusted)	478.54	323.55
Weighted average number of shares considered for basic earnings per share	12,61,99,109	12,61,58,506
Weighted average number of shares considered for diluted earnings per share	12,61,99,109	12,61,58,506
Basic earnings per share as reported (₹)	37.92	25.65
Basic earnings per share (adjusted) (₹)	37.92	25.65
Diluted earnings per share as reported (₹)	37.92	25.65
Diluted earnings per share (adjusted) (₹)	37.92	25.65

31. Disclosure as required by Accounting Standard - AS 27 "Financial Reporting of Interest in Joint Ventures" of the Companies (Accounting Standards) Rules 2006.

During the year the Company has acquired 49.02% of Shares in Avik Pharmaceutical Ltd. It is a Jointly Controlled entity in which the Company has a control of 49.02%. In the standalone Balance Sheet of the Company, Joint Venture interest is reported under Long term Investment at Cost. Proportionate share of the Company as on 31st March, 2014 in the assets, liabilities, income, expenditure, contingent liabilities and capital commitments of the Joint Venture company is as follows:

(₹ Crores)

Particulars	2013-14	2012-13
	Gross Amount	Gross Amount
Consolidated Balance Sheet		
Current Assets	4.81	-
Non Current Assets	3.05	-
Total Assets	7.86	-
Current Liabilities	4.87	-
Non Current Liabilities	8.46	-
Total Liabilities	13.33	-
Consolidated Statement of Profit and Loss		
Income		
Revenue from operations	2.60	-
Other income	0.03	-
	2.63	-
Expenditure		
Cost of Materials Consumed	1.47	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	0.07	-
Employee benefit expenses	0.94	-
Finance cost	0.27	-
Depreciation	0.01	-
Other expenses	1.01	-
	3.77	-
Profit before tax & extraordinary items	(1.14)	-
Extraordinary items	-	-
Income tax expense	-	-
Profit after tax	(1.14)	-

32. 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.

33. Contingent liabilities not provided for in respect of :

Particulars	As at 31/03/2014	As at 31/03/2013
	(₹ Crores)	(₹ Crores)
A. Contingent Liabilities		
a) Bills discounted with banks Since Realised	256.40 (103.77)	237.09 (150.79)
b) Other moneys for which the Company is contingently liable for tax, excise, customs and other matters not accepted by the Company Amount deposited under protest	16.44* (4.08)	11.82* (0.05)
c) Claims against the Company not acknowledged as debts	2.95	2.98
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 *	82.71	62.44
B. Estimated amount of contracts remaining to be executed on capital account and not provided for:	252.93	165.77
- Tangible Assets	155.45	45.39
- Intangible Assets	28.16	6.29
C. Uncalled liability on partly paid shares	183.61	51.68
D. Other Commitments	3.40	3.40
	-	-

*Note:- It includes ₹ 4.38 crores (Previous year ₹ 4.38 crores) 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 crores (Previous year ₹ 2.00 crores) 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 at year end has the following derivatives instruments / forward cover outstanding.

Sr. No.	Type of Transaction	Purpose	Amount Outstanding (In Million)	
			31/03/2014	31/03/2013
i.	USD Interest Rate Swap	To hedge the USD LIBOR risk by moving from Floating LIBOR rate to Fixed LIBOR Rate.	USD 44.54 (outstanding)	USD 61.79 (outstanding)
ii.	Forward Cover beyond six months	To hedge export receivables	GBP 6.00 USD 19.50	GBP 12.00 USD 30.50

- 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 liability.

Sr. No.	Particulars	Currency	31/03/2014		31/03/2013	
			Amount in Foreign Currency (In Million)	Amount (₹ Crores)	Amount in Foreign Currency (In Million)	Amount (₹ Crores)
i.	ECB Term loan and interest	USD	64.79	388.20	72.08	391.46
ii.	Packing Credit and interest	USD	12.13	72.70	14.10	76.60
iii.	Trade and Other Payables (Net of advance given)	USD	15.20	91.07	16.12	87.55
		EURO	0.04	0.33	0.54	3.77
		GBP	0.01	0.06	-	-

d) Unhedged receivables in foreign currency.

Sr. No.	Particulars	Currency	31.03.2014		31.03.2013	
			Amount in Foreign Currency (In Million)	Amount (₹ Crores)	Amount in Foreign Currency (In Million)	Amount (₹ Crores)
i.	Trade Receivables (Net of advance received)	USD	45.40	272.10	47.10	255.70
		ACUD	0.19	1.14	0.52	2.81
		AUD	1.84	10.19	0.19	1.09
		CAD	0.45	2.47	0.42	2.22
		EURO	3.73	30.68	4.38	30.50
		NZD	0.69	3.60	0.14	0.64
		GBP	1.32	13.18	3.53	28.98
		COP	544.22	1.66	450.07	1.35
ii.	Unbilled Revenue	USD	0.97	5.78	1.08	5.89
		CAD	0.34	1.96	0.62	3.31

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

- 35.** The figures of the subsidiaries including the step down subsidiaries are appropriately grouped along with the figures of the parent Ipca Laboratories Ltd.
- 36.** The company's provision for diminution in value of investments in shares of National Druggist (Proprietary) Ltd. and Ipca Pharmaceuticals (Shanghai) Ltd. for ₹ 0.39 crore (Previous year ₹ 0.25 crore) and ₹ NIL (Previous year ₹ 1.00 crore) respectively is reversed in these consolidated accounts since the full loss of the said subsidiaries is accounted in this accounts.
- 37.** 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.
- 38.** 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'2014.
- 39.** 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,
29th May, 2014

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		Associates		Joint Venture		Key Management Personnel		Other Related Parties		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Purchase of goods and services												
Paschim Chemicals Pvt. Ltd.	-	-	-	9.83	-	-	-	-	-	12.89	-	22.72
Exon Laboratories Pvt. Ltd.	-	-	-	-	-	-	-	-	-	28.29	-	28.29
Makers Laboratories Ltd.	-	-	15.27	14.29	-	-	-	-	-	-	15.27	14.29
Avik Pharmaceutical Ltd.	-	-	-	-	1.59	-	-	-	-	-	1.59	-
Nipra Packaging Pvt.Ltd.	-	-	-	-	-	-	-	-	2.94	0.08	2.94	0.08
Others	-	-	-	-	-	-	-	-	2.31	1.56	2.31	1.56
Total	-	-	15.27	24.12	1.59	-	-	-	5.25	42.82	22.11	66.94
Sales of goods and services												
Paschim Chemicals Pvt. Ltd.	-	-	-	0.46	-	-	-	-	-	-	-	0.46
Makers Laboratories Ltd.	-	-	2.88	2.86	-	-	-	-	-	-	2.88	2.86
Trophic Wellness Pvt. Ltd.	-	-	2.18	0.57	-	-	-	-	-	-	2.18	0.57
Avik Pharmaceutical Ltd.	-	-	-	-	1.28	-	-	-	-	-	1.28	-
Others	-	-	-	-	-	-	-	-	-	2.97	-	2.97
Total	-	-	5.06	3.89	1.28	-	-	-	-	2.97	6.34	6.86
Interest and Rent income												
Avik Pharmaceutical Ltd.	-	-	-	-	0.38	-	-	-	-	-	0.38	-
Total	-	-	-	-	0.38	-	-	-	-	-	0.38	-
Purchase of fixed assets												
Paschim Chemicals Pvt. Ltd.	-	-	-	-	-	-	-	-	-	0.01	-	0.01
Makers Laboratories Ltd.	-	-	0.01	-	-	-	-	-	-	-	0.01	-
Total	-	-	0.01	-	-	-	-	-	-	0.01	0.01	0.01
Sale of fixed assets												
Paschim Chemicals Pvt. Ltd.	-	-	-	0.13	-	-	-	-	-	-	-	0.13
Exon Laboratories Pvt. Ltd.	-	-	-	-	-	-	-	-	-	0.16	-	0.16
Others	-	-	-	0.01	-	-	-	-	-	-	-	0.01
Total	-	-	-	0.14	-	-	-	-	-	0.16	-	0.30
Excise duty, Rent and other expenses												
Vandhara Resorts Pvt.Ltd.	-	-	-	-	-	-	-	-	-	0.29	-	0.29
Makers Laboratories Ltd.	-	-	0.41	0.81	-	-	-	-	-	-	0.41	0.81
Paschim Chemicals Pvt. Ltd.	-	-	-	-	-	-	-	-	0.11	-	0.11	-
Avik Pharmaceutical Ltd.	-	-	-	-	0.28	-	-	-	-	-	0.28	-
Others	-	-	0.10	(0.01)	-	-	-	-	0.03	0.16	0.13	0.15
Total	-	-	0.51	0.80	0.28	-	-	-	0.14	0.45	0.93	1.25
Net loans and advances given/ (Recovered)												
Avik Pharmaceutical Ltd.	-	-	-	-	1.34	-	-	-	-	-	1.34	-
Total	-	-	-	-	1.34	-	-	-	-	-	1.34	-
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	-	-	-	-	-	-	13.46	10.19	-	-	13.46	10.19
Mr. Ajit Kumar Jain	-	-	-	-	-	-	2.41	2.05	-	-	2.41	2.05
Others	-	-	-	-	-	-	3.02	2.61	-	-	3.02	2.61
Total	-	-	-	-	-	-	18.89	14.85	-	-	18.89	14.85
Donation												
Prabhat Foundation	-	-	-	-	-	-	-	-	-	0.50	-	0.50
Total	-	-	-	-	-	-	-	-	-	0.50	-	0.50
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												
Avik Pharmaceutical Ltd.	-	-	-	-	8.10	-	-	-	-	-	8.10	-
Trophic Wellness Pvt. Ltd.	-	-	0.06	1.01	-	-	-	-	-	-	0.06	1.01
Total	-	-	0.06	1.01	8.10	-	-	-	-	-	8.16	1.01
Payables												
Mr. Premchand Godha	-	-	-	-	-	-	9.22	7.87	-	-	9.22	7.87
Mr. Ajit Kumar Jain	-	-	-	-	-	-	1.35	1.16	-	-	1.35	1.16
Makers Laboratories Ltd.	-	-	1.83	1.89	-	-	-	-	-	-	1.83	1.89
Others	-	-	-	-	-	-	1.77	1.56	0.56	0.80	2.33	2.36
Total	-	-	1.83	1.89	-	-	12.34	10.59	0.56	0.80	14.73	13.28

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Particulars	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***	Tonira Exports Limited
Financial year/period of the subsidiary companies ended on	31 st March, 2014	31 st March, 2014	31 st March, 2014	31 st March, 2014	31 st March, 2014	31 st March, 2014	31 st March, 2014	31 st March, 2014	31 st March, 2014	31 st March, 2014	31 st March, 2014
No. of Equity shares held by Ipca Laboratories Limited in the subsidiary as at 31 st March, 2014	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 Shares of 0.1p each and 7,00,000 Pref. Shares of STG 1 each	3,68,122 Shares of STG 1 each	1,00,000 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%	100%
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, 2014 of the subsidiaries	N 2,72,10,053 ₹ 122.24 Lacs	(R 6,121) (₹ 0.37 Lacs)	US\$ 2,47,439 ₹ 149.15 Lacs	(MXN 2,67,151) (₹ 12.49 Lacs)	(RMB 91,123) (₹ 8.93 Lacs)	(AUS \$ 3,334) (₹ 1.87 Lacs)	(AUS \$ 37) (₹ 0.02 Lacs)	(STG £ 116,646) (₹ 111.86 Lacs)	STG £ 36,977 ₹ 35.16 Lacs	STG £ 49,588 ₹ 90.59 Lacs	₹ 0.01 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, 2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:-

- Figures in Indian Rupees, wherever it appears in respect of overseas subsidiaries, have been given only as additional information.
- The name of Ipca Traditional Remedies Private Limited in which Ipca Laboratories Ltd. was holding 99.2% of the paid up equity share capital has been struck off the register as per sub section (5) of Section 560 of the Companies Act, 1956 on 29th March, 2014 and the said Company is accordingly dissolved during the year.

*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, UK 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., UK.

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

29th May, 2014

Details of Subsidiaries

Particulars	Ipca Pharma Nigeria Limited, Nigeria	National Druggist (Pty) Limited, South Africa	Ipca Pharmaceuticals Inc., USA	Ipca Pharmaceuticals Limited SA de CV, 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	Tonira Exports Limited
Capital	188.94	45.72	854.62	108.89	118.90	12.98	0.04	718.46	474.94	249.63	10.00
Reserves	549.43	(38.81)	(527.84)	(98.27)	(108.84)	54.99	0.07	(423.25)	2198.87	1585.89	(7.61)
Total Assets	1,100.35	8.93	1220.06	20.24	14.49	76.14	1.57	5,423.71	3,939.12	2358.28	15.88
Total Liabilities	1,100.35	8.93	1220.06	20.24	14.49	76.14	1.57	5,423.71	3,939.12	2358.28	15.88
Investments	-	-	-	-	-	0.05	-	4,865.30	3,891.57	-	-
Total Income / Turnover	3,403.00	0.02	1893.06	0.42	77.09	29.46	-	59.89	45.48	2,920.88	0.96
Profit / (Loss) Before Taxation	181.70	(0.37)	149.15	(12.49)	(8.93)	(2.93)	(0.02)	(111.05)	43.18	90.59	0.01
Provision for Taxation	59.46	-	-	-	-	(1.06)	-	0.81	8.02	-	-
Profit / (Loss) After Taxation	122.24	(0.37)	149.15	(12.49)	(8.93)	(1.87)	(0.02)	(111.86)	35.16	90.59	0.01
Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	57.06	NIL	NIL

Notes:-

- 1) Exchange rate considered as on 31st March 2014: 1 USD = ₹ 59.7580, 1 STG £ = ₹ 99.4182, 1 N (Nigerian Naira) = ₹ 0.3578, 1R (South African Rand) = ₹ 5.6464, 1 AUS \$ = ₹ 55.2564, 1RMB (Chinese Yuan) = ₹ 9.6941, 1MXN (Mexican Peso) = ₹ 4.5689.
- 2) The Company owns 100% interest in all the above subsidiaries.
- 3) Ipca Pharma (NZ) Pty Ltd, New Zealand is a wholly owned subsidiary of Ipca Pharma (Australia) Pty Ltd., Australia.
- 4) 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., UK.
- 5) The name of Ipca Traditional Remedies Private Limited in which Ipca Laboratories Ltd. was holding 99.2% of the paid up equity share capital has been struck off the register as per sub section (5) of Section 560 of the Companies Act. 1956 on 29th March, 2014 and the said Company is accordingly dissolved during the year.

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

Mumbai

29th May, 2014

Harish P. Kamath

Company Secretary

FORM NO. MGT -11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L24239MH1949PLC007837

Name of the Company: Ipca Laboratories Ltd.

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

Email: ipca@ipca.com Website: www.ipca.com Phone:022-6647 4747, Fax: 022-

64TH ANNUAL GENERAL MEETING ON 31ST JULY, 2014

Name of the member (s):

Registered address:

E-mail Id:

Folio No / Client Id:

DP Id:

I/We being a member(s) of shares of the above named company hereby appoint:

Name	Address
Email Id	Signature or failing him;

Name	Address
Email Id	Signature or failing him;

Name	Address
Email Id	Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 64th Annual General Meeting of the Company to be held at Shri Bhaidas Maganlal Sabhagriha, Swami Bhaktivedanta Marg, J.V.P.D. Scheme, Vile Parle (W), Mumbai 400 056 on Thursday, 31st July, 2014 at 3.30 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:
Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the year ended 31st March, 2014
Declare / Confirm payment of dividend on equity shares
Re-appointment of Mr. Ajit Kumar Jain as Director
Re-appointment of Mr. Pranay Godha as Director
Appointment of Auditors and fixing their remuneration
Special Business:
Re-appointment of Mr. Ajit Kumar Jain as Joint Managing Director for a further period of 5 years and remuneration payable to him
Appointment of Mr. Babulal Jain as Independent Director
Appointment of Mr. Anand Kusre as Independent Director
Appointment of Mr. Dev Parkash Yadava as Independent Director
Appointment of Dr. Ramakanta Panda as Independent Director
Increase in the Borrowing limit of the Company to Rs. 2000 crores and creation of mortgage / charge on undertaking(s) of the Company to secure borrowings
Further issue of shares under Employees Stock Option Scheme of the Company
Remuneration payable to Cost Auditors

Signed this day of, 2014

Signature of shareholder

Signature of Proxy holder(s)



Note:

- This form of proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 64th Annual General Meeting.

ATTENDANCE SLIP

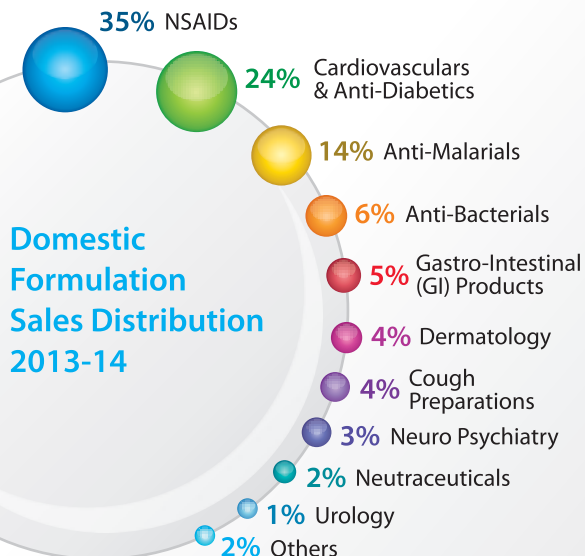
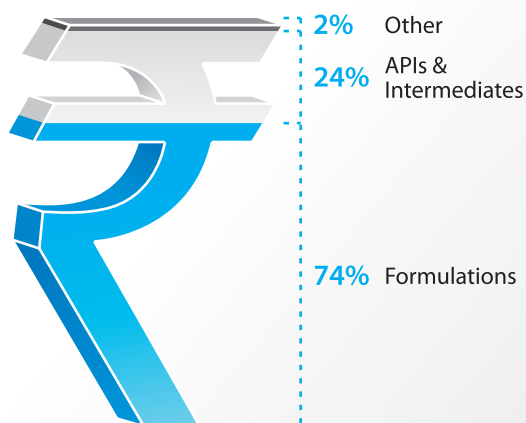
I/We hereby record my/our presence at the 64th Annual General Meeting of the Company held at Shri Bhaidas Maganlal Sabhagriha, Swami Bhaktivedanta Marg, J.V.P.D. Scheme, Vile Parle (W), Mumbai 400 056 on Thursday, 31st July, 2014 at 3.30 p.m.

.....			
Member's Folio/DP ID/Client ID No.	Member's/Proxy's name in Block Letters	Member's/Proxy's Signature	No. of shares held

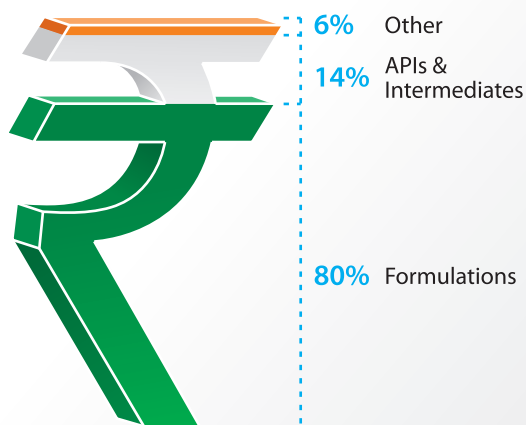
Note:

- Please complete the Folio/DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.

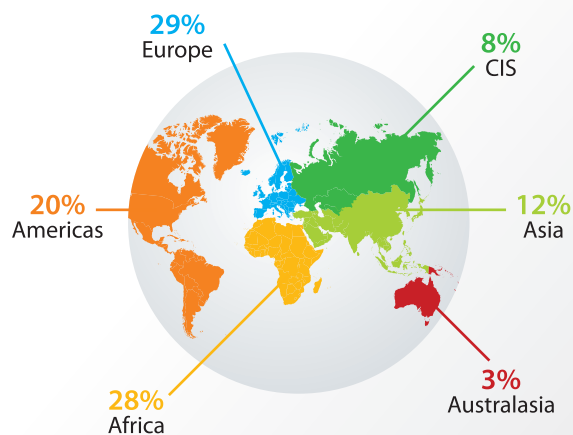
Total Income 2013-14 ₹ 3,256.25 Crores



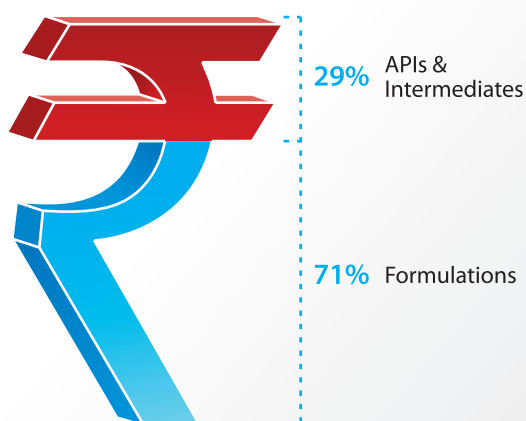
Domestic Income 2013-14 ₹ 1,208.45 Crores



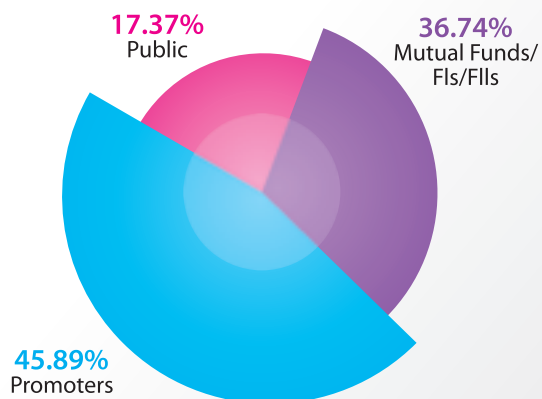
Continent Wise Exports (%)



Export Income 2013-14 ₹ 2,047.80 Crores



Distribution of Shareholding as on 31st March, 2014



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

Ipca Pharma (NZ) Pty. Ltd.
3-A, St. Oswalds Road
Greenlane
Auckland 1061, New Zealand
T: + 64 2136 0880
E: ipca.newzealand@ipca.com

UK

Ipca Laboratories (UK) Ltd.
Units 97-98, Silverbriar
Sunderland Enterprise Park East
Sunderland SR5 2TQ, UK
T: + 44 191 516 6 517
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 200070
P. R. China
T: + 86 21 60954728
F: + 86 21 60954729
E: ipca.china@ipca.com

Nigeria

Ipca Pharma Nigeria Ltd.
17, Osolo Way, Ajao Estate
Isolo, Lagos, Nigeria
T: + 2341 7926460 / 4528738
F: + 2341 4521146
E: ipca.nigeria@ipca.com

UK

Onyx Scientific Ltd.
Silverbriar
Sunderland Enterprise Park East
Sunderland SR5 2TQ, UK
T: + 44 191 516 6 516
F: + 44 191 516 6 526
E: info@onyxipca.com

Mexico

Ipca Pharmaceuticals Ltd. SA de CV
Presa La Angostura 116, Colonia Irrigación
Delegación Miguel Hidalgo, C. P. 11500
Alvaro Obregon, Mexico D. F.
T: + 52 55 53952590
E: ipca.mexico@ipca.com

South Africa

National Druggists Pty. Ltd.
30, Marlborough Road
Spring Field, Johannesburg
2190 Gauteng, S.A.
T: + 27 11 4345669
F: + 27 11 4345719
E: ipca.southafrica@ipca.com

USA

Ipca Pharmaceuticals, Inc.
51, Cragwood Road, Suite No. 203
South Plainfield, NJ 07080, USA
T: + 1 908 412 6561/63
F: + 1 908 412 6564
E: ipca.usa@ipca.com



Ipca Laboratories Ltd.

www.ipca.com

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

T: +91 22 6647 4444 F: +91 22 2868 6613 E: ipca@ipca.com

CIN: L24239MH1949PLC007837