

**ALEMBIC LIMITED**



**ANNUAL REPORT 2012-13**

# BE WISE. DON'T COMPROMISE.



**Samsara**

**SAMPLE  
FLAT  
READY**

**LUXURY APARTMENTS AT  
NIZAMPURA, CHHANI ROAD**

**5 BHK SKYVILLAS  
3/2 BHK APARTMENTS  
80,000 SQ. FT. OF GARDENS  
2 CLUBHOUSES**

While choosing a new home, it is important to remember that a home acts as a foundation on which we build the quality of life we aspire for our family - today and for years to come. You not only need to think of that extra room when the children grow up but also the availability of space to park that extra car. You need to not only think of the layout of the home but also the quality of construction.

Samsara is a modern township with exquisite residences that have been planned, designed and constructed to remain a source of pride for generations. Invest in one today; it will be the single most prized possession that you bequeath to your future generations.

**ALCHEMY**  
REAL ESTATE

ALEMBIC GROUP

**Site Office:** Canal Road  
Nizampura Chhani Area, Vadodara.  
Tel.: 3007900

**M.: +91 96876 39701/702/703**  
[www.alchemyindia.com](http://www.alchemyindia.com)

## Board of Directors

Mr. Chirayu R. Amin

Chairman

Mrs. Malika Amin

Director

(Whole-time Director - Upto 30-06-2012)

Mr. Udit Amin

Director and President -

Real Estate Business (w.e.f. 24-04-2013)

Dr. B. R. Patel

Director (Upto 13-08-2012)

Mr. Milin Mehta

Director

Mr. R. M. Kapadia

Director

Mr. C. P. Buch

Director (w.e.f. 14-08-2012)

Mr. Ashok Tulankar

Director

## Company Secretary

Mr. Chirag K. Shukla

## Regd. Office

Alembic Road, Vadodara - 390 003

Tel : (0265) 2280550, 2280880

Fax : (0265) 2282506

E-mail : alembic.investors@alembic.co.in

## Statutory Auditors

K. S. Aiyar & Co.

Chartered Accountants

Laxmi Estate No. F-07/08

Shakti Mills Lane

Off Dr. E. Moses Road,

Mahalaxmi, Mumbai - 400 011.

## Bankers

Bank of Baroda

Axis Bank Limited

HDFC Bank Limited

Yes Bank Limited

## Registrar & Transfer Agents

Link Intime India Pvt. Limited

B-102 & 103, Shangrila Complex,

First Floor, Opp. HDFC Bank,

Near Radhakrishna Char Rasta,

Akota, Vadodara 390 020.

Tel:(0265) 2356573, 2356794

Fax:(0265) 2356791

Email: vadodara@linkintime.co.in

## Manufacturing Facility

Alembic Road, Vadodara - 390 003. Gujarat

## Index

Notice	i-iv
Directors' Report	01
Management Discussion & Analysis	04
Report on Corporate Governance	09
Auditors' Report	18
Financial Section	21

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.



# Notice

**ALEMBIC LIMITED, Alembic Road, Vadodara - 390 003.**

Notice is hereby given that the 106th Annual General Meeting of the Members of Alembic Limited will be held at "Sanskriti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003, on Friday, the 6th September, 2013 at 4.00 p.m. to transact the following business:

## **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, the Statement of Profit & Loss and Cash Flow Statement of the company for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. C. R. Amin, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mrs. M. C. Amin, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint M/s. K. S. Aiyar & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

## **SPECIAL BUSINESS**

To transact the following business as special business:

6. To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** Mr. C. P. Buch, who was appointed as an Additional Director of the Company w.e.f. 14th August, 2012 and who vacates his office at this Annual General Meeting, be and is hereby appointed as the Director of the Company liable to retire by rotation."
7. To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** Mr. Udit Amin, who was appointed as an Additional Director of the Company w.e.f. 24th April, 2013 and who vacates his office at this Annual General Meeting, be and is hereby appointed as the Director of the Company not liable to retire by rotation."
8. To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution:  
**"RESOLVED THAT** pursuant to provisions of Sections 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) the approval of the shareholders be and is hereby accorded to the appointment of Mr. Ashok Tulankar as Manager of the Company for a period from 1st September, 2012 upto 30th April, 2013."
9. To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution:  
**"RESOLVED THAT** pursuant to provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) the approval of the shareholders be and is hereby accorded to the appointment of Mr. Udit Amin as Director & President – Real Estate Business of the Company for a period of 5 years effective from 24th April, 2013 on the remuneration and on such terms and conditions as set out herein below with liberty and authority to the Board of Directors to alter and vary the terms and conditions of said appointment from time to time within the provisions of the Companies Act, 1956 or any amendment thereto or any re-enactment thereof and as may be approved by the Board of Directors.

### **Terms and Conditions of Appointment:**

1. **Term of Appointment :** 5 years from 24th April, 2013 to 23rd April, 2018. He shall not be liable to retire by rotation.
2. **Remuneration :**  
 Basic Salary, Perquisites and other allowance/benefits up to maximum Cost to Company (CTC) of Rs. 2.50 Crores per annum or such higher amount as may be decided by the Board of Directors of the Company, from time to time.

# Notice

### Perquisites and Allowances:

- a) Housing: Company Leased Housing Accommodation or House Rent Allowance as per the rules of the Company.
- b) Leave Travel Concession for self and family as per rules of the Company.
- c) Medical Reimbursement, Medical Insurance and Personal Accident Insurance, as per rules of the Company.
- d) Conveyance: As per rules of the Company.
- e) Free Telephone Facility at the residence as per rules of the Company.
- f) Contribution to Provident Fund, Superannuation Fund and Gratuity Fund shall be as per rules of the Company.
- g) Leave: As per rules of the Company. Privilege Leave accumulated and not availed of during this tenure as Director & President-Branded Formulations Business may be allowed to be encashed as per rules of the Company.
- h) Other perquisites, allowances, benefits and amenities as per the service Rules of the Company as applicable from time to time

### 3. Minimum Remuneration:

In the event of loss or inadequacy of profits in any financial year, the remuneration paid for immediately preceding financial year shall be paid as minimum remuneration by way of salary, allowances, perquisites and other benefits, subject to the provisions of the Companies Act, 1956 and necessary approvals, if any.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, the Company shall pay in respect of such financial year, the remuneration paid for immediately preceding financial year as minimum remuneration by way of salary, allowances, perquisites and other benefits, subject to the provisions of the Companies Act, 1956 and necessary approvals, if any.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, desirable or expedient to give effect to this resolution.”

### NOTES:

1. **ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time of holding the meeting.
3. The Register of Members of the Company will remain closed from Friday, the 30th August, 2013 to Friday the 6th September, 2013, (both days inclusive), for the purpose of Annual General Meeting and payment of dividend.
4. Shareholders who have not encashed the dividend warrants for the financial year ended on 31st March, 2006 are requested to approach the Registrar/Company immediately.
5. The dividend if approved will be made payable on or after 11th September, 2013 to those members whose names stand on the Register of Members of the Company on Friday, the 6th September, 2013. Members are requested to notify promptly any change in their registered addresses.
6. All the work related to share registry in terms of both - physical and electronic – are being conducted by R & T Agents of the Company - M/s. Link-Intime India Pvt. Limited, B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara 390020. Tel:(0265) 2356573, 2356794 Fax:(0265) 2356791 Email: vadodara@linkintime.co.in The Shareholders are requested to send their communication to the aforesaid address in future.
7. The Equity Shares of the Company are compulsorily traded in dematerialized (demat) mode as mandated by the SEBI. Therefore, those members who hold shares in physical mode are advised to get their shares dematerialized (i.e. conversion of physical shares into electronic mode) at the earliest.

# Notice

8. The Ministry of Corporate Affairs has vide its Circulars No. 17/2011 dated 21st April, 2011 and No. 18/2011 dated 29th April, 2011 has taken a Green Initiative in the Corporate Governance by allowing paperless compliances by the Companies by way of service of notice/documents including Annual Report by e-mail to its members. To support this green initiative of the Government in full measure, members holding shares in electronic mode are requested to register their e-mail address with their Depository Participants. Members holding shares in physical mode may submit their e-mail address to the R&T Agents of the Company.

Registered Office:  
Alembic Road,  
Vadodara - 390 003.  
Date : 24th April, 2013

By Order of the Board,

**Chirag K. Shukla**  
Company Secretary

## **Explanatory Statement as required under Section 173 of the Companies Act, 1956**

### **Item No. 6**

The Board of Directors at its meeting held on 13th August, 2012 has appointed Mr. C. P. Buch as an Additional Director of the Company w.e.f. 14th August, 2012. Mr. C. P. Buch is Chartered Accountant, Commerce and Law Graduate and also holds a Post Graduate Diploma in Taxation. He is a Practising Chartered Accountant by profession. Mr. Buch has more than 35 years of experience. His area of expertise is Corporate Taxation. He does not hold any other Directorships. He is member of Audit Committee, Shareholders/Investors Grievances Committee and Remuneration Committee of the Company. He does not hold any Shares of the Company.

As per provisions of section 260 of the Companies Act, 1956, he holds directorship upto the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 together with a deposit of ₹ 500/- from a member proposing his candidature as a Director of the Company.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the resolution except Mr. C. P. Buch.

### **Item No. 7**

The Board of Directors at its meeting held on 24th April, 2013 has appointed Mr. Udit Amin as an Additional Director of the Company w.e.f. 24th April, 2013.

As per provisions of section 260 of the Companies Act, 1956, he holds directorship upto the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 together with a deposit of ₹ 500/- from a member proposing his candidature as a Director of the Company.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the resolution except Mr. Udit Amin himself and Mrs. Malika Amin & Mr. Chirayu Amin being relatives of Mr. Udit Amin.

### **Item No. 8**

Mr. Ashok Tulankar was appointed as Manager of the Company w.e.f. 1st September, 2012 by the Board of Directors at its meeting held on 13th August, 2012. Mr. Ashok Tulankar has resigned as Manager w.e.f. 30th April, 2013.

Mr. Ashok Tulankar was not paid any remuneration by way of Salary, however he was paid sitting fees for the Board and Committee Meetings attended by him in the capacity of Director.

As per the provisions of the Companies Act, 1956 approval of members is sought for appointment of Mr. Ashok Tulankar as Manager from 1st September, 2012 to 30th April, 2013.

The Directors recommend the special resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the resolution except Mr. Ashok Tulankar.

### **Item No. 9**

The Board of Directors at its meeting held on 24th April, 2013 considered it necessary to have a full time Executive Director to take care of large business operations of the Company. With this view and on the recommendation of the remuneration committee, the Board appointed Mr. Udit Amin as Director & President – Real Estate Business of the Company w.e.f. 24th April, 2013.

# Notice

Mr. Udit Amin was Chief Business Development Officer of the Company during 1st September, 2005 upto 31st March, 2011 when he was transferred to Alembic Pharmaceuticals Limited pursuant to scheme of Demerger. During his tenure as Chief Business Development Officer of the Company, he has worked extensively on various projects and Research & Development activities.

During his tenure as Chief Business Development Officer at Alembic Pharmaceuticals Limited, he has worked on new projects. As the Real Estate Business of the Company has a good potential for the future, the Board of Directors consider Mr. Udit Amin as the suitable person for the position.

Mr. Udit Amin graduated with Economics as main subject with focus on International trade from University of Michigan, USA. He has worked in regulatory department at Ivax, UK. His job role at Ivax included, help management choose filing strategy for multiple countries within Europe. He has vast experience of a decade. He holds directorships in Gujarat Flying Club (Section 25 Company) and Paushak Limited. He holds 10,06,980 Equity Shares of the Company.

His terms and conditions for appointment are as under:

### Terms and Conditions of Appointment:

1. **Term of Appointment** : 5 years from 24th April, 2013 to 23rd April, 2018. He shall not be liable to retire by rotation.

2. **Remuneration** :

Basic Salary, Perquisites and other allowance/benefits up to maximum Cost to Company (CTC) of Rs. 2.50 Crores per annum or such higher amount as may be decided by the Board of Directors of the Company, from time to time.

#### Perquisites and Allowances:

- a) Housing: Company Leased Housing Accommodation or House Rent Allowance as per the rules of the Company.
- b) Leave Travel Concession for self and family as per rules of the Company.
- c) Medical Reimbursement, Medical Insurance and Personal Accident Insurance, as per rules of the Company.
- d) Conveyance: As per rules of the Company.
- e) Free Telephone Facility at the residence as per rules of the Company.
- f) Contribution to Provident Fund, Superannuation Fund and Gratuity Fund shall be as per rules of the Company.
- g) Leave: As per rules of the Company. Privilege Leave accumulated and not availed of during this tenure as Director & President-Branded Formulations Business may be allowed to be encashed as per rules of the Company.
- h) Other perquisites, allowances, benefits and amenities as per the service Rules of the Company as applicable from time to time

3. **Minimum Remuneration:**

In the event of loss or inadequacy of profits in any financial year, the remuneration paid for immediately preceding financial year shall be paid as minimum remuneration by way of salary, allowances, perquisites and other benefits, subject to the provisions of the Companies Act, 1956 and necessary approvals, if any.

This may be treated as an abstract of terms and memorandum of interest pursuant to section 302 of the companies Act, 1956.

Your Directors recommend the appointment of Mr. Udit Amin as Director & President – Real Estate Business for your approval. None of the Directors of the Company are in any way concerned or interested in the resolution except Mr. Udit Amin himself and Mrs. Malika Amin & Mr. Chirayu Amin being relatives of Mr. Udit Amin.

Registered Office:  
Alembic Road,  
Vadodara - 390 003.  
Date : 24th April, 2013

By Order of the Board,

**Chirag K. Shukla**  
Company Secretary

# DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 106th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2013.

## 1 Financial Results :

(₹ in Lacs)

For the year ended 31st March	2013	2012
Profit for the year before Interest, Depreciation, Non Recurring Income or Expenses and Tax	2,600	500
<b>Adjusting therefrom:</b>		
Interest (net)	514	520
Depreciation	984	1,093
Non-recurring Income and expenses i.e. Expenses on Voluntary Retirement Scheme	-	248
Provision for deferred tax liabilities or (assets)	(75)	(142)
Provision for current tax	27	-
Net Profit (Loss)	1,149	(1,220)
<b>Adding thereto:</b>		
Balance brought forward from last year	4,880	6,100
The amount available is	6,029	4,880
<b>Appropriating there from:</b>		
Provision for Dividend on Equity Shares	267	-
Provision for Corporate Dividend Tax	45	-
Transfer to General Reserve	3,000	-
Balance carried forward to next year's accounts	2,717	4,880

## 2 Dividend :

Your Directors recommend Dividend on Equity Shares at ₹ 0.20 per share (i.e. 10 per cent) of face value of ₹ 2/- per share for the year ended on 31st March, 2013 as against NIL per share for the year ended 31st March, 2012.

## 3 Management's Discussion and Analysis:

The Report on Management Discussion and Analysis as required under the Listing Agreements with the Stock Exchanges is enclosed as Annexure – A to this report. Certain statements in this section may be forward-looking. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.



## DIRECTORS' REPORT

### 4 Operations :

The Company's Gross Revenues including export incentives were ₹190.01 Crores for the year ended 31st March, 2013 as compared to ₹131.20 Crores for the previous year.

The profit before Interest, Depreciation, Non-recurring Income and expenses and Taxes was ₹26.00 Crores for the year under review as compared to ₹5.00 Crores for the previous year.

During the year interest and financial cost was ₹5.14 Cr. as compare to ₹5.20 Cr. in previous year. The Company has registered a net profit of ₹11.49 Cr. as compared to a net loss of 12.20 Cr. for the previous year ended 31st March, 2012.

### 5 Fixed Deposits :

During the year under review the Company has not invited/accepted any deposits from public.

### 6 Directors :

During the year under review, Mrs. Malika Amin voluntarily retired as Whole-Time Director of the Company w.e.f. 30th June, 2012. She continues to be Non-Executive Director of the Company.

Dr. B. R. Patel resigned from Directorship w.e.f. 13th August, 2012.

The Board has appointed Mr. C. P. Buch as Additional Director w.e.f. 14th August, 2012. He holds office of Additional Director upto the ensuing Annual General Meeting of the Company. The Company has received a notice u/s 257 of the Companies Act, 1956 from a shareholder of the Company proposing the candidature of Mr. C. P. Buch as Director liable to retire by rotation. Mr. Ashok Tulankar was designated as Manager of the Company w.e.f. 1st September, 2012 and he has resigned from the post of Manager w.e.f. 30th April, 2013. He continues to be Non-Executive Director of the Company.

The Board at its meeting held on 24th April, 2013 has appointed Mr. Udit Amin as Additional Director and Director & President-Real Estate Business w.e.f. 24th April, 2013. He holds office of Additional Director upto ensuing Annual General Meeting. The Company has received a notice u/s 257 of the Companies Act, 1956 from a shareholder of the Company proposing the

candidature of Mr. Udit Amin as Director.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. C. R. Amin and Mrs. Malika Amin, Directors of the Company will retire by rotation at the ensuing Annual General Meeting who are eligible for re-appointment.

Mr. C. P. Buch and Mr. Udit Amin hold directorships upto the ensuring Annual General Meeting.

Brief resumes of Mr. C. R. Amin, Mrs. Malika Amin, Mr. Ashok Tulankar, Mr. C. P. Buch and Mr. Udit Amin are given in the Corporate Governance Report.

### 7 Energy, Technology and Foreign Exchange :

In accordance with the provisions 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, the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo is given in Annexure - B to this report.

### 8 Particulars of Employees :

The information required under section 217(2A) of the Companies Act, 1956, read with Companies (Particular of Employees) Rules, 1975, forms part of this report as Annexure-C.

### 9 Corporate Governance :

Your Company has complied with all the provisions of Corporate Governance as prescribed under the amended Listing Agreements of the Stock Exchanges, with which the Company's shares are listed.

A separate report on Corporate Governance is produced as a part of the Annual Report, along with the Auditor's Certificate on the compliance.

As required vide clause 49 of the listing agreement on Corporate Governance, the board has laid down a code of conduct for all members and senior management team of the Company. The said code of conduct has been posted on the website of the Company – [www.alembiclimited.com](http://www.alembiclimited.com). All Board members

and senior management personnel of the company have affirmed the requirements of the said code of conduct.

## ⑩ Audit Committee :

The Audit Committee comprises of 3 Directors viz. Mr. Milin Mehta, Mr. C. P. Buch and Mr. R. M. Kapadia. Mr. Milin Mehta is Chairman of the Audit Committee. During the year under review, Dr. B. R. Patel resigned w.e.f. 13-08-2012 and Mr. C. P. Buch was appointed w.e.f. 14-08-2012. All the Directors in Audit Committee are Non Executive - Independent Directors. The terms of reference of the Committee are wide enough to cover the matters specified for Audit Committee under the Listing Agreements.

## ⑪ Auditors :

M/s. K. S. Aiyar & Co., Chartered Accountants, Mumbai, (Firm Regn. No. 100186W) the Company's Auditors, will retire at the conclusion of the ensuing Annual General meeting and are eligible for re-appointment as Auditors. Members are requested to re-appoint them.

## ⑫ Cost Auditors :

The Central Government has directed that an audit of Cost Accounts maintained by the Company relating to Bulk Drugs for the year ended on 31st March, 2013 be conducted by Auditors with qualification prescribed in Section 233B(1) of the Companies Act, 1956. Accordingly, the Board had appointed H. R. Kapadia as Cost Auditor for the year ended on 31st March, 2013.

## ⑬ Human Resource Management :

Human capital has always been the most important and valuable asset to your Company. Your Company has enhanced its performance management process that motivates people to take ownership of their own performance and encourages innovation and meritocracy. Your Company has created people practices which enables it to attract and retain potential talents. Employee relations in your Company continue to be cordial and harmonious.

## ⑭ Directors' Responsibility Statement :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected appropriate accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and on the profit of the Company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the Directors have prepared the annual accounts for the financial year ended 31st March, 2013 on a 'going concern' basis

## ⑮ Acknowledgement :

Your Directors wish to place on record their appreciation and sincere thanks to the banks, customers, shareholders, vendors and other related organizations, who through their continued support and co-operation, have helped, as partners, in your Company's progress. Your Directors also acknowledge the hard work, dedication and commitment of the employees.

On behalf of the Board of Directors,

**Chirayu R. Amin**

Chairman

Vadodara, 24th April, 2013

## ANNEXURE A

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT INDUSTRY PERSPECTIVE VIS-À-VIS COMPANY**

The Company operates primarily in the manufacture of Bulk Drugs and Real Estate.

#### **FINANCE:**

The gross revenue of the Company was ₹ 190.01 Crores for the year under review as compared to ₹ 131.20 Crores for the previous year ended on 31st March, 2012. The Company registered a net profit of ₹ 11.49 Crores compared to net loss of ₹ 12.20 Crores for the previous year ended on 31st March, 2012.

#### **OUTLOOK:**

The Company's Bulk Drugs Business is still facing problems, though in the last quarter ended March, 2013, there was some improvement in operations. The Company is actively pursuing cost reduction programs on its API products in order to improve its competitiveness and profitability.

The maiden Real Estate Residential Project of the Company – 'Samsara' is progressing well and the Company has also recognized revenues and profits from the project. However, alongwith the entire industry, the division is facing slow-down in demand.

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

The Company maintains a system of well-established policies and procedures for internal control of operations and activities. The internal audit function is further strengthened in consultation with statutory auditors for monitoring statutory and operational issues. The Company has appointed dedicated Internal Auditors for the Bulk Drugs division and Real Estate Division to ensure proper system of Internal Control and its adequacy.

The reports of Internal Auditors are presented quarterly before the Audit Committee and their recommendations are implemented.

#### **HUMAN RESOURCE INTERVENTION:**

The Company's HR policies are result oriented and aim at overall professional and personal development of Human Resources while keeping the organizational goal in focus. Industrial Relations and Human Resources have been strong backbone of the Company's strength.

#### **HEALTH, SAFETY, SECURITY AND ENVIRONMENT:**

Health, Safety, Security and Environment is at the core of our business and all employees are

accountable for it. Alembic's operations follow the best industry practices as regards to Health, Safety, Security and Environment.

During the year under review, various safety audits were carried out by Independent consultants. Environmental audits (statutory) were carried out & submitted to pollution control boards for their review. Efforts are made at all levels to conserve energy and resources. Enzymatic processes are being tried for waste water treatment at our Baroda plant to reduce energy consumption & also recycling of water.

Alembic carried out the following activities as part of its annual plan:

- a. Basic safety training was imparted to all factory employees including temporary workers. Safety and technical competency development programs were carried out to improve competencies of employees and employees of contractors for safety critical jobs.
- b. Work place inspections were carried out by executives and managers at all levels. Senior management team members demonstrated leadership commitment through work place inspections.
- c. Reduced waste generation and improved waste management by collecting and disposing of all waste in an environmentally friendly manner.
- d. Tree plantation across premises.
- e. Reduced level of sound pollution by providing acoustic enclosures on certain set of machinery and DG / compressor sets.
- f. Increased solvent recovery thereby reducing load on ETP.

#### **CONTRIBUTION TO SOCIETY:**

Alembic is committed to enhancing the quality of life in and around the community it operates in. During the year under review, the Company undertook a number of development projects with a focus on health, education and vocational training. The Alembic Group has a rural development society started in 1980. This is located near Panelav in the foothills of Pawagadh. The Objective is to provide self-employment opportunities through vocational training and education for adults and children in 50 villages in the vicinity.

## ANNEXURE B

**Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.**

The Company is committed to preservation of environment and conservation of natural resources. During the financial year 2012-13, following measures were taken:

**(a) Energy Conservation measures during the year under review**

- 1) The captive cogeneration plant consists of 3X4.2 MW gas turbine and associated Heat Recovery Steam Generation unit has been operated optimally.
- 2) Steam saving in fermenter house by consumption optimization.
- 3) Cooling Tower water usage instead of chilled water during the winter season.
- 4) Process optimization in TIOC recovery to reduce drying time and utility consumption.
- 5) Agitator power reduction in fermentation plant by
  - Installation of Variable frequency drive.
  - Changing impeller configuration.
- 6) 5 MW wind farm generation run through out the year with expected level of efficiency.

**(b) Additional Investment Proposals for Reduction of Consumption & Cost of Energy.**

- 1) Installation of variable frequency drive in instrument and process air compressors.
- 2) Revamping of induced draft cooling towers.
- 3) Pump internal coating to reduce frictional losses in pump.

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

- 1) Lower Consumption of Power & decrease in power cost
- 2) Equipments will operate at optimum efficiency.

**Efforts made in technology absorption:**

**Form B enclosed.**

1. The Export sales were ₹ 7.93 Crores (FOB) during the year under review. The Company has undertaken aggressive marketing strategies to increase share of export business.
2. Total Foreign exchange used and earned:

(₹ In Lacs)

For the year ended on 31st March,	2013	2012
<b>Income</b>		
Export (FOB basis)	<b>792.93</b>	857.89
<b>Expenditure</b>		
Raw Materials (CIF basis)	<b>136.11</b>	594.66
Packing Material, Components and Spare Parts (CIF basis)	<b>28.88</b>	62.70
Professional and Consultancy fees	<b>0.94</b>	15.61
Technical Know How	<b>172.12</b>	-
Others	<b>45.14</b>	29.07

## FORM A

Form for disclosure of particulars with respect to conservation of energy.

### A. Power and Fuel Consumption:

For the year ended 31st March	2013	2012
<b>I. Electricity :</b>		
(a) Purchased Units (KwH)	16,79,420	17,85,868
Total Amount ₹	2,66,24,638	3,24,49,244
Rate (₹ /Unit) *	15.85	18.17
(b) Own Generation :		
(i) Through diesel generator :		
Units (KwH)	1,288	17,011
Units per litre of diesel oil	2.44	2.33
Cost (₹ /Unit)	17.98	17.36
(ii) Through Gas/steam Turbine/Generator		
Units (KwH)	5,16,52,440	6,40,47,412
Units per LTR/M3/M.T./LTR of Fuel		
Oil/Gas/Steam/HSD	2.482	2.529
Fuel Cost (₹ / Unit)	3.852	3.663
<b>2. Other / Internal generation :</b>		
(a) <b>Natural Gas &amp; RNLG Gas :</b>		
Qty. (CubicMeter)	1,37,39,597	1,61,44,138
Amount (₹ )	13,46,56,794	14,92,24,204
Rate / Unit (₹ /M3)	9.80	9.243
(b) <b>Steam (Purchase) :</b>		
Qty. (MT)	60,142	68,186
Amount (₹ )	7,51,77,500	8,54,06,390
Rate / Unit (₹ /M.T)	1250.00	1,252.55
<b>3. Wind Farm Generation:</b>		
<b>Units (KwH)</b>	<b>89,71,191</b>	<b>92,88,331</b>

\* Largely due to low purchase from GEB and high demand charges.

### B) Consumption per unit of production

In view of the number of products, with different sizes, shapes and other parameters, being manufactured by the Company, it is not feasible to give information on consumption of fuel per unit of production.

Form for disclosure of particulars with respect to technology absorption, etc.

**A) Research and Development (R&D)**

**1. R&D's focus areas**

Increasing yields of fermentation products and reducing costs of existing products by use of different technologies.

**2. Benefits derived as a result of R&D**

- Development of new API – Lovastatin and commercialized.
- Developed Surfactin for Japanese Company.
- Reduction in costs of various API products.
- TIOC quality improvement

**3. Future plan of action**

- a. Increasing activities of TIOC from present level of 6 gms / lit to 7 gms/lit.
- b. Azithromycin: Decrease factor of TIOC from 1.73 to 1.5

**4. Expenditure on R&D (₹ In Lacs)**

a)	Capital	Nil
b)	Recurring	134.97
c)	Total	134.97
d)	Total R&D expenditure as a percentage of total turnover	0.71 %

**Adaptation and Innovation**

- 1) Efforts made towards technology absorption, adaptation and innovation. The fermentation technology refinement & absorption and technology development of organic synthesis which are developed in our R&D laboratories, are scaled up in our pilot plant and then implemented at the production scale.
- 2) Benefits derived  
Introduction of strains giving higher productivities, use of cheaper raw material and various strategies to reduce utility cost has helped us to remain in the price competitive market for our existing products.
- 3) Information regarding technology imported during last five years.  
Nil.

## ANNEXURE C

Information as per Section 217 (2A) (b)(ii) read with Companies (Particulars of Employees) Rules, 1975, forming part of the Directors Report for the year ended 31st March, 2013

Sr. No.	Name of Employee	Designation	Remuneration (₹ In Lac)	Qualification	Experience (Years)	Date of Joining	Age (Years)	Previous Employment
(a) Employed for whole of the year under review and were in receipt of remuneration at a rate which in aggregate, was not less than ₹ 60,00,000/-								
NIL								
(b) Employed for a part of the year under review and were in receipt of remuneration at a rate which in the aggregate, was not less than ₹ 5,00,000/-								
1	Mrs. Malika Amin	Whole-Time Director	43.00	M.A.	28	2nd July, 1988	58	Managing Director – Aavaran Ltd
Note : 1. Gross remuneration received as shown in the statement includes Salary, Commission, Allowances, Employer's contribution to Provident Fund and superannuation Scheme.								
2. Mrs. Malika Amin is relative of Mr. Chirayu Amin and Mr. Udit Amin.								

# Report on Corporate Governance

## 1 Company's Philosophy

Corporate governance is about commitment to values and ethical business conduct. It is about how an organization is managed. Timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of corporate governance. This improves the understanding of the structure, activities and policies of the organization and enhances the trust and confidence of the stakeholders.

The Company has always been committed to the principles of good corporate governance.

## 2 Board of Directors

- **Composition of the Board**

The Company has an optimum combination of Executive and Non-Executive Directors on its Board as on 31st March, 2013 and also meets the requirement of having at least half of the strength of the Board consisting of Independent Directors. There were three Independent Directors out of six (50% of the Board Strength) and Five Non-Executive Directors out of six (83% of the Board Strength).

- **Meetings of Board of Directors**

Four (4) Meetings of Board of Directors were held during the year ended 31st March, 2013 on 2nd May, 2012, 13th August, 2012, 8th November, 2012 and 31st January, 2013.

- **Number of other Public Limited Companies in which the Director is a Director / Committee Member and Attendance of the Director at the Board Meetings during the year ended 31st March, 2013 and at the last AGM**

Name of Director	Category	No. of Board Meetings held & attended during the Financial Year	Attendance at the last AGM	No. of other Director-ships	No. of Committees Chairmanship / Membership	
					As Chairman	As Member
Mr. C. R. Amin Chairman	Promoter Non-Executive	4 of 4	Yes	10	1	2
Mrs. M. C. Amin	Promoter Non-Executive	3 of 4	Yes	4	-	2
Mr. Ashok Tulankar w.e.f. 1-9-2012	Executive \$	4 of 4	Yes	-	-	1
Dr. B. R. Patel	NED (I) #	0 of 2	No	-	-	-
Mr. R. M. Kapadia	NED (I) #	4 of 4	Yes	-	-	-
Mr. Milin Mehta	NED (I) #	2 of 4	Yes	1	2	1
Mr. C. P. Buch W.e.f. 14-08-2012	NED(I) #	2 of 2	N.A.	-	-	-

# NED (I) means Non-Executive – Independent Director

\$ Mr. Ashok Tulankar was designated as Manager w.e.f. 1-9-2012 upto 30-4-2013.

\* Mrs. Malika Amin was Whole-Time Director upto 30-06-2012.

As required by the Companies Act, 1956 and clause 49 of the listing agreement with stock exchanges, none of the Directors hold Directorship in more than 15 Public Companies, membership of Board Committees (Audit & Investor Grievance Committees) in excess of 10 and Chairmanship of Board Committee in excess of 5.

None of the non-executive Directors has any pecuniary relationship or transactions with the company and its associates except Mr. Milin Mehta where the company's associates have paid ₹ 4.00 lacs to M/s. K. C. Mehta & Co. Chartered Accountants as fees for professional services provided by the firm to the company's associates. Mr. Milin Mehta, a Director of the Company is



# Report on Corporate Governance

## 2 Board of Directors - Contd.

partner of the said firm. The Board does not consider the firm's association with the company's associates to be of a material nature so as to affect independence of judgment of Mr. Milin Mehta as a Director of the Company.

### Code of Conduct

The Board has adopted code of conduct for all Board Members and Senior Management of the Company vide resolution dated 26th October, 2005 and the said code of conduct is posted on the web site of the Company ([www.alembiclimited.com](http://www.alembiclimited.com)). A declaration signed by the Chairman on behalf of the Board of Directors is given below:

### "We hereby confirm that:

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended 31st March, 2013 and the copy of the code of conduct is put on the website of the Company viz. [www.alembiclimited.com](http://www.alembiclimited.com)"

On behalf of the Board of Directors

**Chirayu Amin**

Chairman

### CEO/CFO Certificate

Mrs. Malika Amin was Whole-Time Director and CEO of the Company upto 30th June, 2012. However, after her retirement, the CEO position was vacant till 24th April, 2013 when Mr. Udit Amin was appointed as Director & President-Real Estate Business and CEO.

Therefore the CEO/CFO Certificate, as required under Clause 49 (V) of the Listing Agreement regarding correctness of the financial statements, is signed by Mr. Chirayu Amin, the Chairman of the Company and Group CFO as the CEO position was vacant as on 31st March, 2013.

## 3 Audit Committee

### • Composition & Terms of Reference

The Audit Committee comprises of 3 Directors viz. Mr. Milin Mehta, Mr. R. M. Kapadia and Mr. C. P. Buch. Mr. Milin Mehta is Chairman of the Audit Committee. During the year, Dr. B. R. Patel resigned from Directorship w.e.f. 13th August, 2012 and Mr. C. P. Buch was appointed w.e.f. 14th August, 2012. All the Directors in Audit Committee are Non-Executive-Independent Directors. The terms of reference of the Committee are wide enough to cover the matters specified for Audit Committee under the Listing Agreements. The Statutory Auditors, Internal Auditors, Cost Auditors, Group CFO and other relevant persons of Finance Department are invited to attend the Meetings of Audit Committee. The Company Secretary acts as Secretary to the Committee.

Mr. Milin Mehta, Chairman of the Audit Committee was present at the last Annual General Meeting held on 13th August, 2012.

### • Meetings and the attendance during the year

There were Four (4) meetings of the Audit Committee during the year held on 2nd May, 2012, 13th August, 2012, 8th November, 2012 and 31st January, 2013.

The attendance of each member of the Committee is given below:

Name of Director	Category of Director	No. of Meetings Attended
Mr. Milin Mehta	Non-Executive - Independent	2
Dr. B.R. Patel	Non-Executive - Independent	Nil
Mr. R. M. Kapadia	Non-Executive - Independent	4
Mr. C. P. Buch	Non-Executive - Independent	2

# Report on Corporate Governance

## 4 Remuneration Committee

The Company has constituted Remuneration Committee consisting of Mr. R. M. Kapadia, Mr. Milin Mehta and Mr. C. P. Buch. Mr. Milin Mehta is the Chairman of Remuneration Committee. During the year under review, Dr. B. R. Patel resigned w.e.f. 13th August, 2012 and Mr. C. P. Buch was inducted as member of the Committee w.e.f. 14th August, 2012. All the members of the Committee are Independent Directors.

### Meetings and the attendance during the year

Two Meetings of Remuneration Committee were held during the year:

Name of Director	Category of Director	No. of Meetings Attended
Dr. B.R. Patel	Non-Executive - Independent	Nil
Mr. Milin Mehta	Non-Executive - Independent	2
Mr. R. M. Kapadia	Non-Executive - Independent	2
Mr. C. P. Buch	Non-Executive - Independent	NA

### • Details of Remuneration paid to Directors

#### a. Executive Directors

All elements of remuneration package i.e. salary, benefits, bonus, pension etc. paid to Executive Directors are as under:

(Amount ₹ in Lacs)

Name of Director	Salary & Perquisites
Mrs. Malika Amin (upto 30th June, 2012)	43.00
Mr. Ashok Tulankar, Manager (w.e.f. 1st September, 2012)	Nil
<b>Total</b>	<b>43.00</b>

#### Notes:

- I. Mrs. M.C. Amin, Whole-time Director voluntarily retired w.e.f. 30th June, 2012 and is currently Non-Executive Director of the Company.
- II. Mr. Ashok Tulankar was designated as Manager w.e.f. 1st September, 2012. Mr. Ashok Tulankar was not paid any monthly remuneration by way of salary however, he was paid only the sitting fees for the Meetings of the Board and Committees attended by him.
- III. There is no separate provision for payment of severance fees.
- IV. The Company does not have any Stock Options Scheme.

#### b. Non-Executive Directors

Non-Executive Directors are paid sitting fees for attending Board and Committee Meetings at ₹ 20,000/- per meeting.

Name of Director	Sitting Fees for Board Meetings (₹)	Sitting Fees for Committee Meetings (₹)	Total Fees Paid (₹)
Mr. Chirayu Amin	80,000	-	80,000
Mrs. M. C. Amin	40,000	20,000	60,000
Mr. Ashok Tulankar	80,000	1,60,000	2,40,000
Dr. B. R. Patel	-	80,000	80,000
Mr. Milin Mehta	40,000	3,20,000	3,60,000
Mr. R. M. Kapadia	80,000	1,20,000	2,00,000
Mr. C. P. Buch	40,000	2,00,000	2,40,000

# Report on Corporate Governance

## 5 Shareholders' / Investors' Committee

Presently, the Shareholders/Investors Grievances Committee comprises of 3 Directors viz. Mr. Milin Mehta, Mr. Ashok Tulankar and Mr. C. P. Buch. Mr. Ashok Tulankar and Mr. C. P. Buch were appointed in place of Mrs. M. C. Amin and Dr. B. R. Patel, respectively.

- Meetings and the attendance during the year**

There were Twelve (12) meetings of the Shareholders / Investors Grievances Committee during the year. The attendance of each Member of the Committee is given below:

Name of Director	Category of Director	No. of Meetings Attended
Dr. B.R. Patel	Non-Executive-Independent	4
Mr. Milin Mehta	Non-Executive -Independent	12
Mrs. Malika Amin	Non-Executive - Non Independent #	4
Mr. Ashok Tulankar	Executive *	8
Mr. C. P. Buch	Non-Executive-Independent	8

\* Non-Executive Director upto 30th August, 2012.

# Whole-time Director upto 30th June, 2012.

The meeting of Shareholders/Investors Grievances Committee is held every month, in which transfers, transmission, issuance of certificates etc. are approved. To comply with the requirements of Clause 47(c) of the Listing Agreement, the Company Secretary and the Registrar and Share Transfer Agent are also authorised by the Board to approve the transfers at the interval of seven days' time.

## 6 General Body Meetings

### Details of the location of the last three AGMs and the Extraordinary General Meetings held during the year.

Details of the last three Annual General Meetings are given below :

Year	Location	Date	Time	No. of Special Resolutions passed
2009-10	"Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara 390 003.	30th July, 2010	4.00 p.m.	4
2010-11	"Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara 390 003.	29th August, 2011	4.30 p.m.	2
2011-12	"Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara 390 003.	13th August, 2012	12.30 p.m.	2

\* Whether special resolution was put through postal ballot last year? No.

\*Are polls proposed to be conducted through postal ballot this year? No.

6A. Notes on Directors seeking appointment / re-appointment as required under Clause 49 IV(G) of the Listing Agreement.

Mr. C. R. Amin and Mrs. M. C. Amin, Directors of the Company will retire by rotation at the ensuing Annual General Meeting who are eligible for re-appointment. Mr. Ashok Tulankar was appointed as Manager during the year and his appointment is subject to approval of shareholders at the ensuing AGM. The Board of Directors has appointed Mr. C. P. Buch and Mr. Udit Amin as Additional Directors and they hold office upto the ensuing Annual General Meeting.

Mr. Chirayu R. Amin is Chairman of the Company. He is M.B.A. from U.S.A. Mr. Chirayu Amin is former President of FICCI. He is former Vice President of Board of Control of Cricket in India (BCCI) and President of Baroda Cricket Association (BCA). Besides, he is also trustee in hospital and schools of Alembic Group. His presence on the Board has been immensely beneficial to the Company. His expertise is not limited to any specific functional area, his Leadership and Business Management skills

# Report on Corporate Governance

## 6 General Body Meetings - Contd.

and vast experience are of utmost value to the Company. He holds directorships in AGI Developers Limited, Alembic Exports Limited, Alembic Pharmaceuticals Limited, Elecon Engineering Company Limited, Elecon EPC Project Ltd., Gujarat Flying Club (section 25 Company), Nirayu Private Limited, Panasonic Energy India Company Limited, Paushak Limited, Quick Flight Limited, Shreno Limited, Sierra Healthcare Limited and Sierra Investments Limited. He is member of Shareholders/Investors Grievances Committee and Audit Committee of Elecon Engineering Company Limited and Chairman of Shareholders/Investors Grievances Committee of Paushak Limited. Mr. Amin holds 45,51,465 Equity Shares of the Company. Mr. C. R. Amin is husband of Mrs. Malika C. Amin and father of Mr. Udit Amin.

Mrs. Malika C. Amin is M.A. by qualification and has more than 3 decades of experience in Corporate Management and Administration. Her presence on the Board is immensely beneficial to the Company. Mrs. M. C. Amin holds Directorships in Paushak Limited, Shreno Limited, Sierra Healthcare Limited and Sierra Investments Limited. She is member of Audit Committee and Shareholders/Investors Grievances Committee of Paushak Limited. She holds 30,05,730 Equity Shares of the Company. Mrs. Malika C. Amin is wife of Mr. C. R. Amin and mother of Mr. Udit Amin.

Mr. Ashok Tulankar is B. Tech in Chemical Engineering with more than three decades of experience in various fields including manufacturing, projects, Process Development, EHS, cGMP, HR and Administration. He has worked with many well known Pharmaceutical companies. Mr. Ashok Tulankar does not hold any other Directorship. He is member of Shareholders/Investors Grievances Committee of the Company. He does not hold any Shares of the Company.

Mr. C. P. Buch is Chartered Accountant, Commerce and Law Graduate and also holds a Post Graduate Diploma in Taxation. He is a Practising Chartered Accountant by profession Mr. Buch has more than 35 years of experience. His areas of expertise is Corporate Taxation. He does not hold any other Directorships. He is member of Audit Committee, Shareholders/Investors Grievances Committee and Remuneration Committee of the Company. He does not hold any Shares of the Company.

Mr. Udit Amin graduated with Economics as main subject with focus on International trade from University of Michigan, USA. He has worked in regulatory department at Ivax, UK. His job at Ivax included, help management choose filing strategy for multiple countries within Europe. He has vast experience of a decade. His prior assignment was as Chief Business Development Officer of Alembic Pharmaceuticals Limited. He holds directorships in Gujarat Flying Club (Section 25 Company) and Paushak Limited. He holds 10,06,980 Equity Shares of the Company. Mr. Udit Amin is son of Mr. C. R. Amin and Mrs. M. C. Amin.

### Shareholding of Non-Executive Directors:

Mr. C. R. Amin holds 45,51,465 Equity Shares of the Company, Mrs. M. C. Amin holds 30,05,730 Equity Shares and R. M. Kapadia holds 9,000 equity shares of the Company. No other Non-executive Director holds any shares in the Company.

## 7 Disclosure

### Related Party Transactions

There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. The Register of Contracts for the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related parties as per Accounting Standard No. AS18 are disclosed in Note No. Z - II (ix) of the Notes forming part of Accounts.

## 8 Compliance

The Company has complied with all the mandatory requirements of the Listing Agreements with Stock Exchanges as well as regulations and guidelines of SEBI. Further, there is no penalty/stricture by any statutory authority during the year.

# Report on Corporate Governance

## 9 Means of Communication

- |  |   |  |
|--|---|--|
| • Half-yearly results sent to each household of the shareholders | : | The results are published in newspapers having wide coverage and also put on the website of the Company. |
| • Quarterly Results  | : | The results are published in newspapers having wide coverage   |
| • Which Newspapers normally published in                         | : | The Indian Express (English),<br>The Financial Express (Gujarati)  |
| • Any web-site where displayed                                   | : | www.alembiclimited.com   |
| • Whether Shareholder information forms part of Annual Report    | : | Yes  |

## 10 Shareholders' Information

1.	Annual General Meeting Date, Time and Venue	6th September, 2013 at 4.00 P.M. "Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara 390 003..
2.	Financial Calendar	Adoption of Results:
	Quarter ending June 30, 2013	by 14th August, 2013
	Quarter ending Sept. 30, 2013	by 14th November, 2013
	Quarter ending Dec. 31, 2013	by 14th February, 2014
	Financial Year ending March 31, 2014	by 30th May, 2014
	Annual General Meeting for the year ended 31-03-2014	August-September, 2014
3.	Date of Book Closure	30th August, 2013 (Friday) to 6th September, 2013 (Friday) both days inclusive
4.	Dividend Payment Date	On or after 11th September, 2013
5.	Registered Office	Alembic Road, Vadodara -390 003. Phone: (91-265) 2280550, Fax: (91-265) 2282506 E-mail: alembic.investors@alembic.co.in Web: www.alembiclimited.com
6.	Listing Details	Bombay Stock Exchange Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai -400 001. (Security Code: 506235) National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai -400 051. (Security Code: ALEMBICLTD)

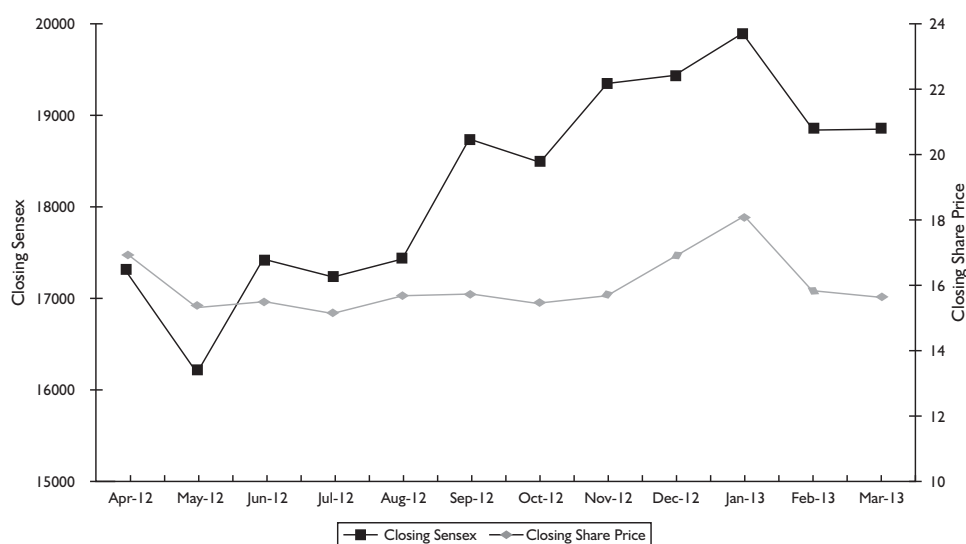
# Report on Corporate Governance

## 10 Shareholders' Information - Contd.

7 Stock Market Data				
Month	Bombay Stock Exchange		National Stock Exchange	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
Apr-2012	19.90	15.75	21.00	16.05
May-2012	17.50	15.00	17.60	15.00
Jun-2012	16.65	15.00	16.70	15.00
Jul-2012	17.30	14.70	17.25	14.55
Aug-2012	17.30	14.90	17.40	14.75
Sep-2012	17.30	15.00	17.30	15.35
Oct-2012	17.10	15.10	17.15	15.10
Nov-2012	16.35	15.05	16.50	15.10
Dec-2012	17.50	15.65	17.40	15.70
Jan-2013	18.95	16.15	18.80	16.00
Feb-2013	19.15	14.10	19.25	14.70
Mar-2013	19.25	15.15	19.30	15.50

As on 28th March, 2013, the last trading day of the financial year 2012-13, the closing price of the shares of the Company on BSE was ₹ 15.65 and on NSE was ₹15.70.

Share Performance of the Company in comparison to BSE Sensex



8.	Registrar and Share transfer Agents	Link Intime India Private Limited B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara-390020 Tel:(0265) 2356573, 2356794 • Fax:(0265) 2356791 Email: vadodara@linkintime.co.in
9.	Share Transfer System	Share transfers are registered and returned within a period of Fifteen days from the date of receipt, if documents are accurate in all respects. The Shareholders/Investors Committee meets every month and transfers are also approved by Company Secretary and Registrar and Share Transfer Agent generally at the interval of every Seven days. The total number of shares transferred in the physical form during the year were 51,765 (previous year 72,426).

# Report on Corporate Governance

## 10 Shareholders' Information - Contd.

### Distribution of Shareholding

The Distribution of Shareholdings as on 31st March, 2013 is given as under:

No. of Shares (of face value)	No. of Shareholders	% of Shareholders	No. of Shares held	% of total shares
1 - 5,00	38,296	81.1201	66,18,675	4.96
501 - 1,000	4,573	9.6867	36,67,760	2.75
1,001 - 2,000	2,237	4.7385	34,02,842	2.55
2,001 - 3,000	717	1.5188	18,51,577	1.39
3,001 - 4,000	340	0.7202	12,14,902	0.91
4,001 - 5,000	285	0.6037	13,31,952	1.00
5,001 - 10,000	444	0.9405	31,45,996	2.34
10,001 & above	317	0.6715	11,22,82,210	84.10
<b>Total</b>	<b>47,209</b>	<b>100.00</b>	<b>13,35,15,914</b>	<b>100.00</b>

Shareholding pattern as on 31st March, 2013:

Sr. No.	Category	No. of Shares Held	% of Voting Strength
1.	Promoters & Associates	8,51,24,178	63.76
2.	Mutual Funds & UTI	-	-
3.	Banks, Financial Institutions & Insurance Companies	8,97,726	0.67
4.	Foreign Institutional Investors	1,13,20,827	8.48
5.	Private Corporate Bodies	61,29,229	4.59
6.	Indian Public	2,92,93,975	21.94
7.	NRIs / OCBs	5,35,776	0.40
8.	Others (Clearing Members, Trusts etc.)	2,14,203	0.16
	<b>Total</b>	<b>13,35,15,914</b>	<b>100.00</b>

10.	Dematerialisation of Shares and Liquidity	At the end of the year 12,82,23,699 shares (96.04%) are held in dematerialised form by the shareholders. Trading in Company's shares for all investors is permitted only in dematerialised form from 28th August, 2000 as per notification issued by the SEBI. ISIN CODE: INE426A01027
11.	Outstanding GDR/Warrants	Not applicable
12.	Plant Location	a) Alembic Road, Vadodara -390 003. b) Wind Mills at village Ukharla/Trambak, Taluka-Ghoga, Dist. Bhavnagar, Gujarat. c) Construction project: Chhani, Vadodara
13.	Investor Correspondence	1. Link Intime India Private Limited B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara-390 020 Tel:(0265) 2356573, 2356794 • Fax:(0265) 2356791 Email: vadodara@linkintime.co.in 2. Mr. Chirag K. Shukla Company Secretary & Compliance Officer Alembic Limited, Alembic Road, Vadodara -390003. Designated email id for shareholders' grievances: alembic.investors@alembic.co.in

# Report on Corporate Governance

## Auditors' Certificate on Corporate Governance

The Members of Alembic Limited,  
Vadodara – 390 003.

We have examined the compliance of conditions of Corporate Governance by Alembic Limited, for the year ended on 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied in with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **K.S. AIYAR & CO.**  
Chartered Accountants  
Firm Registration No. 100186W

**RAGHUVIR M. AIYAR**  
Partner  
Membership No. 38128

Mumbai : 24th April, 2013



# Independent Auditor's Report

## To the members of, Alembic Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Alembic Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

### Opinion

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

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

### Report on Other Legal and Regulatory Requirements

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

For **K.S. AIYAR & CO.**  
Chartered Accountants  
Firm Registration No. I00186W

**RAGHUVIR M. AIYAR**  
Partner  
Membership No. 38128

# Annexure to the Auditor's Report

## Re: Alembic Limited

Referred to in paragraph I on Report on Other Legal and Regulatory Requirements of our report.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets. However, item wise value in respect of assets other than land, buildings and vehicles acquired prior to 1982 are not available.
- (b) Fixed assets have been physically verified by the management during the year as per the phased programme of physical verification of fixed assets. As informed to us the programme is such that all the fixed assets will get physically verified in three years time. In our opinion the same is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) During the year the Company has not disposed off any substantial part of its fixed assets.
- (ii) (a) The inventory has been physically verified during the year by the management at reasonable intervals.
- (b) The procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The Company has granted unsecured loans to two companies covered in the register maintained under section 301 of the Companies Act, 1956 wherein the balance recoverable as at the year end is ₹187 Lacs (Maximum balance during the year ₹ 4800 Lacs).
- (b) In our opinion, the rate of interest and other terms and conditions of loans given by the Company, secured or unsecured, to parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (c) In respect of the above loans granted, receipt/renewal of the principal amount and interest were regular, as stipulated.
- (d) There is no overdue amount of more than rupees one lakh of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company has taken unsecured loan from one party listed in the register maintained under section 301 of the Companies Act, 1956 wherein the balance payable as at the year end is ₹ Nil Lacs (Maximum balance outstanding during the year ₹ 10580 Lacs).
- (f) In our opinion and according to the explanations given to us, the rate of interest and other terms and conditions of the aforesaid loan are not, prima facie prejudicial to the interest of the company.
- (g) In our opinion and according to the explanations given to us, the company is regular in paying the principal and interest as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) (a) The particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding ₹ 5,00,000 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from public. Therefore, provisions of Section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the Company. No order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records for determining whether they are accurate or complete.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including

# Annexure to the Auditor's Report

Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues applicable to it and there are no arrears outstanding as at the year end for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, the following dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess have not been deposited on account of some dispute or are partially deposited under protest.

Statute & Nature of dues.	Amount not deposited ₹	Forum where dispute is pending	Period
<b>Sales Tax Act. Sales Tax, interest and penalty.</b>	80,16,782	Joint Commissioner – Appeals	2000-01
	11,60,818	CESTAT, Comm. (A)	1999-2000
<b>The Central Excise Act. Excise Duty, Interest &amp; Penalty.</b>	5,00,000	CESTAT, Comm. (A)	2001-2002
	1,58,414	CESTAT, Comm. (A)	2004 to 2009
	59,77,921	Supreme Court	1995-96
	21,10,720	Supreme Court	1996-97
	35,21,786	Supreme Court	2003-04
	4,59,176	CESTAT	2008
	7,253	Commissioner (Appeals)	2011

- (x) The Company does not have any accumulated losses as per the Balance Sheet as at the end of the financial year. The Company has incurred cash losses during the financial year covered by our audit and has also incurred cash losses in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, 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 (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not taken any term loan from any bank or financial institution.
- (xvii) According to the information and explanations given to us, and on an overall examination of Balance Sheet of the Company, we report that funds raised on short-term basis have not been used for long term investment/applications.
- (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 Companies Act, 1956.
- (xix) The Company has not issued any debentures.
- (xx) The Company has not raised any money during the year by public issue.
- (xxi) As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **K.S. AIYAR & CO.**  
Chartered Accountants  
Firm Registration No.100186W

**RAGHUVIR M. AIYAR**  
Partner  
Membership No. 38128

# Balance Sheet

(₹ in Lacs)

As at 31st March	Notes	2013		2012	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital	<b>A</b>	<b>2,670.40</b>		2,670.40	
(b) Reserves and Surplus	<b>B</b>	<b>17,913.15</b>	<b>20,583.55</b>	17,046.45	19,716.85
<b>(2) Non-Current Liabilities</b>					
(a) Long Term Liabilities	<b>C</b>	<b>3,018.18</b>		3,028.52	
(b) Long Term Provisions	<b>D</b>	<b>92.72</b>	<b>3,110.90</b>	98.25	3,126.77
<b>(3) Current Liabilities</b>					
(a) Short-Term Borrowings	<b>E</b>	<b>2,509.02</b>		10,332.77	
(b) Trade Payables	<b>F</b>	<b>4,795.28</b>		2,568.02	
(c) Other Current Liabilities	<b>G</b>	<b>2,093.07</b>		2,780.54	
(d) Short-Term Provisions	<b>H</b>	<b>1,306.47</b>	<b>10,703.84</b>	624.88	16,306.20
			<b>34,398.29</b>		39,149.82
<b>II. ASSETS</b>					
<b>(1) Non-Current Assets</b>					
(a) Fixed Assets					
(i) Tangible Assets	<b>I</b>	<b>18,537.94</b>		19,495.04	
(ii) Capital Work-In-Progress		<b>301.16</b>	<b>18,839.10</b>	42.57	19,537.61
(b) Non-Current Investments	<b>J</b>	<b>2,342.85</b>		2,342.85	
(c) Deferred Tax Assets (Net)	<b>K</b>	<b>273.38</b>		197.97	
(d) Long Term Loans and Advances	<b>L</b>	<b>41.36</b>	<b>2,657.59</b>	70.99	2,611.81
<b>(2) Current Assets</b>					
(a) Inventories	<b>M</b>	<b>9,733.86</b>		9,424.82	
(b) Trade Receivables	<b>N</b>	<b>1,829.22</b>		1,604.11	
(c) Cash and Bank Balances	<b>O</b>	<b>126.88</b>		314.28	
(d) Short-Term Loans and Advances	<b>P</b>	<b>1,211.64</b>	<b>12,901.60</b>	5,657.19	17,000.41
			<b>34,398.29</b>		39,149.82
<b>Significant Accounting Policies and other explanatory notes and information</b>	<b>Z</b>				

Note : The notes referred to above form an integral part of the Balance Sheet  
As per our report of even date

**For K. S. AIYAR & CO.**  
Chartered Accountants

**Chirayu R. Amin**  
Chairman

**Malika Amin**  
Director

**R. M. Kapadia**  
Director

**Milin Mehta**  
Director

**RAGHUVIR M. AIYAR**  
Partner  
Membership No. 38128  
Firm Registration No. I00186W  
Mumbai : 24th April, 2013

**C. P. Buch**  
Director

**Chirag K. Shukla**  
Company Secretary

Vadodara : 24th April, 2013

# Statement of Profit and Loss

(₹ in Lacs)

For the Year Ended 31st March	Notes	2013		2012	
<b>I. Revenue from Operations</b>	<b>Q</b>	<b>19,000.65</b>		13,119.66	
Less : Excise Duty		<b>1,079.10</b>	<b>17,921.55</b>	1,041.54	12,078.12
<b>II. Other Income</b>	<b>R</b>		<b>1,031.88</b>		644.68
<b>III. Total Revenue (I + II)</b>			<b>18,953.43</b>		12,722.80
<b>IV. Expenses:</b>					
Cost of materials consumed	<b>S</b>		<b>4,088.17</b>		7,774.04
Cost of Construction	<b>T</b>		<b>4,592.18</b>		-
Changes in inventories of Finished Goods and Work in process	<b>U</b>		<b>1,450.23</b>		(2,444.95)
Employee Benefit Expenses	<b>V</b>		<b>2,447.32</b>		2,550.88
Other expenses	<b>W</b>		<b>3,775.83</b>		4,343.36
<b>Total Expenses</b>			<b>16,353.73</b>		12,223.33
<b>V. Profit/(Loss) before Interest, Depreciation and Tax</b>			<b>2,599.70</b>		499.47
Finance costs	<b>X</b>		<b>514.35</b>		520.39
Depreciation			<b>984.42</b>		1,093.20
<b>VI. Profit/(Loss) from ordinary activities before exceptional items and Tax</b>			<b>1,100.93</b>		(1,114.12)
Exceptional Items - Voluntary Retirement Scheme	<b>Y</b>		-		247.63
<b>VII. Profit/(Loss) before tax</b>			<b>1,100.93</b>		(1,361.75)
<b>VIII. Tax expense</b>					
Current tax			<b>27.00</b>		-
Deferred tax			<b>(75.41)</b>		(141.73)
Excess provision of income tax no longer required (Net)			-		(0.26)
<b>IX. Profit / (Loss) for the year</b>			<b>1,149.34</b>		(1,219.76)
<b>X. Earning per equity share (FV ₹ 2/- per share)</b>					
Basic & Diluted (In ₹)			<b>0.86</b>		(0.91)
<b>Significant Accounting Policies and other explanatory notes and information</b>	<b>Z</b>				

Note : The notes referred to above form an integral part of Statement of Profit and Loss.  
As per our report of even date

**For K. S. AIYAR & CO.**  
Chartered Accountants

**Chirayu R. Amin**  
Chairman

**Malika Amin**  
Director

**R. M. Kapadia**  
Director

**Milin Mehta**  
Director

**RAGHUVIR M. AIYAR**  
Partner  
Membership No. 38128  
Firm Registration No. 100186W  
Mumbai : 24th April, 2013

**C. P. Buch**  
Director

**Chirag K. Shukla**  
Company Secretary

Vadodara : 24th April, 2013

# Cash Flow Statement

(₹ in Lacs)

For the Year ended 31st March		2013		2012	
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
	Net Profit before tax and non-recurring items		1,100.93		(1,114.12)
	<b>Add:</b>				
1	Depreciation	986.90		1,093.20	
2	Interest charged	1,048.43		552.67	
3	(Gain) / Loss on sale of fixed assets	(0.39)		0.47	
4	Unrealised Foreign Exchange Loss / (Gain)	(9.71)	2,025.23	15.90	1,662.24
	<b>Less:</b>				
1	Interest Income	534.08		32.28	
2	Dividend Income	919.64	1,453.72	564.82	597.10
	<b>Operating Profit before change in working capital</b>		<b>1,672.44</b>		<b>(48.98)</b>
	<b>Working capital changes:</b>				
	<b>Add / (Less):</b>				
1	(Increase) / Decrease in inventories	(309.04)		(3,198.42)	
2	(Increase) / Decrease in trade receivables	(225.11)		3,110.67	
3	(Increase) / Decrease in short-term loans and advances	4,435.92		(4,951.36)	
4	(Increase) / Decrease in long-term loans and advances	29.63		124.52	
5	Increase / (Decrease) in trade payables	2,236.97		(2,229.83)	
6	Increase / (Decrease) in other current liabilities	(158.52)		1,572.45	
7	Increase / (Decrease) in short term provisions	98.84		50.51	
8	Increase / (Decrease) in long term provisions	(5.53)	6,103.17	(36.35)	(5,557.82)
	<b>Cash generated from operations</b>		<b>7,775.61</b>		<b>(5,606.80)</b>
	<b>Add / (Less):</b>				
	Direct taxes paid (Net of refunds)		243.33		(52.66)
	Cash flow before non-recurring items		8,018.94		(5,659.46)
	Expenses under Voluntary Retirement Scheme		-		247.63
	<b>Net Cash inflow from Operating Activities (A)</b>		<b>8,018.94</b>		<b>(5,907.09)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
	<b>Add:</b>				
1	Proceeds from sale of fixed assets	60.94		3.21	
2	Interest received	543.71		23.41	
3	Dividend received	919.64	1,524.29	564.82	591.44
	<b>Less:</b>				
1	Purchase of tangible assets / increase in capital work-in-progress	319.16		415.97	
2	Purchase of Investments (Net)	-		719.09	
			319.16		1,135.06
	<b>Net Cash inflow from Investing Activities (B)</b>		<b>1,205.13</b>		<b>(543.62)</b>

# Cash Flow Statement

**Contd.**

(₹ in Lacs)

For the Year ended 31st March		2013		2012	
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>				
	<b>Add:</b>				
1	Proceeds from long-term liabilities	-		2,952.78	
2	Proceeds from short-term borrowings	-	-	3,533.23	6,486.01
	<b>Less:</b>				
1	Repayment of short-term borrowings	7,823.75		-	
2	Repayment of long-term liabilities	10.34		-	
3	Interest and other finance costs	1,577.38	9,411.47	23.72	23.72
	<b>Net Cash inflow from Financing Activities (C)</b>		<b>(9,411.47)</b>		<b>6,462.29</b>
<b>II.</b>	<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(187.40)</b>		<b>11.58</b>
<b>III.</b>	<b>Add: Cash and cash equivalents at the beginning of the period</b>	<b>25.51</b>		<b>5.11</b>	
	<b>Add: Other Bank Balances</b>	<b>288.77</b>	<b>314.28</b>	<b>297.60</b>	<b>302.71</b>
<b>IV.</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>28.55</b>		<b>25.51</b>	
	<b>Other Bank Balances</b>	<b>98.33</b>	<b>126.88</b>	<b>288.77</b>	<b>314.28</b>

As per our report of even date

**For K. S. AIYAR & CO.**  
Chartered Accountants

**Chirayu R. Amin**  
Chairman

**Malika Amin**  
Director

**R. M. Kapadia**  
Director

**Milin Mehta**  
Director

**RAGHUVIR M. AIYAR**  
Partner  
Membership No. 38128  
Firm Registration No. 100186W  
Mumbai : 24th April, 2013

**C. P. Buch**  
Director

**Chirag K. Shukla**  
Company Secretary

Vadodara : 24th April, 2013

## A Share Capital :

(₹ in Lacs)

As at 31st March	2013		2012	
<b>(a) Authorized</b>				
15,00,00,000 Equity shares of ₹ 2/- each		<b>3,000.00</b>		3,000.00
		<b>3,000.00</b>		3,000.00
<b>(b) Shares issued, subscribed</b>				
13,84,64,270 Equity shares of ₹ 2/- each		<b>2,769.29</b>		2,769.29
		<b>2,769.29</b>		2,769.29
<b>(c) Shares fully paid :</b>				
13,35,15,914 Equity Shares of ₹ 2/- each,		<b>2,670.31</b>		2,670.31
9,365 Forfeited Equity Shares of ₹ 2/- each		<b>0.09</b>		0.09
		<b>2,670.40</b>		2,670.40
<b>(d) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period ;</b>				
	<b>31st March 2013</b>		<b>31st March 2012</b>	
	<b>Numbers</b>	<b>₹ in lacs</b>	<b>Numbers</b>	<b>₹ in lacs</b>
At the beginning of the period	<b>13,35,15,914</b>	<b>2,670.31</b>	13,35,15,914	2,670.31
Issued during the period	-	-	-	-
Outstanding at the end of the period	<b>13,35,15,914</b>	<b>2,670.31</b>	13,35,15,914	2,670.31
<b>(e) The rights, preferences and restrictions including restrictions on the distribution of dividends and the repayment of capital;</b>				
The company is having only one class of shares i.e. Equity carrying a nominal value of ₹ 2/- per share				
Every holder of the equity share of the Company is entitled to one vote per share held				
In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after the distribution / repayment of all creditors. The distribution to the equity shareholders will be in proportion of the number of shares held by each shareholder				
The Company declares and pays dividend on the equity shares in Indian Rupees. Dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting				
During the year ended 31st March, 2013 an amount of ₹ 0.20 of dividend per equity share was proposed for the equity shareholders ( P.Y. NIL)				
<b>(f) Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held;</b>				
	<b>31st March 2013</b>		<b>31st March 2012</b>	
	<b>Numbers</b>	<b>% held</b>	<b>Numbers</b>	<b>% held</b>
1 SHRENO LTD	<b>1,83,68,780</b>	<b>13.76 %</b>	1,83,68,780	13.76 %
2 WHITEFIELD CHEMTECH P LTD	<b>1,82,85,230</b>	<b>13.70 %</b>	1,82,85,230	13.70 %
3 SIERRA INVESTMENTS LTD	<b>1,67,92,070</b>	<b>12.58 %</b>	1,67,92,070	12.58 %
4 NIRAYU PVT LTD	<b>1,65,99,313</b>	<b>12.43 %</b>	1,62,13,755	12.14 %
<b>(g) Aggregate number of equity shares bought back during last 5 years : 49,38,991 equity shares</b>				



**B Reserves and Surplus :**

(₹ in Lacs)

As at 31st March	2013		2012	
<b>(a) Capital Reserve ;</b>				
Balance as per the last financial statements	<b>35.00</b>		35.00	
Add : Transferred from Statement of Profit and Loss	-	<b>35.00</b>	-	35.00
<b>(b) Capital Redemption Reserve;</b>				
Balance as per the last financial statements	<b>98.79</b>		98.79	
Add : Transferred from Statement of Profit and Loss	-	<b>98.79</b>	-	98.79
<b>(c) Business Restructuring Reserve;</b>				
Balance as per the last financial statements	<b>8,923.98</b>		8,923.98	
Adjustment on account of profit on sale of assets devalued earlier	<b>29.79</b>	<b>8,953.77</b>	-	8,923.98
<b>(d) Revaluation Reserve;</b>				
Balance as per the last financial statements	<b>3,108.48</b>		3,108.48	
Less : Transferred to General Reserve - **	<b>3,108.48</b>	-	-	3,108.48
<b>(e) General Reserve</b>				
Balance as per the last financial statements	-		-	
Add : Transferred from Revaluation Reserve - **	<b>3,108.48</b>		-	
Add : Amount transferred from Surplus Balance in the Statement of Profit & Loss	<b>3,000.00</b>	<b>6,108.48</b>	-	-
<b>(f) Surplus / (deficit) in the statement of profit and loss</b>				
Balance as per last financial statements		<b>4,880.19</b>		6,099.95
Profit/(Loss) for the year		<b>1,149.34</b>		(1,219.76)
Less: Appropriations				
Proposed final equity dividend (amount per share ₹ 0.20 (PY : NIL)		<b>267.04</b>		-
Tax on proposed equity dividend		<b>45.38</b>		-
Transfer to General Reserve		<b>3,000.00</b>		-
<b>Total Appropriations</b>		<b>3,312.42</b>		-
<b>Net Surplus in the statement of profit and loss</b>		<b>2,717.11</b>		4,880.19
<b>Total Reserves and Surplus</b>		<b>17,913.15</b>		17,046.45

**Business Restructuring Reserve**

Certain Fixed assets of the Company having written down value of ₹ 10,839.73 lacs have been revalued by an external valuer to its fair market value of ₹ 17,963.89 lacs and the net upward revaluation surplus of ₹ 7,124.16 lacs has been credited to business restructuring reserve as per the approved scheme of arrangement. This reserve shall not be considered as a reserve created by the Company and shall be utilised as per the approved scheme of arrangement.

\*\* Revaluation Reserve created by the Company during earlier years on conversion of Fixed Assets i.e Land into Stock-in-Trade has been reclassified and transferred to General Reserve during the year in accordance with the views of The Accounting Standards Board of Institute of Chartered Accountants of India.

**C Long Term Liabilities :**

As at 31st March	2013		2012	
<b>(a) Security Deposits</b>				
- from related parties		<b>2,840.73</b>		2,851.07
- from others		<b>177.45</b>		177.45
		<b>3,018.18</b>		3,028.52

## D Long - Term Provisions :

(₹ in Lacs)

As at 31st March	Long Term		Short Term	
	2013	2012	2013	2012
<b>(a) Provision for employee benefits</b>				
Provision for gratuity	-	-	<b>376.23</b>	275.22
Provision for Leave benefits	<b>92.72</b>	98.25	<b>71.54</b>	73.71
	<b>92.72</b>	98.25	<b>447.77</b>	348.93
<b>(b) Others</b>				
Proposed equity dividend	-	-	<b>267.04</b>	-
Provision of tax on Proposed equity dividend	-	-	<b>45.38</b>	-
	-	-	<b>312.42</b>	-
Amount disclosed under the head				
Short term provisions (Note H)			<b>(760.19)</b>	(348.93)
	<b>92.72</b>	98.25	-	-

## E Short-Term Borrowings :

As at 31st March	2013		2012	
<b>From Banks</b>				
<b>i) Working Capital facilities ( Secured)</b>		<b>2,509.02</b>		4,032.77
Secured against first hypothecation on Stocks and Book Debts ranking pari passu - @ varying Coupon repayable on demand				
<b>ii) Others from related parties (Unsecured)</b>				
Inter Corporate Deposits		-		6,300.00
Repayable on Demand @ coupon of 11%				
		<b>2,509.02</b>		10,332.77

## F Trade Payable :

As at 31st March	2013		2012	
Due to Micro, Small and Medium Enterprises		-		-
Other Trade Payables		<b>4,795.28</b>		2,568.02
		<b>4,795.28</b>		2,568.02

## G Other Current Liabilities :

As at 31st March	2013		2012	
(a) Interest accrued but not due on borrowings		-		528.95
(b) Unpaid / Unclaimed Dividend		<b>98.33</b>		112.33
(c) Other payables / liabilities				
- Statutory dues	<b>482.99</b>		464.23	
- Others	<b>70.88</b>		157.31	
- Advance from customers - Real Estate	<b>1,440.87</b>	<b>1,994.74</b>	1,517.72	2,139.26
		<b>2,093.07</b>		2,780.54

## Notes

FORMING PART OF THE BALANCE SHEET

**H Short-Term Provisions :**

(₹ in Lacs)

As at 31st March	2013		2012	
(a) Provision for employee benefits. (Note D)		447.77		348.93
(b) Others				
Proposed Dividend and Tax thereon ( Note D)		312.42		-
Provision for Income Tax	3,443.36		3,416.86	
Less : Income Tax paid	(2,897.08)	546.28	(3,140.91)	275.95
		1,306.47		624.88

**I Tangible Assets :**

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As on 01.04.2012	Addition	Deductions	As on 31.03.2013	As on 01.04.2012	Deductions	During the Year**	As on 31.03.2013	As on 31.03.2013	Net Value Added on Revaluation 31.03.2013	Revalued Net Cost As on 31.03.2013	Revalued Net Cost As on 31.03.2012
Free Hold Land	176.89	1.16	1.16	176.89	-	-	-	-	176.89	12,301.00	12,477.89	12,477.89
Buildings	1,788.19	7.03	-	1,795.22	510.20	-	40.65	550.85	1,244.37	98.07	1,342.44	1,376.06
Employees Quarters	61.08	-	-	61.08	54.38	-	0.50	55.48	5.60	-	5.60	6.10
Plant & Equipments	30,469.47	50.80	56.64	30,463.63	19,830.43	25.88	917.53	20,722.08	9,741.55	(5,268.14)	4,473.41	5,370.90
Furniture & Fixtures	305.72	1.44	-	307.16	200.86	-	10.52	211.38	95.78	(0.67)	95.11	104.20
Vehicles	21.75	-	-	21.75	13.11	-	0.76	13.87	7.88	(0.91)	6.97	7.73
Office Equipments	283.50	1.30	-	284.80	126.15	-	16.94	143.09	141.71	(5.19)	136.52	152.16
<b>TOTAL</b>	<b>33,106.60</b>	<b>61.73</b>	<b>57.80</b>	<b>33,110.53</b>	<b>20,735.53</b>	<b>25.88</b>	<b>986.90</b>	<b>21,696.75</b>	<b>11,413.78</b>	<b>7,124.16</b>	<b>18,537.94</b>	<b>19,495.04</b>
Previous Year	32,753.68	383.34	30.42	33,106.60	19,670.21	27.68	1,093.20	20,753.73	12,370.88	7,124.16	19,495.04	

Notes :

- Sales proceeds are deducted from gross cost where cost is unascertainable
- Buildings : include ₹ 2,500/- (₹ 2,500/-) being cost of bonds of Morning Star Co-Op. Housing Society Ltd.
- No Depreciation has been claimed on assets to the extent of Cenvat claimed
- Certain office premises which were earlier used for Company own operations, have now been given on lease, as the Company does not have immediate usage of these premises in view of demerger and down size operations of its plant. These office premises continue to be included in the fixed assets of the Company
- \*\* Of the above ₹ 2.48 lacs has been transferred to Cost of Construction in the statement of Profit and Loss

**J Non-Current Investments (At Cost) :**

As at 31st March	Nos.	Face Value ₹	2013	2012
<b>Equity Shares (Fully paid up) :</b>				
<b>Quoted :</b>				
<b>Trade Investment :</b>				
Jyoti Ltd.	84,900	10	1.43	1.43
Panasonic Battery India Ltd.	72,824	10	14.12	14.12
Krebs Biochemicals Ltd	100	10	0.15	0.15
Purak Vinimay Ltd.	1,09,000	10	10.90	10.90
Less:- Provision for diminution in value of Investment			(10.90)	(10.90)
<b>In Associate Companies</b>				
Paushak Ltd.	6,10,615	10	280.08	280.08
Alembic Pharmaceuticals Limited	5,50,00,000	2	1,100.00	1,100.00
Xechem International Inc., USA	91,42,857		289.73	289.73
Less : Provision for diminution in value of investment			(289.73)	(289.73)
(Aggregate Market Value of Quoted Investments ₹ 57,361.61 Lacs Previous Year ₹ 28,087.68 Lacs)			1,395.78	1,395.78

## Non-Current Investments (At Cost) : - Contd.

(₹ in Lacs)

As at 31st March	Nos.	Face Value ₹	2013	2012
<b>Equity Shares (Fully paid up) :</b>				
<b>UnQuoted :</b>				
<b>Trade Investment :</b>				
<b>In Associate Companies</b>				
Shreno Ltd.	7,62,549	100	200.26	200.26
508378 Bonus shares received during the year				
Alembic Exports Ltd	22,500	10	2.25	2.25
Sierra Investments Ltd.	100	10	0.01	0.01
<b>In Others</b>				
8% Optionally Convertible Note of XE Chem International Inc. U.S.A.			462.35	462.35
Less : Provision for diminution in value of investment			(462.35)	(462.35)
			202.52	202.52
<b>Equity Shares (Fully paid up) :</b>				
<b>UnQuoted :</b>				
<b>Non - Trade Investment :</b>				
Alembic Employees Co-op. Supply Society Ltd.	100	10	0.01	0.01
Algen Ltd	4,007	10	0.40	0.40
Less: Provision for diminution in value of Investment			(0.40)	(0.40)
Co- Operative Bank of Baroda Ltd.	100	25	0.03	0.03
Gujarat Export Corporation Ltd.	12,210	10	1.14	1.14
Pran Agro Services Pvt. Ltd. (₹ 170/- Previous Year. ₹ 170/-)	18	10	-	-
Pragati Sahakari Bank Ltd.	500	10	0.05	0.05
Swaminarayan Co-op Bank Ltd.	2,505	25	0.63	0.63
Baroda Industrial Development Corporation Ltd.	6	1,000	0.06	0.06
Ganesh Co-op. Housing Society Ltd. (₹ 100/- Previous Year. ₹ 100/-)	2	50	-	-
Gujarat Urban Housing Company	10	100	0.01	0.01
Morning Star Co-op. Housing Society Ltd. (₹ 50/- Previous Year. ₹ 50/-)	1	50	-	-
			1.93	1.93
<b>Preference shares (Fully paid up) :</b>				
<b>UnQuoted :</b>				
<b>Trade Investment :</b>				
5% Non Cumulative Redeemable Preference Share of Pran Agro Services Pvt. Ltd.	500	100	0.50	0.50
<b>In Associate Companies</b>				
9% Preference Share of Sierra Investment Limited	3,00,000	100	240.60	240.60
9% Preference Share of Nirayu Pvt. Ltd.	5,00,000	100	501.25	501.25
			742.35	742.35
<b>Bonds</b>				
12% Industrial Finance Corporation of India	27	1,000	0.27	0.27
			0.27	0.27
			2,342.85	2,342.85

**K Deferred Tax Assets/(Liabilities) :**

(₹ in Lacs)

As at 31st March	2013		2012	
<b>Deferred Tax Assets</b>				
Provision for diminution in value of investments	247.68		247.68	
Provision for doubtful debts	86.13		102.36	
Deferred Revenue Expenses	103.01		146.49	
Others	472.55		376.51	
		909.37		873.03
<b>Deferred Tax Liabilities</b>	(635.99)		(675.06)	
Depreciation		(635.99)		(675.06)
		273.38		197.97

**L Long-Term Loans and Advances : (Unsecured, considered good)**

As at 31st March	2013		2012	
(a) Security Deposits		41.36		69.43
(b) Prepaid Insurance		-		1.56
		41.36		70.99

**M Inventories : (Refer Note Z (f) of Accounting Policies for Basis of Valuation)**

As at 31st March	2013		2012	
(a) Raw materials				
Bulk Drugs & intermediates	127.49		224.95	
Solvents & Catalyst	403.99		379.47	
Chemicals & other Excipients	390.32	921.80	566.37	1,170.79
(b) Packing materials		37.27		39.17
(c) Work-in-process		75.93		87.73
(d) Finished goods				
Bulk Drugs & intermediates	1,856.06	1,856.06	3,294.49	3,294.49
(e) Stores and spares		359.30		326.19
(f) Stock in Trade : Real Estate				
Construction Project Work In Progress	6,450.19		4,357.39	
Stock of Steel and Cement	33.31	6,843.50	149.06	4,506.45
		9,733.86		9,424.82

**N Trade Receivables : (Unsecured)**

As at 31st March	2013		2012	
(a) Over Six months from the due date				
Considered good	87.40		-	
Considered doubtful	265.48		315.48	
Less : Provision for doubtful debts	265.48	87.40	315.48	-
(b) Others Considered good;		1,741.82		1,604.11
		1,829.22		1,604.11

# Notes

FORMING PART OF THE BALANCE SHEET

## ☉ Cash and Bank Balances :

(₹ in Lacs)

As at 31st March	2013		2012	
<b>Cash and cash equivalents</b>				
(a) Balances with banks	<b>25.60</b>		<b>23.79</b>	
(b) Cash on hand	<b>1.93</b>		<b>1.72</b>	
(c) Bank deposits with less than 3 months maturity from the origin date	<b>1.02</b>	<b>28.55</b>	-	25.51
<b>Other Bank Balances</b>				
(a) Unpaid Dividend Account	<b>98.33</b>		<b>112.27</b>	
(b) FBT Bank Deposits	-	<b>98.33</b>	<b>176.50</b>	288.77
		<b>126.88</b>		314.28

## Ⓟ Short-Term Loans and Advances : (Unsecured, considered good)

As at 31st March	2013		2012	
<b>(a) Loans and advances to related parties</b>				
Inter Corporate Deposits		<b>187.59</b>		4,540.00
<b>(b) Others</b>				
- Advance against Expenses - Employees		<b>0.94</b>		16.85
- Advance recoverable in cash or in kind		<b>1,023.11</b>		1,100.34
		<b>1,211.64</b>		5,657.19

## Notes

FORMING PART OF STATEMENT OF PROFIT AND LOSS

## Revenue from Operations :

(₹ in Lacs)

For the Year Ended 31st March	2013		2012	
<b>a Sale of products</b>				
Domestic	10,580.93		11,455.87	
Job work Income	457.30		248.58	
Exports	799.49		902.04	
		11,837.72		12,606.49
Export Incentives		28.39		38.31
<b>b Construction Revenue</b>		6,447.57		
<b>c Other Operating Revenues</b>				
Insurance Claims	-		1.54	
Rent	589.09		390.85	
Others	97.88		82.47	
		686.97		474.86
		19,000.65		13,119.66
<b>Sale of Products - Broad head wise</b>				
Bulk Drugs & Intermediates incl. Jobwork		11,837.72		12,606.49
		11,837.72		12,606.49

## Other Income :

For the Year Ended 31st March	2013		2012	
Dividend	919.64		564.82	
Exchange Difference (net)	-		30.51	
Others	62.24		49.35	
Provision for Doubtful Debts written back	50.00		-	
		1,031.88		644.68
		1,031.88		644.68

## Cost of Material Consumed :

For the Year Ended 31st March	2013		2012	
Inventory at the beginning of the year		1,209.96		1,778.34
Add : Purchases		3,212.29		6,564.70
Add : Process Charges		27.63		222.38
Add : Cost of Raw Material Sold		597.36		418.58
		5,047.24		8,984.00
Less : Inventory at the end of the year		959.07		1,209.96
		4,088.17		7,774.04
<b>Details of Material Consumed</b>				
Bulk Drugs & intermediates		207.49		1,038.75
Solvents & Catalyst		1,106.06		1,577.44
Chemicals & other Excipients		2,545.16		4,483.75
Others		229.46		674.10
		4,088.17		7,774.04

**T Cost of Construction :**

(₹ in Lacs)

For the Year Ended 31st March	2013	2012
Opening Construction Work-in-Progress	4,357.39	-
Opening Stock of Steel and Cement	149.06	-
<b>Add :</b>		
Construction Expenses incurred during the year	4,450.84	3,902.07
Purchase of Steel and Cement	2,140.39	604.38
<b>Less :</b>		
Selling and Distribution Expense transferred to Other expense - Note W	22.00	
Closing Construction Work-in-Progress	6,450.19	4,357.39
Closing Stock of Steel and Cement	33.31	149.06
<b>Cost of Construction</b>	<b>4,592.18</b>	<b>-</b>

**U Changes in inventories of Finished Goods, Work in process :**

For the Year Ended 31st March	2013	2012
Inventory at the end of the year		
Work in Process	75.93	87.73
Finished Goods	1,856.06	3,294.49
	1,931.99	3,382.22
Inventory at the beginning of the year		
Work in Process	87.73	71.47
Finished Goods	3,294.49	865.80
	3,382.22	937.27
	1,450.23	(2,444.95)

**V Employee Benefits Expenses :**

For the Year Ended 31st March	2013	2012
Salaries and Wages	2,090.37	2,212.65
Contribution / Provisions for Provident and other funds	244.39	235.67
Staff welfare expense	112.56	102.56
	2,447.32	2,550.88



## Notes

FORMING PART OF STATEMENT OF PROFIT AND LOSS

**W Other Expenses :**

(₹ in Lacs)

For the Year Ended 31st March	2013		2012	
Consumption of Stores, spares, Laboratory Material and Analytical Expense		516.32		722.09
Technical Know How		191.25		20.35
Power and Fuel		1,825.59		2,114.24
Manufacturing and Labour Charges		8.07		28.80
Repairs and Maintenance				
Machinery	504.92		663.88	
Buildings	94.80		69.11	
Others	38.59	638.31	36.98	769.97
Freight and Forwarding Charges		11.60		51.65
Marketing and Publicity Expense and Selling Commission		327.01		40.91
Excise Duty		(104.13)		151.24
Rent		18.95		33.99
Rates and Taxes		175.79		239.56
Insurance		34.57		39.69
Travelling Expense		17.31		36.54
Communication Expenses		33.92		40.06
Legal & Professional Fees		11.41		26.27
Payment to Auditor		7.72		5.57
Exchange Difference (net)		10.28		-
Bad Debts written off	-		93.27	
Less : Bad Debts Provision Utilised	-	-	93.27	-
Miscellaneous Expenses		51.86		22.43
		3,775.83		4,343.36

**X Finance Costs :**

For the Year Ended 31st March	2013		2012	
Interest Expense	1,048.43		552.67	
Less : Interest Income	534.08	514.35	32.28	520.39
		514.35		520.39

**Y Exceptional Item :**

For the Year Ended 31st March	2013		2012	
Voluntary Retirement to workers		-		247.63
		-		247.63

**Z I. SIGNIFICANT ACCOUNTING POLICIES :****a) Basis of Accounting :**

The Financial Statements are prepared as per historical cost convention and on accrual basis and are in conformity with mandatory Accounting Standards and relevant provisions of the Companies Act, 1956.

**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, Income and Expenditures and disclosure of Contingent Liabilities at the date of the Financial Statements. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.

**c) Fixed Assets :**

Fixed Assets are recorded at cost of acquisition / construction less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price net of Cenvat, Service Tax and Value Added Tax and any attributable cost of bringing the assets to its working condition for its intended use.

Certain fixed assets of the Company have been revalued and have been restated at a net book value including the net increase / decrease in the original net value of the assets as per the approved Scheme of Arrangement

Borrowing Cost directly attributable to acquisition / construction of fixed asset which necessarily take a substantial period of time to get ready for their intended use are capitalised.

**d) Depreciation / Amortisation :**

Depreciation on Fixed Assets is provided on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956 except for certain assets that have been revalued and restated. Depreciation on these assets has been provided on the net restated book value prospectively over the remaining original specified life.

**e) Investments :**

Investments are classified into Current and Long Term Investments. Current Investments are valued at lower of cost and fair value. Long Term Investments are stated at cost less provision, if any, for decline other than temporary in their value.

**f) Inventories:**

All Inventories are valued at lower of cost and net realisable value.

Raw Materials, Stores and Spares & packing material are valued at lower of cost determined on weighted average basis and net realisable value.

Work in process is valued at lower of cost and net realisable value.

Finished Goods is valued at lower of cost including excise payable thereon and net realisable value.

Slow moving, Raw Materials, Stores & Spares are valued at estimated net realizable value.

Construction work in progress is valued at cost and net realisable value whichever is lower. The cost is determined considering proportionate costs of a) value of land, b) direct construction cost, c) development expenses and attributable indirect expenses.

**g) Sales and Income from Operations :**

Sale of products are recognised when risk and rewards of ownership of the products are passed on to the customers, which is generally on the despatch of goods. Sales are inclusive of excise duty, but net of sales return, Service Tax & Value Added Tax & CST.

Export sales are recognised on the date of bill of lading / Airway bill.

Income from operations includes revenue earned, as per the terms agreed with the customers.

Revenue from Real Estate Projects is recognised based on sold areas as per the percentage completion method. The stage of completion is determined as per the proportion of the cost of construction and development actually incurred till reporting date and the total estimated cost of construction and development of the project. The total estimated cost of the project are estimated based on the technical and other estimates of salable areas, costs, etc.

**Z I. SIGNIFICANT ACCOUNTING POLICIES : (Contd.)**

The revenue from the Real Estate project will be recognised when 40% of the stage of completion is reached and the outcome of the project can reliably be estimated.

**h) Foreign Exchange Transactions :**

Foreign Currency transactions are initially recorded at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are converted at year end exchange rates.

The difference in conversion of monetary assets & liabilities and realized gains & losses on foreign exchange transaction are recognized in the Statement of Profit and Loss.

**i) Employee benefits :****Defined Contribution plan**

Contribution to pension fund, Superannuation payable as per superannuation scheme is provided by payment to superannuation trust fund, administered by the ICICI Prudential Life Insurance Co. Ltd, ESIC and labour welfare fund are recognised as an expense in the statement of profit and loss.

**Defined Benefit plan**

The Company's contribution to provident fund, administered through a Company managed trust, is recognised as an expense in the statement of profit and loss.

The gratuity liability, actuarial valued, is funded through the scheme administered by the Life Insurance Corporation of India (LIC), and the amounts paid / provided under the scheme are charged to statement of profit and loss.

Accumulated leave liability (other than sick leave) as at the year end is provided as per actuarial valuation. Accumulated sick leave is provided for at actuals in the statement of profit and loss.

**j) Taxes on Income :**

Income tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income tax law).

Deferred Tax asset & liabilities are recognised as per accounting standard -22 on accounting for Taxes on Income, issued pursuant to the Companies (Accounting Standards) Rules, 2006 by the Central Government.

**k) Provisions, Contingent Liabilities and Contingent Assets :**

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by the future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made. Contingent Assets are not recognised in the financial statements.

**l) Measurement of EBITDA :**

The Company has elected to present earning before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of the profit and loss.

**Z 2. Other Explanatory Notes and Information**

(₹ in Lacs)

As at 31st March,		2013	2012
i	Estimated amount of contracts remaining to be executed on capital accounts	179.42	489.87
ii	Contingent liabilities not provided for:		
	i. Wage revision and reinstatement of employees and other demands	Unascertained	Unascertained
	ii. Letter of credit, Guarantees and counter guarantees	752.96	554.44
	iii. Liabilities Disputed in appeals		
	- Excise duty	412.50	426.05
	- Sales Tax	242.21	242.21
	iv. Claims against the company not acknowledged as debt	-	-
	v. Income tax	740.69	711.23
	vi. Non fulfilment of export obligation against advance licence	91.03	108.28
iii	The remuneration paid to Managerial / Whole Time Director for Financial Year 11-12 was in excess of the remuneration prescribed under schedule XIII to the Companies Act, 1956 .The Company has applied for the necessary approval from the Central Government for the excess paid remuneration in the prescribed limits. The application is pending for approval with the Central Government.		
iv	Disclosure pursuant to AS-7 i.e. Construction Contracts in relation to Samsara Project of the Company - Real Estate Business		
			<b>2013</b>
	Contract costs incurred		4,592.18
	Recognised profit less recognised losses		1,855.39
			6,447.57
	Progress billing		7,780.82
	Due to customer		(1,333.25)
v	Defined benefit plans / compensated absences - As per actuarial valuation	<b>31.03.2013</b>	31.03.2012
		<b>Gratuity Funded</b>	Gratuity Funded
			31.03.2011
			Gratuity Funded
	<b>Expense recognised in the Statement of Profit &amp; Loss Account</b>		
	Current Service Cost	31.93	35.54
	Interest Cost	55.82	61.51
	Employer Contributions	-	-
	Expected return on plan assets	(34.63)	(44.44)
	Net Actuarial (Gains) / Losses	16.53	26.71
	Past Service Cost	-	-
	Adjustment in respect of interest not credited in the previous year	(3.24)	-
	Settlement Cost	-	-
	Total expense	66.41	79.32
	<b>Net Asset / (Liability) recognised</b>		
	Present value of Defined Benefit Obligation as at March 31, 2013	341.75	734.32
	Fair value of plan assets as at March 31, 2013	341.75	459.11
	Funded status [Surplus / (Deficit)]	-	(275.21)
	Net asset / (liability) as at March 31, 2013	341.60	(275.21)
	<b>Change in Obligation</b>		
	Present value of Defined Benefit Obligation at beginning of the year	734.32	768.89
	Current Service Cost	31.93	35.54
	Interest Cost	55.82	61.51
	Settlement Cost	-	-
	Past Service Cost	-	-
	Employer Contributions	-	-
	Actuarial (Gains) / Losses	16.53	26.71
	Benefits Payments	(155.25)	(158.33)
	Present value of Defined Benefit Obligation at the end of the year	683.35	734.32

**Z 2. Other Explanatory Notes and Information**

(₹ in Lacs)

	31.03.2013	31.03.2012	31.03.2011
	<b>Gratuity Funded</b>	Gratuity Funded	Gratuity Funded
<b>Change in Assets</b>			
Plan assets at the beginning of the year	459.11	573.00	993.35
Adjustment in respect of interest not credited in the previous year	3.24	-	-
Funds to be transfer as per the Scheme of Arrangement	-	-	(769.00)
Assets acquired in amalgamation in previous year	-	-	-
Settlements	-	-	-
Expected return on plan assets	34.63	44.44	66.38
Contributions by Employer	0.02	-	500.00
Actual benefits paid	(155.25)	(158.33)	(242.40)
Acturial (Gains) / Losses	-	-	24.67
Plan assets at the end of the year	341.75	459.11	573.00
<b>Acturial Assumptions:</b>			
Discount Rate	8.20 %	8.50 %	8.00 %
Expected rate of return on plan assets	9.00 %	9.00 %	9.00 %
Mortality pre retirement	*LIC Rates	*LIC Rates	*LIC Rates
Mortality post retirement	NA	NA	NA
Turnover rate	5% to 1%	5% to 1%	5% to 1%
Medical premium inflation	NA	NA	NA
Rate of escalation in salary (p.a.)	4.75 %	4.75 %	4.75 %
* LIC ( 1994-96) Published table of rates.			
	<b>31.03.2013</b>	31.03.2012	31.03.2011
	<b>Leave Encashment</b>	Leave Encashment	Leave Encashment
<b>Expense recognised in the Statement of Profit &amp; Loss Account</b>			
Current Service Cost	25.07	24.39	25.30
Interest Cost	8.47	14.16	11.22
Employer Contributions	-	-	-
Expected return on plan assets	-	-	-
Net Acturial (Gains) / Losses	19.66	17.77	35.74
Past Service Cost	-	-	-
Settlement Cost	-	-	-
Total expense	53.20	56.32	72.26
<b>Net Asset / (Liability) recognised in the Balance Sheet</b>			
Present value of Defined Benefit Obligation as at March 31, 2013	122.76	129.58	177.02
Fair value of plan assets as at March 31, 2013	-	-	-
Funded status [Surplus / (Deficit)]	(122.76)	(129.58)	(177.02)
Net asset / (liability) as at March 31, 2013	(122.76)	(129.58)	(177.02)

## Z 2. Other Explanatory Notes and Information

(₹ in Lacs)

		31.03.2013	31.03.2012	31.03.2011	
		Leave Encashment	Leave Encashment	Leave Encashment	
<b>Change in Obligation</b>					
	Present value of Defined Benefit Obligation at beginning of the year	129.58	177.02	140.21	
	Current Service Cost	25.07	24.39	25.30	
	Interest Cost	8.47	14.16	11.22	
	Settlement Cost	-	-	-	
	Past Service Cost	-	-	-	
	Employer Contributions	-	-	-	
	Actuarial (Gains) / Losses	19.66	17.77	35.74	
	Benefits Payments	(60.02)	(103.76)	(35.45)	
	Present value of Defined Benefit Obligation at the end of the year	122.76	129.58	177.02	
vi.	The year end foreign currency exposure that have not been hedged by a derivative instrument or otherwise are as follows:				
			2013	2012	
	1. Amount receivable in foreign currency on account of the following				
	- Export of Goods and Services	USD	3.59	1.56	
	Advance to Suppliers	USD	0.05	0.02	
		EUR	-	1.05	
		GBP	-	0.02	
		JPY	7.05	14.80	
	2. Amount payable in foreign currency on account of the following				
	- Purchase of Goods and Services	USD	0.45	4.98	
		EUR	-	0.21	
	Advance from Customers	USD	0.33	0.14	
		EUR	0.01	0.01	
vii.	As per information / documents available with the Company, there are no small scale undertaking. Hence information as per requirement of section 22 of Micro, Small & Medium Enterprises Development Act, 2006, not given.				
viii.	<b>Segment Reporting</b>				
	Primary Segment The Company has identified "API" and "Real Estate" as the primary reportable segment. Disclosure pursuant to AS-17 i.e. Segment Reporting				
	<b>Particulars</b>	<b>API</b>	<b>Real Estate</b>	<b>API</b>	<b>Real Estate</b>
		<b>2013</b>		<b>2012</b>	
	Segment Revenue	10,939	6,983	11,687	391
	Segment Results	(1,909)	2,090	(2,565)	391
	Capital Employed i.e Segment assets - Liabilities	12,000	6,525	12,840	4,504
	Company caters largely to Domestic customers both in API and Real Estate business and hence the secondary segmental information is not required to be given.				

**Z 2. Other Explanatory Notes and Information**

(₹ in Lacs)

ix.	Disclosures in respect of Related Parties pursuant to Accounting standard - AS 18 - issued by the Institute of Chartered Accountants of India are as follows.					
	<b>List of Related Parties with whom the Company has entered into transactions during the year.</b>					
	(a) Controlling Companies: There is no controlling Company					
	(b) Subsidiary and Fellow Subsidiary: There is no Subsidiary Company					
	(c) Associate Companies:					
	1	Alembic Pharmaceuticals Ltd.	6	Paushak Ltd.		
	2	Sierra Healthcare Ltd.	7	Alembic Export Ltd.		
	3	Nirayu Pvt. Ltd.	8	Whitefield Chemtech Pvt. Ltd.		
	4	Quick Flight Ltd.	9	Sierra Investments Ltd.		
	5	Shreno Ltd.				
	(d) Key Management personnel					
	1	Shri C. R. Amin		Chairman		
	2	Smt M. C. Amin		Whole-time Director (Upto June, 12)		
	3	Shri Ashok Tulankar		Manager		
	(e) Relatives of Key Management Personnel :					
	1	Shri Pranav Amin	5	Ms. Jyoti Patel		
	2	Shri Saunak Amin	6	Ms. Ninochaka Kothari		
	3	Shri Udit Amin	7	Ms. Shreya Mukherjee		
	4	Ms. Yera Amin				
	During the year, the following transactions were carried out with related parties and relative of Key Management Personnel in the ordinary course of the business					
			<b>Associates</b>		<b>Key Management Personnel</b>	
			<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>For the year ended on 31st March,</b>					
	i)	Purchase of Goods/DEPB				
		- Individually more than 10%	<b>460.22</b>	334.13	-	-
		- Others	<b>12.98</b>	35.30	-	-
	ii)	Sale of Goods/DEPB				
		- Individually more than 10%	<b>10,264.52</b>	6,001.14	-	-
		- Others	<b>1.84</b>	12.58	-	-
	iii)	Purchase of Fixed Assets				
		- Individually more than 10%	-	20.56	-	-
		- Others	-	-	-	-
	iv)	Sale of Fixed Assets				
		- Individually more than 10%	-	7.12	-	-
		- Others	-	-	-	-
	v)	Rendering of services				
		- Individually more than 10%	<b>343.79</b>	579.63		
		- Others	<b>1.50</b>	-		
	vi)	Receiving of services				
		- Individually more than 10%	<b>797.36</b>	894.94	-	-
		- Others	-	1.21	-	-
	vii)	Rent Paid				
		- Individually more than 10%	<b>23.89</b>	32.35	-	-
		- Others	-	3.53	-	-
	viii)	Rent Received				
		- Individually more than 10%	<b>96.44</b>	68.34	-	-
		- Others	<b>16.97</b>	17.08	-	-
	ix)	Interest Paid				
		- Individually more than 10%	<b>875.75</b>	528.95	-	-
		- Others	-	-	-	-

**Z 2. Other Explanatory Notes and Information**

(₹ in Lacs)

	For the year ended on 31st March,	Associates		Key Management Personnel	
		2013	2012	2013	2012
x)	Interest Received				
	- Individually more than 10%	<b>461.37</b>	9.04	-	-
	- Others	-	-	-	-
xi)	Dividend Received				
	- Individually more than 10%	<b>905.00</b>	550.00	-	-
	- Others	<b>12.21</b>	12.21	-	-
xii)	Loans Given				
	- Individually more than 10%	<b>2,515.00</b>	4,595.00	-	-
	- Others	-	-	-	-
xiii)	Loans Received				
	- Individually more than 10%	<b>14,800.00</b>	6,850.00	-	-
	- Others	-	-	-	-
xiv)	Deposit Received				
	- Individually more than 10%	-	2,749.67	-	-
	- Others	-	101.40	-	-
xv)	Managerial Remuneration				
	Salary	-	-	<b>39.14</b>	158.55
	Provident Fund and others	-	-	<b>3.61</b>	15.34
	Superannuation	-	-	<b>0.25</b>	1.00
	Commission	-	-	-	-
xvi)	Invest in Preference Share capital				
	- Individually more than 10%	-	741.85	-	-
	- Others	-	-	-	-
xvii)	Advance consideration against Sale of Property in Samsara Project				
		-	1,030.99	-	-
xviii)	Outstanding balance as at 31st March	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	- Advances	<b>36.67</b>	109.60	-	-
	- Creditors	<b>825.91</b>	81.15	-	-
	- Loans Given	<b>187.59</b>	4,540.00	-	-
	- Deposit Given	<b>10.00</b>	10.00	-	-
	- Deposit Received	<b>2,851.07</b>	2,851.07	-	-
	- Loan Received	-	6,300.00	-	-
	- Investment	<b>2,324.45</b>	2,324.45	-	-



## Z 2. Other Explanatory Notes and Information

(₹ in Lacs)

x	Listing Agreement clause 32 disclosure		
	Disclosures as required under clause 32 of listing agreement have not been given as there are no such transactions with any such party / Employee.		
xi	Earning Per Share (EPS)		
	Year ended on 31st March,	<b>2013</b>	2012
	a) Profit / (Loss) after tax but before Non-Recurring Items available for equity shareholders.	<b>1,149.34</b>	(972.13)
	b) Profit / (Loss) after Tax available for equity shareholders	<b>1,149.34</b>	(1,219.76)
	c) Weighted Average number of equity shares	<b>13,35,15,914</b>	13,35,15,914
	d) Basic and Diluted Earnings per share before Non-Recurring Items. (Face value per share ₹ 2/- each)	<b>0.86</b>	(0.73)
	e) Basic and Diluted Earnings per share after Non-Recurring Items. (Face value per share ₹ 2/- each)	<b>0.86</b>	(0.91)
xii	Auditors Fees and Expenses include remuneration to:		
	Year ended on 31st March,	<b>2013</b>	2012
	(a) Statutory Auditors:-		
	As Auditors	<b>6.00</b>	3.50
	In Other Capacity:-		
	(i) Reimbursement of expenses	<b>0.22</b>	0.32
	(b) Cost Auditors :-		
	(i) As Cost Auditors	<b>0.45</b>	0.25
	(c) Tax Auditor :		
	(i) Tax Audit Fee	<b>1.05</b>	1.50
		<b>7.72</b>	5.57
xiii	Income / Expenditure in Foreign Currency		
	Year ended on 31st March,	<b>2013</b>	2012
	- Export (FOB basis)	<b>792.93</b>	857.89
		<b>792.93</b>	857.89
xiv	Expenditure in Foreign Currency		
	Year ended on 31st March,	<b>2013</b>	2012
	- Raw Materials (CIF basis)	<b>136.11</b>	594.66
	- Packing Material ,Components and Spare parts (CIF basis )	<b>28.88</b>	62.70
	- Professional and Consultancy Fees	<b>0.94</b>	15.61
	- Technical Know How (Erythromycin)	<b>172.12</b>	-
	- Others	<b>45.14</b>	29.07
		<b>383.19</b>	702.04
xv	Break up of Imported /Indigenous Material		
	Year ended on 31st March,	<b>2013</b>	2012
	(a) Value of imported raw materials, spares parts and components consumed	<b>435.77</b>	1,390.88
	(b) Value of indigenous raw materials, spare parts and components consumed	<b>4,103.09</b>	7,036.09
	(c) Percentage of above to total consumption:		
	(i) Imported raw materials, spare parts and components consumed	<b>10%</b>	17 %
	(ii) Indigenous raw materials, spare parts and components consumed	<b>90%</b>	83 %

## **Z** 2. Other Explanatory Notes and Information

xvi	The previous year's figures have been regrouped / rearranged wherever necessary to make it comparable with the current year.
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As per our report of even date

**For K. S. AIYAR & CO.**  
Chartered Accountants

**Chirayu R. Amin**  
Chairman

**Malika Amin**  
Director

**R. M. Kapadia**  
Director

**Milin Mehta**  
Director

**RAGHUVIR M. AIYAR**  
Partner  
Membership No. 38128  
Firm Registration No. 100186W  
Mumbai : 24th April, 2013

**C. P. Buch**  
Director

**Chirag K. Shukla**  
Company Secretary

Vadodara : 24th April, 2013

**ALEMBIC LIMITED**  
Alembic Road, Vadodara - 390 003.



**A T T E N D A N C E   S L I P**

**To be handed over at the entrance of the Meeting Hall**

<b>For Physical Holding</b>	<b>For Electronic Form (Demat) NSDL / CDSL</b>	<b>No. of Shares Held</b>
LF No.	DP ID	CLIENT ID

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at "Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003 on Friday, the 6th September, 2013 at 4.00 p.m.

NAME OF THE MEMBER / JOINT MEMBER / JOINT MEMBER(S) (IN BLOCK CAPITALS):

- Notes:
1. Shareholder / Proxy-holder must bring the Attendance Slip to the meeting and hand it over duly signed at the entrance of the meeting hall.
  2. Joint Shareholders may obtain additional Attendance Slip/s by prior intimation to Office.
  3. Please strike off whichever is not applicable.

SIGNATURE OF THE MEMBER/  
JOINT MEMBER(S) / PROXY



**ALEMBIC LIMITED**  
Alembic Road, Vadodara - 390 003.



**P R O X Y   F O R M**

<b>For Physical Holding</b>	<b>For Electronic Form (Demat) NSDL / CDSL</b>	<b>No. of Shares Held</b>
LF No.	DP ID	CLIENT ID

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being Member (s) of ALEMBIC LIMITED hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
of failing him \_\_\_\_\_ of \_\_\_\_\_ as my / our proxy  
to attend and vote for me / us and on my / our behalf at the ANNUAL GENERAL MEETING of the Company to be  
held on Friday, the 6th September, 2013 and at any adjournment thereof.

Signed this \_\_\_\_\_ Day of \_\_\_\_\_ 2013.

- Notes:
1. Proxy form must reach the Company's Registered Office not less than 48 hours before the Meeting.
  2. The form should be signed across the stamp as per specimen signature registered with the Company
  3. Please strike off whichever is not applicable.

I Rupee  
Revenue  
Stamp

# BOOK - POST

To,



[www.alembiclimited.com](http://www.alembiclimited.com)