

**ALEMBIC LIMITED**



**ANNUAL REPORT 2013-14**

**ALCHEMY**  
REAL ESTATE

ALEMBIC GROUP

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.

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

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

**READY  
POSSESSION**

*Samsara*

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

## Board of Directors

Mr. Chirayu R. Amin  
Chairman

Mrs. Malika Amin  
Director

Mr. Udit Amin  
Director and President -Operations

Mr. Milin Mehta  
Director

Mr. R. M. Kapadia  
Director

Mr. C. P. Buch  
Director

Mr. Ashok Tulankar  
Director

Mr. R. C. Saxena  
Director (w.e.f. 10 September, 2013)

## Company Secretary

Mr. Chirag K. Shukla

## Regd. Office

Alembic Road, Vadodara - 390 003  
CIN: L26100GJ1907PLC000033  
Tel : (0265) 2280550  
Fax : (0265) 2282506  
E-mail : [alembic.investors@alembic.co.in](mailto:alembic.investors@alembic.co.in)  
Website: [www.alembiclimited.com](http://www.alembiclimited.com)

## 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](mailto:vadodara@linkintime.co.in)

## Manufacturing Facility

Alembic Road, Vadodara - 390 003. Gujarat

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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

Notice is hereby given that the 107<sup>th</sup> 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 Wednesday 13<sup>th</sup> August, 2014 at 4.00 p.m. to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2014, including Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Ashok Tulankar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. K. S. Aiyar & Co., Chartered Accountants (FRN: 100186W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till Conclusion of fourth AGM, with this AGM being counted as the first AGM and to authorize the Board of Directors to fix their remuneration.

## SPECIAL BUSINESS:

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

### **Appointment of Mr. R. C. Saxena as an Independent Director.**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. R. C. Saxena (DIN 05352912), who was appointed as an Additional Director of the Company w.e.f. 10<sup>th</sup> September, 2013 and who vacates his office at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to 12<sup>th</sup> August, 2019."

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

### **Appointment of Mr. C. P. Buch as an Independent Director.**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. C. P. Buch (DIN 05352912), Director of the Company whose period of office was liable to be determined by retirement of directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to 31<sup>st</sup> March, 2019."

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

### **Appointment of Mr. Milin Mehta as an Independent Director.**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Milin Mehta (DIN 01297508), Director of the Company whose period of office was liable to be determined by retirement of directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to 31<sup>st</sup> March, 2019."

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

**Revision in terms of appointment including remuneration and re-designation of Mr. Udit Amin as Director & President-Operations.**

# Notice

**“RESOLVED THAT** subject to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof for the time being in force) (‘the Act’) the approval of the members of the Company be and is hereby accorded to revision in terms of appointment including remuneration and designation of Mr. Udit Amin w.e.f. 1<sup>st</sup> April, 2014 for the remaining period of his appointment upto 23<sup>rd</sup> April, 2018, as recommended by the Board of Directors in its meeting held on 6<sup>th</sup> May, 2014 and set out hereunder, with liberty and authority to the Board of Directors to alter and vary remuneration from time to time within permissible limits of the Act, and as may be agreed between the Board of Directors and Mr. Udit Amin.

**Designation:**

Mr. Udit Amin shall be designated as Director & President-Operations

**Remuneration:**

Basic Salary, Perquisites and other allowance/benefits up to maximum CTC of Rs. 250 Lacs 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-Operations 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.

**Commission:**

Mr. Udit Amin, Director & President - Operations shall also be paid commission, in addition to salary, perquisites and allowances, calculated with reference to net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year or a part of the year provided that the total remuneration payable to him shall not exceed overall ceiling of 11% of net profits, stipulated under Sections 197 of the Companies Act, 2013.

**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 Schedule V of the Companies Act, 2013 or any statutory modification or re-enactment thereof and subject to necessary approvals, if any.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution.”

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

**To reconfirm authority to Board of Directors for borrowings upto Rs. 750 Crores.**

**“RESOLVED THAT** in supersession of resolution passed in this regard at the Extraordinary General Meeting of the Company held on 30<sup>th</sup> August, 2007 and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof) (‘the Act’) and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as ‘Board’ which term shall include a Committee thereof authorized for the purpose) of the Company, to borrow, from time to time, any sum or sums of money (including non-fund based banking facilities) as may be required for the purpose of the business of the Company, from one or more Banks, Financial Institutions and other persons, firms, bodies corporates, whether in India or abroad, notwithstanding that the monies so borrowed together with the monies already borrowed (apart from temporary

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loans obtained from the Company's Bankers in the ordinary course of business) may at any time exceed the aggregate of the paid up Capital of the Company and its Free Reserves (reserves not set apart for any specific purpose) provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed the sum of Rs. 750 crores (Rupees Seven Hundred and Fifty Crores only).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution."

10. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution: To approve creation of charge/security over the assets/undertaking of the Company, in respect of borrowings.**

**"RESOLVED THAT** in supersession of resolution passed in this regard at the Extraordinary General Meeting of the Company held on 30<sup>th</sup> June, 2001 and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof) ('the Act'), the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company, to mortgage, hypothecate, pledge and / or charge, in addition to the mortgage, hypothecate, pledge and / or charge already created, in such form, manner and ranking and on such terms as the Board deems fit in the interest of the Company, on all or any of the movable and / or immovable properties of the Company, both present and future and /or any other assets or properties, either tangible or intangible, of the Company and / or the whole or part of any of the undertaking of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of certain events of defaults, in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowing availed or to be availed by the Company, by way of loans, debentures or any other securities or otherwise, in foreign currency or in Indian rupees, from time to time, up to the limits approved or as may be approved by the shareholders under Section 180(1)(c) of the Act along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and all other monies payable by the Company including any increase as a result of devaluation / revaluation / fluctuation in the rate of exchange.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution."

11. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution: To approve Alteration of Articles of Association of the Company.**

**"RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof) ('the Act'), Articles 132(1) and 135C(2) of the Articles of Association of the Company be and are hereby altered by replacement with following articles:

**'132 (1)** Subject to the provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof) ('the Act'), the Directors shall have power to appoint from time to time one or more of their body to be Managing Director or Managing Directors or Whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

Provided that an individual can be appointed or reappointed or continue as Chairperson of the Company as well as Managing Director or Chief Executive Officer of the Company at the same time.

**135C (2)** Any member of the Company shall be entitled to be furnished, within the period prescribed under the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof) ('the Act'), after he has made a request in writing in that behalf to the Company, with a copy of any minutes referred to in sub-clause (1) hereof, on payment of such fees as may be decided by the Board of Directors of the Company.

Provided that the fees so decided by the Board in any case shall not exceed the maximum fees prescribed in this regard under the Act.'

**RESOLVED FURTHER THAT** after the article 162 of the Articles of Association, articles 163 and 164, be and are hereby inserted, as under:



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**‘163. Registers and documents to be maintained by the Company:**

The Company shall keep and maintain Registers, Books and Documents required by the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) ('the Act'), to the extent applicable to the Company from time to time.

**164. Inspection of Registers:**

The Registers Books and Documents as provided in the foregoing Article shall (a) subject to such restrictions as provided in the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof) ('the Act') and on payment of such fees as may be decided by the Board of Directors of the Company, be open to persons so authorized/entitled for inspection and extracts may be taken therefrom on working days except Saturdays and Sundays between 11.00 AM to 1.00 PM and (b) copy thereof may be required by such persons who are entitled for the same and on payment of such fees as may be decided by the Board of Directors of the Company.

Provided that the fees (in case of (a) or (b) above) so decided by the Board, in any case shall not exceed the maximum fees prescribed, in respect of inspection or for copies thereof, as the case may be, for respective document/register, under the Act.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby severally authorized to do all acts, deeds and things necessary and 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. **A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voating rights may appoint a single person as proxy, provided such person shall not act as a proxy for any other person or shareholder.**
3. 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.
4. The Register of Members of the Company will remain closed from **Wednesday the 6<sup>th</sup> August, 2014 to Wednesday the 13<sup>th</sup> August, 2014 (both days inclusive)**, for the purpose of Annual General Meeting and payment of dividend.
5. The dividend when sanctioned will be made payable on or before 20<sup>th</sup> August, 2014, to those members whose names stand on the Register of Members of the Company on 6<sup>th</sup> August, 2014 in case of Physical shares and to those members as per the beneficiary position to be given by NSDL and CDSL. Members are requested to notify promptly any change in their registered address.
6. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturdays and holidays up to the date of Annual General Meeting.
7. All the work related to share registry in terms of both - physical and electronic – are being conducted by Company's R & T Agents – 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](mailto:vadodara@linkintime.co.in). The Shareholders are requested to send their communication to the aforesaid address in future.
8. **Voting through electronic means:**  
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 107<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):
  - A. **‘Step-by-Step’ procedure and instructions for casting your vote electronically are as under :**
    - Step-1 Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
    - Step-2 Now click on “Shareholders” to cast your votes

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Step-3 Now, select the Electronic Voting Sequence Number - "EVSN" along with "ALEMBIC LIMITED" from the drop down menu and click on "SUBMIT"

Step-4 Now, fill up the following details in the appropriate boxes:

EVSN	140602008
User-ID	For Members holding shares in Demat Form:- a) For CDSL :- 16 digits beneficiary ID b) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID For Members holding shares in Physical Form:- Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

\*Members who have not updated their PAN with the Company / Depository Participant are requested to use default number 'ALAGM2014' in the PAN field.

# Please enter any one of the details in order to login.

Step-5 After entering these details appropriately, click on "SUBMIT" tab.

Step-6 Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & \*). Kindly note that this password is also to be used by the demat holders for voting for resolutions of the company or of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Step-7 Click on the relevant EVSN on which you choose to vote.

Step-8 On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

Step-9 Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

Step-10 After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

Step-11 Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

## B. Other instructions for E-voting :

- The voting period begins on 8th August, 2014 (9:00 am) and ends on 9th August, 2014 (6:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th June, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.



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2. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 20th June, 2014.
3. Mr. Sushil Samdani, Partner, M/s Samdani Shah & Associates, Practising Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-Voting process.
4. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and cast your vote earlier for any company, then your existing login id and password are to be used.
5. For Members holding shares in physical form, the folio number and PAN / default number can be used only for e-Voting on the resolutions given in this notice.
6. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote
7. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**Registered Office:**

Alembic Road,  
Vadodara - 390 003  
Date: 6<sup>th</sup> May, 2014

By Order of the Board,

**Chirag K. Shukla**  
Company Secretary

**Explanatory Statement as required under Section 102 of the Companies Act, 2013**

**Item No. 5**

Mr. R. C. Saxena (DIN: 05352912) was appointed as an Additional Director of the Company on 10<sup>th</sup> September, 2013. As per the provisions of the 161 of the Companies Act, 2013, he holds directorship upto the ensuing Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013 together with a deposit of Rs. 100,000/- from a member proposing his candidature as a Non-Executive Independent Director of the Company.

As per requirements of provisions of the Companies Act, 2013 and rules made thereunder, the Independent Directors are not liable to retire by rotation. Therefore is proposed to appoint Mr. Saxena as a Non-Executive Independent Director for a term of five consecutive years from the date of ensuing Annual General Meeting.

A brief profile of Mr. Saxena together with other details as required under clause 49 of the Listing Agreement is provided in the Corporate Governance Report.

In the opinion of the Board, Mr. Saxena fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. A copy of the draft letter for appointment of Mr. Saxena as an Independent Director would be available for inspection without any fee for the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturdays.

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

None of the Directors, Key Managerial Personnel or their relatives, except Mr. R. C. Saxena, has any concern or interest, financial or otherwise, in the resolution set out at Item No. 5.

**Item No. 6**

Mr. C. P. Buch (DIN: 05352912) is a Non Executive Independent Director of the Company, whose period of office was liable to be determined by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. However, as per requirements of provisions of the Companies Act, 2013 and rules made thereunder, the Independent Directors are not liable to retire by rotation and are required to be appointed by Shareholders. Therefore it is proposed to appoint Mr. Buch as an Independent Director for a term of five consecutive years upto 31st March, 2019.

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Brief profile of Mr. C. P. Buch together with other details as required under clause 49 of the Listing Agreement is provided in the Corporate Governance Report. In the opinion of the Board, Mr. Buch fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. A copy of the draft letter for appointment of Mr. Buch as an Independent Director would be available for inspection without any fee for the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

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

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Buch, has any concern or interest, financial or otherwise, in the resolution set out at Item No. 6.

#### **Item No. 7**

Mr. Milin Mehta (DIN: 01297508), is a Non Executive Independent Director of the Company, whose period of office was liable to be determined by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. However, as per requirements of provisions of the Companies Act, 2013 and rules made thereunder, the Independent Directors are not liable to retire by rotation and are required to be appointed by Shareholders. Therefore, it is proposed to appoint Mr. Mehta as an Independent Director for a term of five consecutive years upto 31<sup>st</sup> March, 2019.

Brief resume of Mr. Mehta together with other details as required under clause 49 of the Listing Agreement is provided in the Report on Corporate Governance. In the opinion of the Board, Mr. Mehta fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. A copy of the draft letter for appointment of Mr. Mehta as an Independent Director would be available for inspection without any fee for the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

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

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Milin Mehta, has any concern or interest, financial or otherwise, in the resolution set out at Item No. 7.

#### **Item No. 8**

Mr. Udit Amin was designated as Director & President-Real Estate Business at the time of his appointment in the year 2013. However, Mr. Udit Amin has made significant contributions at the Board level on overall operations of the Company including API business. The Board appraised the strength and proficiency of Mr. Udit Amin to manage both major business verticals of the Company and on the basis of recommendations of Nomination and Remuneration Committee, the Board has approved, subject to approval of Shareholders at the ensuing AGM, revision in ceiling of remuneration payable of Mr. Udit Amin and his re-designation as Director & President-Operations w.e.f. 1<sup>st</sup> April, 2014.

The actual remuneration shall be decided by the Board at the end of every financial year which shall be within overall limits of remuneration payable under the Companies Act, 2013 and rules made thereunder.

None of the Directors and Key managerial personnel of the Company or their relatives have any interest, financial or otherwise, in the resolution except Mr. Udit Amin himself and Mrs. Malika Amin and Mr. Chirayu Amin, being his relatives.

The Board recommends the special resolution set out in item no. 8 for the approval of the members.

#### **Item Nos. 9 & 10**

In terms of the provisions of Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company by a special resolution, borrow moneys, apart from temporary loans, in excess of aggregate of the paid up capital and its free reserves (section 180(1)(c)) nor the Board can create security or create mortgages, charges and hypothecations over the assets of the Company which would be required to secure aforesaid borrowings(section 180(1)(a)).

# Notice

The above section 180 of the Companies Act, 2013 corresponds to section 293 of Companies Act, 1956 under which the consent of the Company was required by ordinary resolutions.

Accordingly, the shareholders of the Company had accorded their consent by way of ordinary resolutions to the Board of Directors for borrowing money not exceeding Rs. 750 Crores (Rupees Seven Hundred Fifty Crores only) at any point of time and to create security or create mortgages, charges and hypothecations over the assets of the Company to secure such borrowings from time to time.

However, the Ministry of Corporate Affairs, New Delhi vide its General Circular No. 4/2014 dated 25<sup>th</sup> March, 2014 has stated that such ordinary resolutions passed under old Companies Act, 1956 for borrowing money in excess of limits and to create security on undertaking of the Company, shall remain valid upto one year from the commencement of the Companies Act, 2013 i.e. upto 11<sup>th</sup> September, 2014.

Therefore it is proposed to reconfirm the limit of such borrowing power of Rs. 750 Crores.

None of the Directors, Key Managerial Personnel or their relatives has any concern or interest, financial or otherwise, in the resolutions.

The Board recommends the special resolutions set out in item no. 9 and 10 for the approval of the members.

#### **Item No. 11:**

The article 132(1) of the Articles of Association ('AoA') of the company contains provisions for appointment of Managing Director and Whole-Time Directors of the Company. The provisions of the Companies Act, 2013 provides that an individual shall not be appointed or reappointed as Chairperson and Managing Director or CEO at the same time unless the articles of the Company provides otherwise or where the Company is not engaged in multiple business.

Though, the Company presently has separate individuals as Chairman and Whole-Time Director, the Board felt it prudent to amend article 132(1) to align the Articles with the requirement of the new Companies Act, 2013.

The article 135C (2) contains the provisions for providing copy of minutes of General meetings to members of the Company on payment of certain fees. The fees prescribed under the law for the matter, have been amended from time to time and relevant clause of articles of association has not been amended since long. Therefore, it is proposed to alter the relevant Clauses of Articles of Association of company to align them with the new Companies Act, 2013.

Further, the provisions of Companies Act, 2013 and rules made thereunder has prescribed various requirements and formats for maintenance and inspection of registers. The Articles of Association of the Company does not have a clause on the matter. Therefore, the Board of Directors felt it prudent to insert relevant clauses in Articles of Association of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives has any concern or interest, financial or otherwise, in the resolution.

The Board recommends the special resolution set out in Item No. 11 for the approval of the Members.

#### **Alembic Ltd.**

**Registered office:** Alembic Road, Vadodara – 390003, Gujarat, India

CIN:L26100GJ1907PLC000033

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

Email: [alembic.investors@alembic.co.in](mailto:alembic.investors@alembic.co.in)

Phone: 0265-2280550 Fax: 0265 - 2282506

Date: 6th May, 2014

By Order of the Board,

**Chirag K. Shukla**  
Company Secretary

# DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 107<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March, 2014.

## 1. Financial Results:

(Rs. In lacs)

For the year ended 31 <sup>st</sup> March	2014	2013
Profit for the year before Interest, Depreciation, other Income or Expenses and Tax	4370	2600
<b>Adjusting therefrom:</b>		
Interest (net)	233	514
Depreciation	790	984
Excess Tax Provision written back	(180)	-
Provision for deferred tax liabilities or (assets)	343	(75)
Provision for current tax	230	27
Net Profit (Loss)	2953	1149
<b>Adding thereto:</b>		
Balance brought forward from last year	2717	4880
The amount available is	5670	6029
<b>Appropriating there from:</b>		
Provision for Dividend on Equity shares	401	267
Provision for Corporate Dividend Tax	68	45
Transfer to General Reserve	2000	3000
Balance carried forward to next year's accounts	3201	2717

## 2. Dividend:

Your Directors recommend Dividend on Equity Shares of Re. 0.15 per share (i.e. 7.5 per cent) of face value of Rs. 2/- per share for the year ended on 31<sup>st</sup> March, 2014 as against Re. 0.20 per share (i.e. 10 per cent) for the year ended 31<sup>st</sup> March, 2013.

## 3. Management's Discussion and Analysis:

The Report on Management Discussion and Analysis as required under the Listing Agreement is enclosed as Annexure- A to this report. Certain statements in that 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.

## 4. Operations:

The Company's Gross Revenues including export incentives were Rs. 160.92 Crores for the year ended 31<sup>st</sup> March, 2014 as compared to Rs. 190.01 Crores for the previous year.

## DIRECTORS' REPORT

The profit before Interest, Depreciation, Non-recurring Income and expenses and Taxes was Rs. 43.70 Crores for the year under review as compared to Rs. 26.00 Crores for the previous year.

During the year, the interest and financial cost was Rs. 2.33 Crores as compared to Rs. 5.14 Crores in previous year. The Company has registered a net profit of Rs. 29.53 Crores as compared to a net profit of 11.49 Cr. for the previous year ended 31<sup>st</sup> March, 2013.

### 5. Bonus Issue of Equity Shares

During the year under review, the company has allotted 13,35,15,914 equity shares of Rs. 2/- each fully paid up to the equity shareholders in the ratio of 1:1.

### 6. Listing of shares:

The Equity shares of the Company are listed on The Bombay Stock Exchange Limited (BSE) with scrip code No. **506235** and on National Stock Exchange of India Limited (NSE) with scrip code of **ALEMBICLTD**.

### 7. Fixed Deposits:

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

### 8. Directors:

The Board has appointed Mr. R. C. Saxena as an Additional Director w.e.f. 10<sup>th</sup> September, 2013. He holds office of Additional Director up to the ensuing Annual General Meeting of the Company. The Company has received a notice u/s 160 of the Companies Act, 2013 from a shareholder of the Company proposing the candidature of Mr. R. C. Saxena for the office of an Independent Director.

Mr. C. P. Buch and Mr. Milin Mehta the Independent Directors of the Company, were liable to retire by rotation in terms of provisions of Companies Act, 1956. However, as per provisions of the Companies Act, 2013, the Independent Directors are required to be appointed by Shareholders and for a term upto five consecutive years and they shall not be liable to retire by rotation. Accordingly, it is proposed to appoint them as Independent Directors for a term of five consecutive years w.e.f. 1st April, 2014.

In accordance with the provisions of the

Companies Act, 2013 and Articles of Association of the Company, Mr. Ashok Tulankar, Director of the Company will retire by rotation at the ensuing Annual General Meeting who is eligible for re-appointment.

Brief resumes of Mr. Ashok Tulankar, Mr. R. C. Saxena, Mr. Milin Mehta and Mr. C. P. Buch are given in the Corporate Governance Report.

### 9. 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.

### 10. 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.

### 11. Corporate Governance:

Your Company has complied with the provisions of Corporate Governance as prescribed under the Listing Agreement.

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

### 12. Audit Committee:

The Audit Committee comprises of Mr. Milin Mehta, Mr. C. P. Buch and Mr. R. M. Kapadia. Mr. Milin Mehta is Chairman of the Audit Committee. The Committee interalia reviewed the Internal Control System, Scope of Internal Audit and reports of Internal Auditors and compliance of various regulations. The Committee reviews at length the Financial Statements and approves the same before they were placed before the Board of Directors.

### 13. Auditors:

#### a) Statutory Auditors:

In compliance with the Companies (Audit and Auditors) Rules, 2014, M/s. K. S. Aiyar & Co., Chartered Accountants, Statutory Auditors, are eligible for re-appointment

as Auditors for a maximum period of three years. Members are requested to appoint for a term of 3 consecutive years from conclusion of this Annual General Meeting till conclusion of fourth Annual General Meeting considering the ensuing AGM as first and to authorize the Board of Directors to fix their remuneration.

**b) Internal Auditors:**

The Company has appointed M/s. Sharp & Tannan, Chartered Accountants as its Internal Auditors to carry out the Internal Audit of various operational areas of the Company.

**c) 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 31<sup>st</sup> March, 2014 be conducted by Auditors with qualification prescribed in Section 233B(1) of the Companies Act, 1956. Accordingly, the Board had appointed Mr. H. R. Kapadia, Cost Accountant as Cost Auditor for the year ended on 31<sup>st</sup> March, 2014.

**d) Secretarial Auditors:**

As per provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company is required to appoint Secretarial Auditor to carry out secretarial audit of the Company. The Company has appointed M/s. Samdani Shah & Associates, Practising Company Secretaries as Secretarial Auditors of the Company for the F.Y. 2014-15.

**14. 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.

**15. 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 31<sup>st</sup> March, 2014, 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 31<sup>st</sup> March, 2014 on a 'going concern' basis.

**16. 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**

Vadodara  
6th May, 2014

**Chirayu R. Amin**  
**Chairman**

**Alembic Ltd.**

**Registered office:** Alembic Road,  
Vadodara – 390003, Gujarat, India

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Phone: 0265-2280550 Fax: 0265 - 2282506



## **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 Rs. 160.92 Crores for the year under review as compared to Rs.190.01 Crores for the previous year ended on 31<sup>st</sup> March, 2013. The Company registered a net profit of Rs. 29.53 Crores as compared to net profit of Rs. 11.49 Crores for the previous year ended on 31<sup>st</sup> March, 2013.

### **OUTLOOK:**

The Company has focused its attention to another fermentation product i.e. Lovastatin. The Company expects good market for both domestic and for export. Apart from this, the Company is actively pursuing cost reduction programs on its other API products in order to improve its Competitiveness and Profitability.

The company's maiden real estate project – "Samsara" is on the verge of completion well within time. The general outlook for the industry remains a subdued, though the scenario has improved from last year.

### **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 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. Tree Plantation programs were organized and special attention is provided to the Solvent Recovery Program.

## 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 2013-14, following measures were taken:

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

- 1) Reduction in toluene consumption from 5lit/kg to 2.85 lit/kg for Lovastatin production by installing recovery system.
2. Reduce instrument air pressure from 6 kg/cm<sup>2</sup> to 5.2 kg/cm<sup>2</sup> and divert excess of instrument air into 40 psi air stream.
3. Reduction in pumping power cost to fermentor house chilled water supply by installing VFD.
4. Stop using second CTW pump by proper design of bottom product tower condenser for spent IPA distillation.
5. Different brine supply headers made common & stop one pump.
6. Redistribution of the load on transformer.
- 7) 5 MW wind farm generation run throughout the year with expected level of efficiency.

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

- 1) Revamping of induced draft cooling towers.
- 2) 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 Rs. 11.79 Crores (FOB) during the year under review. The Company has undertaken aggressive marketing strategies to increase share of export business.
2. Total Foreign exchanges used and earned:

(₹ In Lacs)

For the period ended on 31st March,	2014	2013
<b>Income</b>		
Export (FOB basis)	<b>1178.50</b>	792.93
<b>Expenditure</b>		
Raw Materials (CIF basis)	<b>459.78</b>	136.11
Packing Material, Components and Spare Parts (CIF basis)	<b>59.52</b>	28.88
Professional and Consultancy fees	-	0.94
Technical Know How	-	172.12
Others	<b>106.53</b>	45.14

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

**A. Power and Fuel Consumption:**

For the year ended 31 <sup>st</sup> March	2014	2013
<b>I. Electricity :</b>		
(a) Purchased Units (KwH)	23,06,909	16,79,420
Total Amount Rs.	3,12,73,741	2,66,24,638
Rate (Rs./Unit) *	13.56	15.85
(b) Own Generation :		
(i) Through diesel generator :		
Units (KwH)	7,742	1,288
Units per litre of diesel oil	2.31	2.44
Cost (Rs./Unit)	19.16	17.98
(ii) Through Gas/ Steam Turbine/Generator/ Wind Farm		
Units (KwH)	5,42,22,011	6,06,23,631

\*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**

(Rs. In Lacs)

a)	Capital	Nil
b)	Recurring	232.13
c)	Total	232.13
d)	Total R&D expenditure as a percentage of total turnover	1.44

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.

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 31<sup>st</sup> March, 2014

Sr. No.	Name of Employee	Designation	Remuneration (Rs. in Lacs)	Qualification	Experience (In Yrs)	Date of joining	Age (Yrs)	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 Rs. 60,00,000/- PA.								
1.	Mr. Udit Amin	Director & President – Real Estate Business	116.34	B.A. Economics	10	24 <sup>th</sup> April, 2013	34	Chief Business Development Officer – Alembic Pharmaceuticals Limited
(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 Rs. 5,00,000/- PM.								
Nil								

Note:

1. Gross remuneration received as shown in the statement includes Salary, Commission, Allowances, Employer's contribution to Provident Fund and superannuation Scheme.

2. Mr. Udit Amin is relative of Mr. Chirayu Amin and Mrs. Malika 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 31<sup>st</sup> March, 2014 and also meets the requirement of having at least half of the strength of the Board consisting of Independent Directors. There were four Independent Directors out of eight (50% of the Board Strength) and seven Non-Executive Directors out of eight (88% of the Board Strength).

### • Meetings of Board of Directors

Four (4) Meetings of Board of Directors were held during the year ended 31<sup>st</sup> March, 2014 on 24<sup>th</sup> April, 2013, 9<sup>th</sup> August, 2013, 14<sup>th</sup> November, 2013 and 30<sup>th</sup> January, 2014.

### • 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 31<sup>st</sup> March, 2014 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 Directorships	No. of Committees Membership / Chairmanship	
					As Chairman	As Member
Mr. C. R. Amin Chairman	Promoter Non-Executive	4 of 4	Yes	11	1	2
Mrs. M. C. Amin	Promoter Non-Executive	3 of 4	Yes	3	-	-
Mr. Udit Amin	Promoter- Executive	3 of 3	Yes	1	-	1
Mr. Ashok Tulankar	Non-Executive	3 of 4	Yes	-	-	-
Mr. R. M. Kapadia	NED (I) #	4 of 4	Yes	-	-	1
Mr. Milin Mehta	NED (I) #	4 of 4	Yes	1	2	1
Mr. C. P. Buch	NED(I) #	4 of 4	Yes	-	-	2
Mr. R. C. Saxena w.e.f. 10 <sup>th</sup> September, 2013	NED(I) #	1 of 2	NA	-	-	-

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

As required by the Companies Act, 1956 and Clause 49 of the listing agreements 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 –

- (1) Mr. Milin Mehta: where other companies under same management have paid a total of Rs. 4 lacs to M/s. K. C. Mehta & Co. Chartered Accountants as fees for professional services provided by the firm to those Companies. Mr. Milin Mehta is partner of the said firm.

# Report on Corporate Governance

## ② Board of Directors - Contd.

- (2) Mr. R. C. Saxena: where the Company and other Companies under same management have paid a total of Rs. 3.20 lacs to M/s. Trivedi & Gupta, Advocates, as fees for professional services provided by the law firm. Mr. R. C. Saxena, is partner of the said firm.

The Board does not consider the firms' association with the company and its associates to be of a material nature so as to affect independence of judgment of Mr. Milin Mehta and Mr. R. C. Saxena as Independent Directors 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 26<sup>th</sup> 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 Mr. Udit Amin, CEO 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 31<sup>st</sup> March, 2014 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

Sd/-

**Udit Amin**

CEO

### CEO/CFO Certificate

As required under Clause 49 (V) of the Listing Agreement, the CEO and Group CFO has certified to the Board regarding correctness of the financial statements for the year ended 31<sup>st</sup> March, 2014.

## 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. The terms of reference of the Committee are wide enough to cover the matters specified for Audit Committee under the Companies Act, 2013 and under the Listing Agreement. The Statutory Auditors, Internal Auditors, Cost Auditors and relevant senior personnel of the Company 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 6<sup>th</sup> September, 2013.

### • Meetings and the attendance during the year

There were Four (4) meetings of the Audit Committee during the year held on 24<sup>th</sup> April, 2013, 9<sup>th</sup> August, 2013, 14<sup>th</sup> November, 2013 and 30<sup>th</sup> January, 2014.

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	4
Mr. R. M. Kapadia	Non-Executive - Independent	4
Mr. C. P. Buch	Non-Executive - Independent	4



# 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. As on 31<sup>st</sup> March, 2014 all the members of the Committee are Independent Directors.

- **Meetings and the attendance during the year**

One meeting of remuneration committee was held during the Financial Year – 2013-14 on 24<sup>th</sup> April, 2013. Mr. Milin Mehta, Mr. R. M. Kapadia and Mr. C. P. Buch were present at the Meeting.

- **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 ₹ Lacs)

Name of Director	Salary & Perquisites
Mr. Udit Amin	116.34

**Notes:**

- Mr. Udit Amin was appointed as Director & President-Real Estate Business on 24<sup>th</sup> April, 2013 for a period of Five years.
- There is no provision for payment of severance fees.
- The Company does not have any Stock Options Scheme.

The Board of Directors has recommended revision of terms of appointment and designation of Mr. Udit Amin w.e.f. 1st April, 2014, subject to approval of shareholders at the ensuing AGM. The details of the revision and designation are provided in the notice convening AGM.

**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	60,000	-	60,000
Mr. Ashok Tulankar	60,000	20,000	80,000
Mr. Milin Mehta	80,000	3,40,000	4,20,000
Mr. R. M. Kapadia	80,000	1,20,000	2,00,000
Mr. C. P. Buch	80,000	3,60,000	4,40,000
Mr. R. C. Saxena	20,000	-	20,000

## 5 Allotment Committee

The Company has issued and allotted Bonus Equity Shares in the ratio of 1:1 to the Equity Shareholders of the Company on 1st October, 2013.

The Board had constituted an Allotment Committee for the purpose of allotting the Bonus Shares to the Shareholders of the Company.

Mr. R. M. Kapadia was Chairman and Mr. Udit Amin and Mr. C. P. Buch were members of the Allotment Committee so formed. One Meeting of Allotment Committee was held on 1st October, 2013. All the members of the Committee were present at the meeting.

# Report on Corporate Governance

## 6 Shareholders/Investors Grievances Committee

Presently, the Shareholders/Investors Grievances Committee comprises of 3 Directors viz. Mr. Milin Mehta, Mr. Udit Amin and Mr. C. P. Buch. Mr. Ashok Tulankar has resigned as a member and Mr. Udit Amin has been appointed as a member of the Shareholders/Investors Grievances Committee during the year. Mr. Milin Mehta is Chairman of Shareholders' and Investors' Grievances Committee.

- 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
Mr. Milin Mehta	Non-Executive-Independent	12
Mr. Ashok Tulankar	Non-Executive-Non Independent	1
Mr. C. P. Buch	Non-Executive-Independent	12
Mr. Udit Amin	Promoter-Executive	12

The meeting of Shareholders/Investors Grievances Committee is generally 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.

## 7 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
2010-11	"Sanskriti", Alembic Corporate Conference Centre, Opp. PragatiSahakari Bank Ltd., Alembic Colony, Vadodara 390 003.	29 <sup>th</sup> August, 2011	4.30 p.m.	2
2011-12	"Sanskriti", Alembic Corporate Conference Centre, Opp. PragatiSahakari Bank Ltd., Alembic Colony, Vadodara 390 003.	13 <sup>th</sup> August, 2012	12.30 p.m.	2
2012-13	"Sanskriti", Alembic Corporate Conference Centre, Opp. PragatiSahakari Bank Ltd., Alembic Colony, Vadodara 390 003.	6 <sup>th</sup> September, 2013	4.00 p.m.	3

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

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

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

Mr. Ashok Tulankar, Director of the Company will retire by rotation at the ensuing Annual General Meeting who is eligible for re-appointment. The Board of Directors has appointed Mr. R. C. Saxena as Additional Director and he holds office up to the ensuing Annual General Meeting.

Mr. Ashok Tulankar (DIN:03607009) is B.Tech in Chemical Engineering with more than 35 years of experience in manufacturing, projects, Process Development, EHS, cGMP, HR and Administration. He has worked with various well known private sector companies in the pharmaceutical space. Mr. Ashok Tulankar does not hold any other Directorship nor any membership of Committees of Board. He doesn't hold any shares of the Company.

# Report on Corporate Governance

## 7 General Body Meetings - Contd.

Mr. R. C. Saxena (DIN:06681691) is B.Sc., L.L.B. and J.D. by qualification and is a Lawyer by profession. He has vast experience of around 25 years in legal practice. He is Partner of reputed Law firm M/s. Trivedi & Gupta. His main areas of expertise are Commercial and Corporate Laws. He has also taught Media Laws at the Master's Program at the M. S. University of Baroda and has addressed various forums on Commercial Laws. He does not hold any other Directorships nor any membership of Committees of Board. He does not hold any Shares of the Company.

In terms of requirements of the new Companies Act, 2013, Mr. Milin Mehta and Mr. C. P. Buch, Independent Directors seek appointment at the ensuing Annual General Meeting for a term of consecutive five years w.e.f. 1<sup>st</sup> April, 2014.

Mr. Milin Mehta (DIN:01297508) is a Senior Partner of M/s. K. C. Mehta & Co., a reputed Chartered Accountants' Firm, since more than 2 decades. He is a fellow member of the Institute of Chartered Accountants of India. He is also a Law Graduate and holds a Masters Degree in Commerce. He has also co-authored a book on "Minimum Alternate Tax" published by the Bombay Chartered Accountants' Society. He is also active in social service and is presently heading a reputed educational institution involved in providing school education in Baroda. He holds Directorships in Alembic Pharmaceuticals Limited, Startronic Investment Consultant Pvt. Limited, Technokraft Products Pvt. Limited and Gujarat Life Sciences Pvt. Ltd. He is Chairman of Audit Committee, Remuneration Committee and Shareholders' and Investors' Grievances Committee of the Company and member of Audit Committee and Remuneration Committee of Alembic Pharmaceuticals Limited. He does not hold any Shares of the Company.

Mr. C. P. Buch (DIN: 05352912) 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.

### Shareholding of Non-Executive Directors:

Mr. C. R. Amin holds 91,02,930 Equity Shares of the Company, Mrs. M. C. Amin holds 60,11,460 Equity Shares and R.M. Kapadia holds 18000 equity shares of the Company. No other Non-executive Director holds any shares in the Company. Mr. C.R. Amin, Mr. M. C. Amin and Mr. Udit Amin are related to each other.

## 8 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. 18 are disclosed in Note No. Y II (ix) of the Notes forming part of Accounts.

## 9 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

## 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                                   | : | <a href="http://www.alembiclimited.com">www.alembiclimited.com</a>                                       |
| • Whether Shareholder information forms part of Annual Report    | : | Yes  |

## 10 Shareholders' Information

1.	Annual General Meeting Date and Time Venue	13 <sup>th</sup> August, 2014 at 4.00 P.M. "Sanskriti", Alembic Corporate Conference Centre, Opp. PragatiSahakari Bank Ltd., Alembic Colony, Vadodara 390 003.
2.	Financial Calendar	Adoption of Results:
	Quarter ending June, 30, 2014	by 14 <sup>th</sup> August, 2014
	Quarter ending September 30, 2014	by 14 <sup>th</sup> November, 2014
	Quarter ending December 31, 2014	by 14 <sup>th</sup> February, 2015
	Quarter / Year ending March 31, 2015	by 15 <sup>th</sup> / 30 <sup>th</sup> May, 2015
	Annual General Meeting for the year ended 31-03-2015	August-September, 2015
3.	Date of Book Closure	6 <sup>th</sup> August, 2014 (Wednesday) to 13 <sup>th</sup> August, 2014 (Wednesday) both days inclusive
4.	Dividend Payment Date	On or before 20 <sup>th</sup> August, 2014
5.	Registered Office	Alembic Road, Vadodara -390 003. Phone: (91-265) 2280550, Fax: (91-265) 2282506 E-mail: <a href="mailto:alembic.investors@alembic.co.in">alembic.investors@alembic.co.in</a> Web: <a href="http://www.alembiclimited.com">www.alembiclimited.com</a>
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

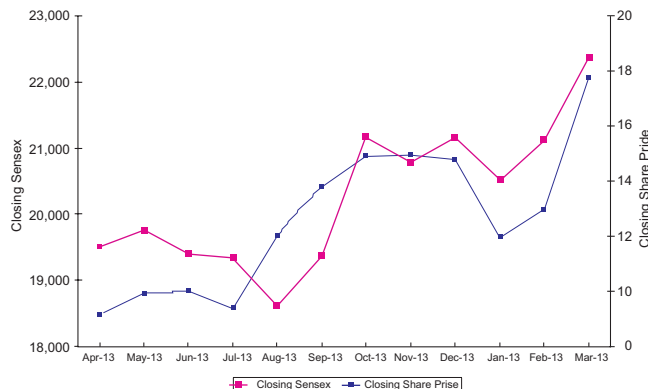
## 10 Shareholders' Information - Contd.

7. Stock Market Data <span style="float: right;">(in Rs.)</span>				
Month	Bombay Stock Exchange		National Stock Exchange	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
Apr-2013	19.10	15.80	19.20	15.60
May-2013	21.50	17.00	21.50	18.00
Jun-2013	20.70	18.50	20.65	18.60
Jul-2013	24.05	18.50	24.00	18.35
Aug-2013	24.75	18.30	24.80	18.40
*Sep-2013	29.30	13.60	29.70	13.10
Oct-2013	16.20	12.55	16.20	12.75
Nov-2013	17.25	14.20	17.20	14.50
Dec-2013	15.60	13.75	15.50	13.75
Jan-2014	15.65	11.34	15.70	11.20
Feb-2014	14.10	11.45	14.20	11.40
Mar-2014	17.90	12.45	18.10	12.40

\*The Record date for the purpose of Bonus Shares of the Company was 30<sup>th</sup> September, 2013 and the Ex-date from which the shares traded on ex-bonus basis as decided by the Stock Exchanges, was 27<sup>th</sup> September, 2013.

As on 31<sup>st</sup> March, 2014, the last trading day of the financial year 2013-14, the closing price of the shares of the Company on BSE was Rs. 17.76 and on NSE was Rs. 17.85.

Share Performance of the Company in comparison to BSE Sensex



The Closing Share Prices of the Company in the above chart has been adjusted for Bonus Shares issued during the financial year.

8. Registrar and Share transfer Agents	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: <a href="mailto:vadodara@linkintime.co.in">vadodara@linkintime.co.in</a>
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 1,04,150 (previous year 51,765).

# Report on Corporate Governance

## 10 Shareholders' Information - Contd.

### Distribution of Shareholding

The Distribution of Shareholdings as on 31<sup>st</sup> March, 2014 is given as under:

No. of Shares (of face value)	No. of Shareholders	% of Shareholders	No. of Shares held	% of total shares
1-500	29856	63.98	67,36,194	2.52
501-1000	8144	17.45	62,89,883	2.36
1001-2000	4333	9.28	68,94,742	2.58
2001-3000	1385	2.97	36,27,558	1.36
3001-4000	782	1.68	28,86,303	1.08
4001-5000	399	0.85	18,61,071	0.70
5001-10000	974	2.09	70,28,163	2.63
10001 and above	794	1.70	23,17,07,914	86.77
<b>Total</b>	<b>46667</b>	<b>100.00</b>	<b>26,70,31,828</b>	<b>100.00</b>

Shareholding pattern as on 31<sup>st</sup> March, 2014:

Sr. No.	Category	No. of Shares Held	% of Voting Strength
1.	Promoters & Associates	17,08,48,004	63.98
2.	Mutual Funds & UTI	-	-
3.	Banks, Financial Institutions & Insurance Companies	10,43,838	0.39
4.	Foreign Institutional Investors	2,24,70,286	8.41
5.	Private Corporate Bodies	94,14,214	3.53
6.	Indian Public	6,06,48,561	22.71
7.	NRIs / OCBs	11,27,086	0.42
8.	Others (Clearing Members, Trusts etc.)	14,79,839	0.56
	<b>Total</b>	<b>26,70,31,828</b>	<b>100.00</b>

10.	Dematerialisation of Shares and Liquidity	At the end of the year 25,69,64,588 shares (96.23%) are held in dematerialised form by the shareholders. Trading in Company's shares for all investors is permitted only in dematerialised form from 28 <sup>th</sup> 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 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: <a href="mailto:vadodara@linkintime.co.in">vadodara@linkintime.co.in</a> 2. Mr. Chirag K. Shukla, Company Secretary & Compliance Officer Alembic Limited, Alembic Road, Vadodara -390003. Designated email id for shareholders' grievances: <a href="mailto:alembic.investors@alembic.co.in">alembic.investors@alembic.co.in</a>



# Report on Corporate Governance

## Auditors' Certificate on Corporate Governance

We have examined the compliance of conditions of Corporate Governance by Alembic Limited for the year ended on 31st March, 2014 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 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  
ICAI Firm's Registration Number: 100186W

**Raghuvir M. Aiyar**  
Partner  
Membership Number: 38128

Mumbai

Date: 6<sup>th</sup> May, 2014

# 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, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

"An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements."

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

### Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss 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.

### Emphasis of Matter:

Without qualifying our opinion, we draw attention to Note Y(II)(iii) to the financial statements regarding the managerial remuneration paid excess of the limits prescribed under Schedule XIII to the Companies Act, 1956 in the financial year 2011-12 which has been partially approved by the Central Government and a further representation has been made by the Company to get the further approval for the balance amount of Rs.85.62 Lacs.

### 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;

# Independent Auditor's Report

- 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, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **K.S.Aiyar & Co;**  
Chartered Accountants  
ICAI Firm's Registration Number: 100186W

**Raghuvir M. Aiyar**  
Partner  
Membership Number: 38128

Mumbai

Date: 6<sup>th</sup> May, 2014

## ANNEXURE

**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 Rs.Nil (Maximum balance during the year Rs. 4990 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.

# Annexure to the Auditor's Report

- (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 Rs. Nil Lacs (Maximum balance outstanding during the year Rs. 4205 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 Rs.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 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 Rs.	Forum where dispute is pending.	Period
<b>Sales Tax Act.</b> Sales Tax, interest and penalty.	80,16,782	Joint Commissioner – Appeals	2000-01
<b>The Central Excise Act.</b> Excise Duty, Interest & Penalty.	1,72,556	Commissioner Appeal	2011
	5,00,000	CESTAT	2001-2002
	59,77,921	Supreme Court	1995-96
	21,10,720	Supreme Court	1996-97
	35,21,786	Supreme Court	2003-04
	459176	CESTAT	2008
	44106	CESTAT	2011-12

# Annexure to the Auditor's Report

## Contd.

<b>Income Tax Act, 1961</b> Income Tax	1048120	CIT(A)	2012-13
	139458	ITAT	2010-11
<b>Gujarat Green Cess Act, 2011.</b> Cess on electricity generated in captive power plant	11,24,216	Supreme Court	Jan 2013 to Mar 2014

- (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 Clauses 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  
ICAI Firm's Registration Number: 100186W

**Raghuvir M. Aiyar**  
Partner  
Membership Number: 38128

Mumbai

Date: 6<sup>th</sup> May, 2014

# Balance Sheet

(₹ in lacs)

Particulars	Notes	As at 31st March, 2014		As at 31st March, 2013	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital	A	5,340.73		2,670.40	
(b) Reserves and Surplus	B	17,726.92	23,067.65	17,913.15	20,583.55
<b>(2) Non-Current Liabilities</b>					
(a) Long Term Liabilities	C	3,313.78		3,018.18	
(b) Deferred Tax (net)	K	70.07		-	
(c) Long Term Provisions	D	94.28	3,478.13	92.72	3,110.90
<b>(3) Current Liabilities</b>					
(a) Short-Term Borrowings	E	2,156.62		2,509.02	
(b) Trade Payables	F	3,919.59		4,795.28	
(c) Other Current Liabilities	G	2,034.98		2,093.07	
(d) Short-Term Provisions	H	958.59	9,069.78	1,306.47	10,703.84
<b>Total</b>			<b>35,615.56</b>		<b>34,398.29</b>
<b>II. ASSETS</b>					
<b>(1) Non-Current Assets</b>					
(a) Fixed Assets					
(i) Tangible Assets	I	17,765.86		18,537.94	
(ii) Capital Work-in-Progress		233.33	17,999.19	301.16	18,839.10
(b) Non-Current Investments	J	2,141.45		2,342.85	
(c) Deferred Tax (net)	K	-		273.38	
(d) Long Term Loans and Advances	L	42.76	2,184.21	41.36	2,657.59
<b>(2) Current Assets</b>					
(a) Inventories	M	10,434.95		9,733.86	
(b) Trade Receivables	N	2,762.65		1,829.22	
(c) Cash and Bank Balances	O	96.06		126.88	
(d) Short-Term Loans and Advances	P	2,138.50	15,432.16	1,211.64	12,901.60
<b>Total</b>			<b>35,615.56</b>		<b>34,398.29</b>
<b>Significant Accounting Policies and other explanatory notes and information</b>	Y				

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  
Firm Registration No.: 100186W

**Chirayu R. Amin**  
Chairman

**Malika Amin**  
Director

**Udit Amin**  
Director

**R. M. Kapadia**  
Director

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

**Milin Mehta**  
Director

**C. P. Buch**  
Director

**R. C. Saxena**  
Director

**Chirag K. Shukla**  
Company Secretary

Mumbai : 6th May, 2014

Vadodara : 6th May, 2014

# Statement of Profit and Loss

(₹ in lacs)

Particulars	Notes	For the Year ended on 31st March, 2014		For the Year ended on 31st March, 2013	
<b>I. Revenue from Operations</b>	<b>Q</b>	<b>16,091.88</b>		19,000.65	
Less : Excise Duty		<b>731.09</b>	<b>15,360.79</b>	1,079.10	17,921.55
<b>II. Other Income</b>	<b>R</b>		<b>1,583.40</b>		1,031.88
<b>III. Total Revenue (I +II)</b>			<b>16,944.19</b>		18,953.43
<b>IV. Expenses:</b>					
Cost of Materials Consumed	<b>S</b>		<b>2,976.44</b>		4,088.17
Changes in Inventories of Finished Goods and Work in Process	<b>U</b>		<b>(995.66)</b>		1,450.23
Cost of Construction	<b>T</b>		<b>4,032.58</b>		4,592.18
Employee Benefit Expenses	<b>V</b>		<b>2,724.95</b>		2,447.32
Other Expenses	<b>W</b>		<b>3,835.85</b>		3,775.83
<b>Total Expenses</b>			<b>12,574.16</b>		16,353.73
<b>V. Profit/(Loss) Before Interest, Depreciation and Tax</b>			<b>4,370.03</b>		2,599.70
Finance Costs	<b>X</b>		<b>233.26</b>		514.35
Depreciation			<b>790.28</b>		984.42
<b>VI. Profit/(Loss) From Ordinary Activities Before Exceptional Items and Tax</b>			<b>3,346.49</b>		1,100.93
<b>VII. Profit/(Loss) Before Tax</b>			<b>3,346.49</b>		1,100.93
<b>VIII. Tax Expense</b>					
Current Tax			<b>230.00</b>		27.00
Deferred Tax			<b>343.45</b>		(75.41)
Excess provision of income tax no longer required (net)			<b>(179.66)</b>		-
<b>IX. Profit/(Loss) for the year</b>			<b>2,952.70</b>		1,149.34
<b>X. Earning per equity share (FV ₹ 2/- per share)</b>					
Basic & Diluted (In ₹)			<b>1.11</b>		0.43
<b>Significant Accounting Policies and other explanatory notes and information</b>	<b>Y</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  
Firm Registration No.: 100186W

**Chirayu R. Amin**  
Chairman

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Director

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Director

**Chirag K. Shukla**  
Company Secretary

Mumbai : 6th May, 2014

Vadodara : 6th May, 2014



# Cash Flow Statement

(₹ in lacs)

	Particulars	Year ended on 31st March, 2014		Year ended on 31st March, 2013	
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
	Net Profit before tax and non-recurring items		3,346.49		1,100.93
	<b>Add:</b>				
	1 Depreciation	796.57		986.90	
	2 Interest charged	401.74		1,048.43	
	3 (Gain) / Loss on sale of fixed assets	0.44		(0.39)	
	4 Unrealised Foreign Exchange Loss / (Gain)	21.69		(9.71)	
	5 CWIP written off	102.30		-	
	6 Wealth Tax	13.00		-	
	7 Provision for Diminution in investment	1.27	1,337.01	-	2,025.23
	Less:				
	1 Interest Income	168.48		534.08	
	2 Dividend Income	1,456.30		919.64	
	3 Provision for Doubtful Debts written back	100.00	1,724.78	50.00	1,503.72
	<b>Operating Profit before change in working capital</b>		<b>2,958.72</b>		<b>1,622.44</b>
	<b>Working capital changes:</b>				
	<b>Add / (Less):</b>				
	1 (Increase) / Decrease in inventories	(701.09)		(309.04)	
	2 (Increase) / Decrease in trade receivables	(833.43)		(175.11)	
	3 (Increase) / Decrease in short-term loans and advances	(941.52)		4,435.92	
	4 (Increase) / Decrease in long-term loans and advances	(1.40)		29.63	
	5 Increase / (Decrease) in trade payables	(897.38)		2,236.97	
	6 Increase / (Decrease) in other current liabilities	(40.77)		(144.52)	
	7 Increase / (Decrease) in short term provisions	(242.41)		98.84	
	8 Increase / (Decrease) in long term provisions	1.56	(3,656.44)	(5.53)	6,167.17
	<b>Cash generated from operations</b>		<b>(697.72)</b>		<b>7,789.61</b>
	<b>Add / (Less):</b>				
	Wealth tax paid		(12.50)		-
	Direct taxes paid (Net of refunds)		(312.50)		243.33
	<b>Net Cash inflow from Operating Activities (A)</b>		<b>(1,022.72)</b>		<b>8,032.94</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
	<b>Add:</b>				
	1 Proceeds from sale of fixed assets	0.30		60.94	
	2 Proceeds from sale / redemption of Investment	200.13		-	
	3 Interest received	183.14		543.71	
	4 Dividend received	1,456.30	1,839.87	919.64	1,524.29
	<b>Less:</b>				
	1 Purchase of tangible assets / increase in capital work-in-progress	59.69		319.16	
			59.69		319.16
	<b>Net Cash inflow from Investing Activities (B)</b>		<b>1,780.18</b>		<b>1,205.13</b>

# Cash Flow Statement

Contd.

(₹ in lacs)

	Particulars	Year ended on 31st March, 2014		Year ended on 31st March, 2013	
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>				
	<b>Add:</b>				
	1 Proceeds from long-term liabilities	295.60		-	
	2 Proceeds from short-term borrowings	-	295.60	-	-
	<b>Less:</b>				
	1 Repayment of short-term borrowings	352.40		7,823.75	
	2 Repayment of long-term liabilities	-		10.34	
	3 Dividends paid (including distribution tax)	329.74		14.00	
	4 Interest and other finance costs	401.74	1,083.88	1,577.38	9,425.47
	<b>Net Cash inflow from Financing Activities (C)</b>		<b>(788.28)</b>		<b>(9,425.47)</b>
<b>II.</b>	<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(30.82)</b>		<b>(187.40)</b>
	<b>Add: Cash and cash equivalents at the beginning of the period</b>	28.55		25.51	
	<b>Add: Other Bank Balances</b>	98.33	126.88	288.77	314.28
<b>III.</b>	<b>Cash and cash equivalents at the end of the period</b>	15.05		28.55	
	<b>Other Bank Balances</b>	81.01	96.06	98.33	126.88

As per our report of even date

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

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Director

**Chirag K. Shukla**  
Company Secretary

Mumbai : 6th May, 2014

Vadodara : 6th May, 2014

## Notes

FORMING PART OF THE BALANCE SHEET

**A Share Capital :**

(₹ in lacs)

As at 31st March	2014	2013		
<b>(a) Authorized</b>				
300,000,000 Equity shares of Rs. 2/- each	<b>6,000.00</b>	3,000.00		
	<b>6,000.00</b>	3,000.00		
<b>(b) Shares issued, subscribed</b>				
267,041,193 Equity shares of Rs. 2/- each	<b>5,340.82</b>	2,670.41		
	<b>5,340.82</b>	2,670.41		
<b>(c) Shares fully paid :</b>				
267,031,828 Equity shares of Rs. 2/- each	<b>5,340.64</b>	2,670.32		
9,365 Forfeited Equity shares of Rs. 2/- each	<b>0.09</b>	0.09		
	<b>5,340.73</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>				
	31st March 2014		31st March 2013	
	Numbers	Rs. in lacs	Numbers	Rs. in lacs
At the beginning of the period	133,515,914	2,670.32	133,515,914	2,670.32
Issued during the period - Bonus Shares	133,515,914	2,670.32	-	-
Outstanding at the end of the period	267,031,828	5,340.64	133,515,914	2,670.32
<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 Rs 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, 2014 an amount of ₹ 0.15 of dividend per equity share on enhanced capital was proposed for the equity shareholders (P.Y. ₹ 0.20 per equity share)				
<b>(f) Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held;</b>				
	31st March 2014		31st March 2013	
	Numbers	% held	Numbers	% held
1 SHRENO LTD	36,737,560	13.76%	18,368,780	13.76%
2 WHITEFIELD CHEMTECH P LTD	36,570,460	13.70%	18,285,230	13.70%
3 SIERRA INVESTMENTS LTD	33,584,140	12.58%	16,792,070	12.58%
4 NIRAYU PVT LTD	33,798,274	12.66%	16,599,313	12.43%
<b>(g) Aggregate number of equity shares bought back during last 5 years : 36,76,147 equity shares</b>				

**B Reserves and Surplus :**

(₹ in lacs)

As at 31st March	2014		2013	
<b>(a) Capital Reserve ;</b>				
Balance as per the last financial statements		<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
<b>(c) Business Restructuring Reserve;</b>				
Balance as per the last financial statements	<b>8,953.77</b>		8,923.98	
Adjustment on account of profit on sale of assets devalued earlier	-	<b>8,953.77</b>	29.79	8,953.77
<b>(d) Revaluation Reserve;</b>				
Balance as per the last financial statements	-		3,108.48	
Less : Transferred to General Reserve	-	-	3,108.48	-
<b>(e) General Reserve</b>				
Balance as per the last financial statements	<b>6,108.48</b>		-	
Less : Utilised for issue of Bonus Share	<b>2,670.32</b>		-	
Add : Transferred from Revaluation Reserve	-		3,108.48	
Add : Amount transferred from Surplus Balance in the Statement of Profit & Loss	<b>2,000.00</b>	<b>5,438.16</b>	3,000.00	6,108.48
<b>(f) Surplus / (deficit) in the statement of profit and loss</b>				
<b>Balance as per last financial statements</b>		<b>2,717.11</b>		4,880.19
<b>Profit / (Loss) for the year</b>		<b>2,952.71</b>		1,149.34
<b>Less: Appropriations</b>				
Proposed final equity dividend (amount per share ₹ 0.15 on enhanced capital (PY : ₹ 0.20 per share)		<b>400.55</b>		267.04
Tax on proposed equity dividend		<b>68.07</b>		45.38
Transfer to General Reserve		<b>2,000.00</b>		3,000.00
<b>Total Appropriations</b>		<b>2,468.62</b>		3,312.42
<b>Net Surplus in the statement of profit and loss</b>		<b>3,201.20</b>		2,717.11
<b>Total Reserves and Surplus</b>		<b>17,726.92</b>		17,913.15

**C Long Term Liabilities :**

As at 31st March	2014		2013	
<b>Security Deposits</b>				
- from related parties		<b>3,136.33</b>		2,840.73
- from others		<b>177.45</b>		177.45
		<b>3,313.78</b>		3,018.18

## Notes

FORMING PART OF THE BALANCE SHEET

**D Long Term Provisions :**

(₹ in lacs)

As at 31st March	Long Term		Short Term	
	2014	2013	2014	2013
<b>(a) Provision for employee benefits</b>				
Provision for gratuity	-	-	115.79	376.23
Provision for Leave benefits	94.28	92.72	89.57	71.54
	<u>94.28</u>	<u>92.72</u>	<u>205.36</u>	<u>447.77</u>
<b>(b) Others</b>				
Proposed equity dividend	-	-	400.55	267.04
Provision of tax on Proposed equity dividend	-	-	68.07	45.38
	-	-	468.62	312.42
Amount disclosed under the head Short term provisions (Note H)			<b>(673.98)</b>	<b>(760.19)</b>
	<u>94.28</u>	<u>92.72</u>	<u>-</u>	<u>-</u>

**E Short-Term Borrowings :**

As at 31st March	2014	2013
<b>From Banks</b>		
<b>i) Working Capital facilities (Secured)</b>		
Secured against first hypothecation on		
Stocks and Book Debts ranking pari passu		
- @ varying Coupon repayable on demand		
	<u>2,156.62</u>	<u>2,509.02</u>

**F Trade Payable :**

As at 31st March	2014	2013
Due to Micro, Small and Medium Enterprises	-	-
Other Trade Payables	3,919.59	4,795.28
	<u>3,919.59</u>	<u>4,795.28</u>

**G Other Current Liabilities :**

As at 31st March	2014	2013
(a) Unpaid / Unclaimed Dividend	81.01	98.33
(b) Other payables / liabilities;		
- Statutory dues	600.36	482.99
- Others	129.14	70.88
- Advance from customers - Real Estate	1,224.47	1,440.87
	<u>1,953.97</u>	<u>1,994.74</u>
	<u>2,034.98</u>	<u>2,093.07</u>

# Notes

FORMING PART OF THE BALANCE SHEET

## H Short-term provisions :

(₹ in lacs)

As at 31st March	2014		2013	
(a) Provision for employee benefits. (Note D)		<b>205.36</b>		447.77
(b) Others				
Proposed Dividend and Tax thereon ( Note D)		<b>468.62</b>		312.42
Provision for Income Tax	<b>3,494.19</b>		3,443.36	
Less : Income Tax paid	<b>(3,209.58)</b>	<b>284.61</b>	(2,897.08)	546.28
		<b>958.59</b>		<b>1,306.47</b>

## I Tangible Assets :

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As on 01/04/2013	Addition	Deductions	As on 31/03/2014	As on 01/04/2013	Deductions	During the Year **	As on 31/03/2014	As on 31/03/2014	Net Value Added on Revaluation 31/03/2014	Revalued Net Cost As on 31/03/2014	Revalued Net Cost As on 31/03/2013
Free Hold Land	176.89	-	-	<b>176.89</b>	-	-	-	-	<b>176.89</b>	<b>12,301.00</b>	<b>12,477.89</b>	12,477.89
Buildings	1,795.22	-	-	<b>1,795.22</b>	550.85	-	38.36	<b>589.21</b>	<b>1,206.01</b>	<b>98.07</b>	<b>1,304.08</b>	1,342.44
Employees Quarters	61.08	-	-	<b>61.08</b>	55.48	-	0.45	<b>55.93</b>	<b>5.15</b>	-	<b>5.15</b>	5.60
Plant & Equipments	30,463.63	23.65	19.77	<b>30,467.51</b>	20,722.08	19.03	729.92	<b>21,432.97</b>	<b>9,034.54</b>	<b>(5,268.14)</b>	<b>3,766.40</b>	4,473.41
Furniture & Fixtures	307.16	1.56	-	<b>308.72</b>	211.38	-	10.98	<b>222.36</b>	<b>86.36</b>	<b>(0.67)</b>	<b>85.69</b>	95.11
Vehicles	21.75	-	-	<b>21.75</b>	13.87	-	0.73	<b>14.60</b>	<b>7.15</b>	<b>(0.91)</b>	<b>6.24</b>	6.97
Office Equipments	284.80	-	-	<b>284.80</b>	143.09	-	16.13	<b>159.22</b>	<b>125.58</b>	<b>(5.19)</b>	<b>120.39</b>	136.52
<b>TOTAL</b>	<b>33,110.53</b>	<b>25.21</b>	<b>19.77</b>	<b>33,115.97</b>	<b>21,696.75</b>	<b>19.03</b>	<b>796.57</b>	<b>22,474.29</b>	<b>10,641.68</b>	<b>7,124.16</b>	<b>17,765.86</b>	<b>18,537.94</b>
Previous Year	33,106.60	61.73	57.80	<b>33,110.53</b>	20,735.53	25.88	986.90	<b>21,696.75</b>	<b>11,413.78</b>	<b>7,124.16</b>	<b>18,537.94</b>	

Notes:

- Sales proceeds are deducted from gross cost where cost is unascertainable
- Buildings : include Rs 2,500/- (Rs 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 Rs 6.29 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 ₹	2014	2013
<b>Equity Shares (Fully paid up) :</b>				
<b>Quoted :</b>				
<b>Trade Investment :</b>				
Jyoti Ltd.	<b>84,900</b>	<b>10</b>	<b>1.43</b>	1.43
Panasonic Battery India Ltd.	<b>72,824</b>	<b>10</b>	<b>14.12</b>	14.12
Krebs Biochemicals Ltd	<b>100</b>	<b>10</b>	<b>0.15</b>	0.15
Purak Vinimay Ltd.	<b>109,000</b>	<b>10</b>	<b>10.90</b>	10.90
Less:- Provision for diminution in value of Investment			<b>(10.90)</b>	(10.90)
<b>In Associate Companies</b>				
Paushak Ltd.	<b>610,615</b>	<b>10</b>	<b>280.08</b>	280.08
Alembic Pharmaceuticals Limited	<b>55,000,000</b>	<b>2</b>	<b>1,100.00</b>	1,100.00
Xechem International Inc., USA	<b>9,142,857</b>		<b>289.73</b>	289.73
Less: Proceeds received on sale of investment			<b>(0.05)</b>	-
Less : Provision for diminution utilised to write off the balance amount			<b>(289.68)</b>	-
Less : Provision for diminution in value of investment			-	(289.73)
(Aggregate Market Value of Quoted Investments			<b>1,395.78</b>	<b>1,395.78</b>
₹ 157,824.06 Lacs P Y ₹ 57,361.61 Lacs)				

## Notes

FORMING PART OF THE BALANCE SHEET

### 1 Non-Current Investments (At cost) :

As at 31st March	Nos.	Face Value ₹	2014	2013
<b>Equity Shares (Fully paid up) :</b>				
<b>UnQuoted :</b>				
<b>Trade Investment :</b>				
<b>In Associate Companies</b>				
Shreno Ltd.	762,549	100	200.26	200.26
Alembic Export 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: Proceeds received on sale of investment			(0.08)	-
Less : Provision for diminution utilised to write off the balance amount			(462.27)	-
Less : Provision for diminution in value of investment			-	(462.35)
			<u>202.52</u>	<u>202.52</u>
<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
Less:- Provision for diminution in value of Investment			(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	-	-
			<u>1.30</u>	<u>1.93</u>
<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
Less:- Provision for diminution in value of Investment			(0.50)	-
<b>In Associate Companies</b>				
9% Preference Share of Sierra Investment Limited	300,000	100	240.60	240.60
9% Preference Share of Nirayu Pvt. Ltd. (Redeemed during the year 200000 shares)	300,000	100	301.25	501.25
			<u>541.85</u>	<u>742.35</u>
<b>Bonds</b>				
12% Industrial Finance Corporation of India	27	1,000	0.27	0.27
Less:- Provision for diminution in value of Investment			(0.27)	-
			-	0.27
			<u>2,141.45</u>	<u>2,342.85</u>

## Notes

FORMING PART OF THE BALANCE SHEET

**K Deferred Tax (Net) :**

(₹ in lacs)

As at 31st March	2014		2013	
<b>Deferred Tax Assets</b>				
Provision for diminution in value of investments	4.32		247.68	
Provision for doubtful debts	56.25		86.13	
Deferred Revenue Expenses	62.38		103.01	
Others	454.35		472.55	
		<b>577.30</b>		<b>909.37</b>
<b>Deferred Tax Liabilities</b>				
Depreciation	(647.37)		(635.99)	
		<b>(647.37)</b>		<b>(635.99)</b>
		<b>(70.07)</b>		<b>273.38</b>

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

As at 31st March	2014		2013	
(a) Security Deposits		42.76		41.36
		<b>42.76</b>		<b>41.36</b>

**M Inventories : (Refer Note Y (e) of Accounting Policies for Basis of Valuation)**

As at 31st March	2014		2013	
(a) Raw materials				
Bulk Drugs & intermediates	106.77		127.49	
Solvents & Catalyst	459.92		403.99	
Chemicals & other Excipients	362.62	929.31	390.32	921.80
(b) Packing materials		26.59		37.27
(c) Work-in-process		27.46		75.93
(d) Finished goods				
Bulk Drugs & intermediates	2,900.19	2,900.19	1,856.06	1,856.06
(e) Stores and spares		394.07		359.30
(f) Stock in Trade : Real Estate				
Construction Project Work In Progress	6,154.01		6,450.19	
Stock of Steel and Cement	3.32	6,157.33	33.31	6,483.50
		<b>10,434.95</b>		<b>9,733.86</b>



## Notes

FORMING PART OF THE BALANCE SHEET

**N Trade Receivables (Unsecured) :**

(₹ in lacs)

As at 31st March	2014		2013	
(a) Over Six months from the due date				
Considered good	29.11		87.40	
Considered doubtful	165.48		265.48	
Less : Provision for doubtful debts	165.48	29.11	265.48	87.40
(b) Others Considered good;		2,733.54		1,741.82
		<u>2,762.65</u>		<u>1,829.22</u>

**O Cash and Bank Balances :**

As at 31st March	2014		2013	
<b>Cash and cash equivalents</b>				
(a) Balances with banks	11.81		25.60	
(b) Cash on hand	2.22		1.93	
(c) Bank deposits with less than 3 months maturity from the origin date	1.02	15.05	1.02	28.55
<b>Other Bank Balances</b>				
(a) Unpaid Dividend Account		81.01		98.33
		<u>96.06</u>		<u>126.88</u>

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

As at 31st March	2014		2013	
(a) <b>Loans and advances to related parties;</b>				
Inter Corporate Deposits		-		187.59
(b) <b>Others</b>				
1) Advance against Expenses - Employees		1.57		0.94
2) Advance recoverable in cash or in kind		2,136.93		1,023.11
		<u>2,138.50</u>		<u>1,211.64</u>

## Notes

FORMING PART OF STATEMENT OF PROFIT AND LOSS

### Revenue from Operations:

(₹ in lacs)

For the Year Ended 31st March	2014		2013	
<b>a. Sale of products</b>				
Domestic	7,245.81		10,580.93	
Job work Income	538.23		457.30	
Exports	1,191.78		799.49	
		8,975.82		11,837.72
Export Incentives		38.69		28.39
<b>b. Construction Revenue</b>		6,052.09		6,447.57
<b>c. Other Operating Revenues</b>				
Insurance Claims	39.09		-	
Rent	803.62		589.09	
Others	182.57		97.88	
		1,025.28		686.97
		16,091.88		19,000.65
<b>Sale of Products - Broad head wise</b>				
Bulk Drugs & intermediates incl Job work		8,975.82		11,837.72
		8,975.82		11,837.72

### Other Income:

For the Year Ended 31st March	2014		2013	
Dividend	1,456.30		919.64	
Others	27.10		62.24	
Provision for Doubtful Debts written back	100.00		50.00	
		1,583.40		1,031.88
		1,583.40		1,031.88

### Cost of Material Consumed :

For the Year Ended 31st March	2014		2013	
Inventory at the beginning of the year		959.07		1,209.96
Add : Purchases		2,317.20		3,212.29
Add : Process Charges		3.97		27.63
Add : Cost of Raw Material Sold		652.10		597.36
		3,932.34		5,047.24
Less : Inventory at the end of the year		955.90		959.07
		2,976.44		4,088.17
<b>Details of Material Consumed</b>				
Bulk Drugs & intermediates		78.42		207.49
Solvents & Catalyst		611.13		1,106.06
Chemicals & other Excipients		2,097.53		2,545.16
Others		189.36		229.46
		2,976.44		4,088.17

## Notes

FORMING PART OF STATEMENT OF PROFIT AND LOSS

**T Cost of Construction :**

(₹ in lacs)

For the Year Ended 31st March	2014		2013	
Opening Construction Work-in-Progress		6,450.19		4,357.39
Opening Stock of Steel and Cement		33.31		149.06
<b>Add:</b>				
Construction Expenses incurred during the year		3,409.80		4,450.84
Purchase of Steel and Cement		293.29		2,140.39
<b>Less:</b>				
Selling and Distribution Expense transferred to Other expense - Note W		-		22.00
Closing Construction Work-in-Progress		6,150.69		6,450.19
Closing Stock of Steel and Cement		3.32		33.31
<b>Cost of Construction</b>		<b>4,032.58</b>		<b>4,592.18</b>

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

For the Year Ended 31st March	2014		2013	
Inventory at the end of the year				
Work in Process		27.46		75.93
Finished Goods		2,900.19		1,856.06
		2,927.65		1,931.99
Inventory at the beginning of the year				
Work in Process		75.93		87.73
Finished Goods		1,856.06		3,294.49
		1,931.99		3,382.22
		(995.66)		1,450.23

**V Employee Benefits Expense :**

For the Year Ended 31st March	2014		2013	
Salaries and Wages		2,416.04		2,090.37
Contribution / Provisions for Provident and other funds		192.65		244.39
Staff welfare expense		116.26		112.56
		2,724.95		2,447.32

## Notes

FORMING PART OF STATEMENT OF PROFIT AND LOSS

**W Other Expenses :**

(₹ in lacs)

For the Year Ended 31st March	2014		2013	
Consumption of Stores, spares, Laboratory Material and Analytical Expense		622.86		516.32
Technical Know How		27.06		191.25
Power and Fuel		1,232.03		1,825.59
Manufacturing and Labour Charges		15.56		8.07
Repairs and Maintenance				
Machinery	840.31		504.92	
Buildings	134.03		94.80	
Others	29.76	1,004.10	38.59	638.31
Freight and Forwarding Charges		16.92		11.60
Marketing and Publicity Expense and Selling Commission		193.85		327.01
Excise Duty		227.36		(104.13)
Rent		19.12		18.95
Rates and Taxes		153.54		175.79
Insurance		48.71		34.57
Travelling Expense		33.47		17.31
Communication Expenses		26.61		33.92
Legal & Professional Fees		48.33		11.41
Payment to Auditors		11.72		7.72
Exchange Difference (net)		(30.10)		10.28
Provision for Diminution in Investments		1.40		-
Loss on sale of Investments	751.95			
Less : Adjusted against the provision for diminution in value of investment made earlier	752.08	(0.13)		-
Miscellaneous Expenses		183.44		51.86
		3,835.85		3,775.83

**X Finance Cost :**

For the Year Ended 31st March	2014		2013	
Interest Expense	401.74		1,048.43	
Less : Interest Income	168.48	233.26	534.08	514.35
		233.26		514.35

## **Y 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 the Accounting Standards (AS) as notified under Companies (Accounting Standards) Rules, 2006 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 Expenditure 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 are valued at lower of cost including excise payable thereon and net realisable value.

Raw Materials, Stores & Spares which are slow moving 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) Revenue 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 saleable areas, costs etc. The revenue from the Real Estate project is recognised when 40% of the stage of completion is reached and the outcome of the project can reliably be estimated.

## **Y I. SIGNIFICANT ACCOUNTING POLICIES:**

### **h) Foreign Exchange Transactions**

Foreign Exchange 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, actuarially valued, is funded through the scheme administered by the Life Insurance Corporation of India (LIC) and HDFC Standard Life Insurance Co. Ltd 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**

Provision for taxation comprises of Current Tax and Deferred Tax. Current Tax provision has been made on the basis of reliefs and deductions available under the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted in accordance with Accounting Standard 22 (AS-22) "Accounting for taxes on income" notified under the Companies (Accounting Standards) Rules, 2006, using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance sheet date to reassess its realisation.

The benefit of credit against the payment made towards MAT for the earlier years is available in accordance with the provisions of section 115J (AA) of income tax act 1961 over a period of subsequent 10 assessment year and same will be accounted for when actually arised

### **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.

**Y I. SIGNIFICANT ACCOUNTING POLICIES:****m) Impairment of assets**

In accordance with Accounting Standard 28 (AS 28) on 'Impairment of assets' where there is an indication of impairment of the Company's assets, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated at the higher of its net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment loss is recognized in the statement of profit and loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the lower of recoverable amount and the carrying amount that would have been determined had no impairment loss being recognised.

**n) Earning per share**

Basic and diluted earnings per share are computed by dividing the net profit after tax attributable to equity shareholders for the year, with the weighted number of equity shares outstanding during the year.

## Notes

FORMING PART OF THE ACCOUNTS

**Y II. Other Explanatory Notes and Information**

₹ in lacs

		As at 31st March,			
		2014		2013	
<b>I</b>	Estimated amount of contracts (net of advances) remaining to be executed on capital accounts	<b>270.21</b>		179.42	
<b>II</b>	Contingent liabilities not provided for:				
	<b>i</b> Wage revision and reinstatement of employees and other demands	<b>Unascertained</b>		Unascertained	
	<b>ii</b> Letter of credit, Guarantees and counter guarantees	<b>393.59</b>		752.96	
	<b>iii</b> Liabilities Disputed in appeals				
	- Excise duty	<b>413.35</b>		412.50	
	- Sales Tax	<b>226.45</b>		242.21	
	- Income tax	<b>729.36</b>		740.69	
	- Green Cess	<b>11.24</b>		-	
	<b>iv</b> Claims against the Company not acknowledged as debt	<b>3,555.76</b>		-	
	<b>v</b> Non fulfillment of export obligation against advance licence	-		91.03	
<b>III</b>	The remuneration paid to Managerial personnel / 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 in Financial Year 11-12 has applied for the necessary approval from the Central Government for the excess paid remuneration in the prescribed limits. Central Government has partially approved the waiver of the excess remuneration paid, however the Company has again represented to the Central Government for full waiver of the same and the same is under consideration of the Central Government.				
<b>IV</b>	Disclosure pursuant to AS-7 i.e Construction Contracts in relation to Samsara Project of the Company - Real Estate Business				
		As at 31st March,		As at 31st March,	
		2014 - FTY	2014 - YTD	2013 - FTY	2013 - YTD
	Contract costs incurred	<b>4,032.58</b>	<b>8,624.76</b>	4,592.18	4,592.18
	Recognised profit less recognised losses	<b>2,019.51</b>	<b>3,874.90</b>	1,855.39	1,855.39
		<b>6,052.09</b>	<b>12,499.66</b>	6,447.57	6,447.57
	Progress billing	<b>7,017.59</b>	<b>14,798.41</b>	7,780.82	7,780.82
	Due to customer	<b>(965.50)</b>	<b>(2,298.75)</b>	(1,333.25)	(1,333.25)
<b>V</b>	Defined benefit plans / compensated absences - As per actuarial valuation				
		<b>31.03.2014</b>	31.03.2013	31.03.2012	
		<b>Gratuity Funded</b>	Gratuity Funded	Gratuity Funded	
	<b>Expense recognised in the Statement of Profit &amp; Loss Account</b>				
	Current Service Cost	<b>36.79</b>	31.93	35.54	
	Interest Cost	<b>56.03</b>	55.82	61.51	
	Expected return on plan assets	<b>(30.57)</b>	(34.63)	(44.44)	
	Net Actuarial (Gains) / Losses	<b>(26.72)</b>	16.53	26.71	
	Adjustment in respect of interest not credited in the previous year		(3.24)		
	Total expense	<b>35.53</b>	66.41	79.32	
	<b>Net Asset / (Liability) recognised</b>				
	Present value of Defined Benefit Obligation	<b>749.45</b>	341.75	734.32	
	Fair value of plan assets	<b>676.07</b>	341.75	459.11	
	Funded status [Surplus / (Deficit)]	<b>(73.38)</b>	-	(275.21)	
	Net asset / (liability)	<b>(73.38)</b>	341.60	(275.21)	



## Notes

FORMING PART OF THE ACCOUNTS

**Y II. Other Explanatory Notes and Information**

₹ in lacs

	31.03.2014	31.03.2013	31.03.2012
	<b>Gratuity Funded</b>	Gratuity Funded	Gratuity Funded
<b>Change in Obligation</b>			
Present value of Defined Benefit Obligation at beginning of the year	683.35	734.32	768.89
Current Service Cost	36.79	31.93	35.54
Interest Cost	56.03	55.82	61.51
Actuarial (Gains) / Losses	(26.72)	16.53	26.71
Benefit Payments	-	(155.25)	(158.33)
Present value of Defined Benefit Obligation at the end of the year	749.45	683.35	734.32
<b>Change in Assets</b>			
Plan assets at the beginning of the year	341.75	459.11	573.00
Adjustment in respect of interest not credited in the previous year		3.24	
Expected return on plan assets	30.57	34.63	44.44
Contributions by Employer	303.75	0.02	-
Actual benefits paid	-	(155.25)	(158.33)
Plan assets at the end of the year	676.07	341.75	459.11
<b>Actuarial Assumptions:</b>			
Discount Rate	8.80%	8.20%	8.50%
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%
* Indian Assured Lives Mortality (2006-08) Ult.			
	<b>31.03.2014</b>	31.03.2013	31.03.2012
	<b>Leave Encashment</b>	Leave Encashment	Leave Encashment
<b>Expense recognised in the Statement of Profit &amp; Loss</b>			
Current Service Cost	26.10	25.07	24.39
Interest Cost	9.03	8.47	14.16
Net Actuarial (Gains) / Losses	2.84	19.66	17.77
Total expense	37.97	53.20	56.32
<b>Net Asset / (Liability) recognised in the Balance Sheet</b>			
Present value of Defined Benefit Obligation	135.35	122.76	129.58
Funded status [Surplus / (Deficit)]	(135.35)	(122.76)	(129.58)
Net (Liability) / Asset	(135.35)	(122.76)	(129.58)

## Notes

FORMING PART OF THE ACCOUNTS

**Y II. Other Explanatory Notes and Information**

₹ in lacs

		31.03.2014	31.03.2013	31.03.2012
		Leave Encashment	Leave Encashment	Leave Encashment
<b>Change in Obligation</b>				
	Present value of Defined Benefit Obligation at beginning of the year	122.76	129.58	177.02
	Current Service Cost	26.10	25.07	24.39
	Interest Cost	9.03	8.47	14.16
	Actuarial (Gains) / Losses	2.84	19.66	17.77
	Benefits Payments	(25.38)	(60.02)	(103.76)
	Present value of Defined Benefit Obligation at the end of the year	135.35	122.76	129.58
<b>VI</b>	The year end foreign currency exposure that have not been hedged by a derivative instrument or otherwise are as follows:			
	1. Amount receivable in foreign currency on account of the following		31.03.2014	31.03.2013
	- Export of Goods and Services	USD	6.44	3.59
	Advance to Suppliers	USD	0.12	0.05
		JPY	3.10	7.05
	2. Amount payable in foreign currency on account of the following			
	- Purchase of Goods and Services	USD	0.45	0.45
		JPY	0.33	
	Advance from Customers	USD	0.20	0.33
		EUR	0.01	0.01
<b>VII</b>	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.			
<b>VIII</b>	<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>2014</b>		<b>2013</b>
	Segment Revenue	8,662	6,699	10,939
	Segment Results	(177)	2,069	(1,909)
	Capital Employed i.e Segment assets - Liabilities	14,539	6,977	12,000
	6,525			
	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			
<b>IX</b>	<b>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.			
	(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.			

## Notes

FORMING PART OF THE ACCOUNTS

## Y II. Other Explanatory Notes and Information

₹ in lacs

(d)	Key Management personnel				
	1 Shri Udit Amin	Director & President, Real Estate Business			
(e)	Relatives of Key Management Personnel :				
	1 Shri Chirayu Amin	4 Shri Shaunak Amin			
	2 Ms. Malika Amin	5 Ms. Tishya Amin			
	3 Shri Pranav 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>For the year ended on 31st March,</b>		<b>Associates</b>		<b>Key Management Personnel</b>	
		<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
i)	<b>Purchase of Goods/DEPB</b>				
	- Individually more than 10%			-	-
	- Alembic Pharmaceuticals Ltd.	<b>873.86</b>	386.60		
	- Shreno Ltd. (Engg. Unit)		73.62		
	- Others	<b>52.06</b>	12.98	-	-
ii)	<b>Sale of Goods/DEPB</b>				
	- Individually more than 10%			-	-
	- Alembic Pharmaceuticals Ltd.	<b>5,814.57</b>	10,264.52		
	- Others	<b>0.04</b>	1.84	-	-
iii)	<b>Sale of Fixed Assets</b>				
	- Individually more than 10%		-	-	-
	- Alembic Pharmaceuticals Ltd.	<b>14.70</b>	-		
	- Others	-	-	-	-
iv)	<b>Rendering of services</b>				
	- Individually more than 10%				
	- Alembic Pharmaceuticals Ltd.	<b>908.43</b>	308.79		
	- Shreno Ltd. (Glass Division)	<b>328.82</b>			
	- Paushak Ltd.		35.00		
	- Others	<b>39.33</b>	1.50		
v)	<b>Receiving of services</b>				
	- Individually more than 10%			-	-
	- Shreno Ltd. (Glass Division)	<b>615.83</b>	797.36		
	- Others	<b>61.17</b>	-	-	-
vi)	<b>Rent Paid</b>				
	- Individually more than 10%			-	-
	- Shreno Ltd. (Glass Division)	<b>2.32</b>	2.62		
	- Paushak Ltd.	<b>20.22</b>	20.22		
	- Light Publications Ltd	-	1.05		
	- Others	-	-	-	-

## Notes

FORMING PART OF THE ACCOUNTS

## Y II. Other Explanatory Notes and Information

₹ in lacs

	For the year ended on 31st March,	Associates		Key Management Personnel	
		2014	2013	2014	2013
vii)	<b>Rent Received</b>				
	- Individually more than 10%			-	-
	- Alembic Pharmaceuticals Ltd.	226.35	96.44		
	- Sierra Investments Ltd	28.75			
	- Light Publication (A Division of Sierra Investments Ltd)	54.54			
	- Others	28.90	16.97	-	-
viii)	<b>Interest Paid</b>				
	- Individually more than 10%			-	-
	- Alembic Pharmaceuticals Ltd.	50.65	875.75		
ix)	<b>Interest Received</b>				
	- Individually more than 10%			-	-
	- Shreno (Glass Division)	128.85	280.00		
	- Sierra Investments Ltd	49.79	181.37		
x)	<b>Dividend Received</b>				
	- Individually more than 10%			-	-
	- Alembic Pharmaceuticals Ltd.	1,375.00	770.00		
	- Nirayu Pvt. Ltd.	-	135.00		
	- Others	100.06	12.21	-	-
xi)	<b>Loans Given</b>				
	- Individually more than 10%			-	-
	- Shreno Ltd. (Glass Division)	4,107.50	2,230.00		
	- Sierra Investments Ltd	695.00	285.00		
xii)	<b>Loans Received</b>				
	- Individually more than 10%			-	-
	- Alembic Pharmaceuticals Ltd.	4,205.00	14,800.00		
	- Others	-	-	-	-
xiii)	<b>Managerial Remuneration</b>				
	<b>Salary &amp; Perquisites</b>	-	-		
	Mr. Udit Amin	-	-	116.34	
	Ms. Malika Amin	-	-		43.00
xiv)	Outstanding balance as at 31st March,	2014	2013	2014	2013
	<b>- Advances</b>			-	-
	- Individually more than 10%				
	- Shreno Ltd.	-	36.67		
	<b>- Creditors</b>			-	-
	- Individually more than 10%				

## Notes

FORMING PART OF THE ACCOUNTS

## Y II. Other Explanatory Notes and Information

₹ in lacs

	2014	2013	2014	2013
- Alembic Pharmaceuticals Ltd.		520.01		
- Shreno Ltd.		305.90		
- Viramya Packlight Ltd	<b>0.59</b>			
- Light Publication Ltd	<b>0.11</b>			
<b>- Loans Given</b>	-		-	-
- Individually more than 10%				
- Sierra Investments Ltd		187.59		
<b>- Deposit Given</b>	-		-	-
- Individually more than 10%				
- Nirayu Pvt. Ltd.		10.00		
<b>- Deposit Received</b>			-	-
- Individually more than 10%				
- Alembic Pharmaceuticals Ltd.	<b>3,146.67</b>	2,749.67		
- Others		101.40		
<b>- Investment</b>				
- Individually more than 10%				
Quoted: Trade Investment : Equity Shares				
- Alembic Pharmaceuticals Ltd.	<b>1,100.00</b>	1,100.00		
- Paushak Ltd.	<b>280.08</b>	280.08		
UnQuoted: Trade Investment :				
- Individually more than 10%				
- Shreno Ltd.	<b>200.26</b>	200.26		
- Others	<b>2.26</b>	2.26		
UnQuoted: Trade Investment : Preference Shares				
- Individually more than 10%				
- Sierra Investments Ltd	<b>240.60</b>	240.60		
- Nirayu Pvt. Ltd.	<b>301.25</b>	501.25		
			-	-
<b>X Listing Agreement clause 32 disclosure</b>	Disclosures as required under clause 32 of listing agreement have not been given as there are no such transactions with any such party / Employee.			
<b>XI Earning Per Share (EPS)</b>	Year ended on 31st March,			
			<b>2014</b>	2013
a) Profit / (Loss) after tax but before Non -Recurring Items available for equity shareholders.			<b>2,952.70</b>	1,149.34
b) Profit / (Loss) after Tax available for equity shareholders			<b>2,952.70</b>	1,149.34
c) Weighted Average number of equity shares			<b>267,031,828</b>	267,031,828
d) Basic and Diluted Earnings per share before Non Recurring Items. (Face value per share Rs.2/- each)			<b>1.11</b>	0.43
e) Basic and Diluted Earnings per share after Non-Recurring Items. (Face value per share Rs.2/- each)			<b>1.11</b>	0.43

## Notes

FORMING PART OF THE ACCOUNTS

**Y II. Other Explanatory Notes and Information**

₹ in lacs

<b>XIII Auditors Fees and Expenses include remuneration to:</b>			
Year ended on 31st March,		2014	2013
(a)	Statutory Auditors:-		
	As Auditors	3.50	2.50
	In Other Capacity:-		
	(i) Limited Review	6.00	3.00
	(i) Other Services	0.50	0.50
	(ii) Reimbursement of expenses	0.37	0.22
(b)	Cost Auditors :-		
	(i) As Cost Auditors	0.45	0.45
(c)	Tax Auditor :		
	(i) Tax Audit Fee	0.90	1.05
		11.72	7.72
<b>XIII Income / Expenditure in Foreign Currency</b>			
Year ended on 31st March,		2014	2013
	- Export (FOB basis )	1,178.50	792.93
		1,178.50	792.93
<b>XIV Expenditure in Foreign Currency</b>			
Year ended on 31st March,		2014	2013
	- Raw Materials (CIF basis)	459.78	136.11
	- Packing Material ,Components and Spare parts ( CIF basis )	59.52	28.88
	- Professional and Consultancy fees	-	0.94
	- Technical Know How (Erythromycin)	-	172.12
	- Others	106.53	45.14
		625.83	383.19
<b>XV Break up of Imported /Indigenous Material</b>			
Year ended on 31st March,		2014	2013
(a)	Value of imported raw materials, spares parts and components consumed	300.10	435.77
(b)	Value of indigenous raw materials, spare parts and components consumed	2,676.34	4,103.09
(c)	Percentage of above to total consumption:		
	(i) Imported raw materials, spare parts and components consumed	10%	10%
	(ii) Indigenous raw materials, spare parts and components consumed	90%	90%
<b>XVI</b> The previous year's figure have been regrouped / rearranged wherever necessary to make it comparable with the current year.			

As per our report of even date

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

**Chirayu R. Amin**  
Chairman

**Maliika Amin**  
Director

**Udit Amin**  
Director

**R. M. Kapadia**  
Director

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

**Milin Mehta**  
Director

**C. P. Buch**  
Director

**R. C. Saxena**  
Director

**Chirag K. Shukla**  
Company Secretary

Mumbai : 6th May, 2014

Vadodara : 6th May, 2014



**Proxy form**

CIN : L26100GJ1907PLC000033  
 Name of the company : Alembic Limited  
 Registered office : Alembic Road, Vadodara - 390003, Gujarat, India.  
 Tel. : 0265-2280550 • Fax : 0265 - 2282506 • www.alembiclimited.com • E-mail : alembic.investors@alembic.co.in

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

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint

- Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_  
 Signature: \_\_\_\_\_, or failing him
- Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_  
 Signature: \_\_\_\_\_, or failing him
- Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_  
 Signature: \_\_\_\_\_, or failing him

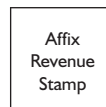
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 107th Annual General Meeting of Alembic Ltd. to be held on the 13th day of August, 2014 at 4.00 p.m. at "Sanskriti" Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
<b>Ordinary Business</b>	
1	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2014.
2	Declaration of dividend on Equity Shares.
3	Re-appointment of Mr. Ashok Tulankar, who retires by rotation.
4	Appointment of M/s. K. S. Aiyar & Co. Chartered Accountants as Auditors and fixing their remuneration.
<b>Special Business</b>	
5	Appointment of Mr. R. C. Saxena as Independent Director.
6	Appointment of Mr. C. P. Buch as Independent Director.
7	Appointment of Mr. Milin Mehta as Independent Director.
8	Approval of revision in terms of appointment including remuneration and re-designation of Mr. Udit Amin as Director & President - Operations.
9	Reconfirmation of authority to the Board of Directors for borrowings money upto ₹ 750 Crores.
10	Approval of creation of charge/security over the assets of the Company in respect of borrowings.
11	Approval of Alteration of Articles of Association

Signed this..... day of..... 2014

Signature of shareholder .....

Signature of Proxy holder(s) .....



**Notes:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- Please complete all details including details of member(s) before submission.







## Attendance Slip

(To be handed over at the entrance of the Meeting Hall)

CIN : L26100GJ1907PLC000033  
 Name of the company : Alembic Limited  
 Registered office : Alembic Road, Vadodara – 390003, Gujarat, India.  
 Tel. : 0265-2280550 • Fax : 0265 - 2282506 • www.alembiclimited.com • E-mail : alembic.investors@alembic.co.in

Name of the Member (s) / Proxy (In Block Letters):	
Folio No.	
DP ID - Client ID	
No. of Shares Held	

I hereby record my presence at the 107th Annual General Meeting of the Company at "Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003 on Wednesday, the 13th August, 2014 at 4.00 p.m.

Signature of the Member(s) / Proxy

### Notes:

1. Members are requested to bring their copies of Annual Report at the AGM.
2. Please strike off whichever is not applicable.

To,



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