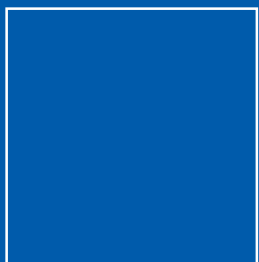


Growth is a
Commitment,
WE POSSESS.



LINCOLN
PHARMACEUTICALS LTD.
HEALTHCARE FOR ALL



LPL LINCOLN
PHARMACEUTICALS LTD.

R & D Centre

Manufacturing Unit

“You can have anything you want if you want it badly enough, you can be anything you want to be, do anything you set out to accomplish if you hold to that desire with singleness of purpose.”



LINCOLN

PHARMACEUTICALS LTD.

HEALTHCARE FOR ALL

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of the Company will be held on Monday, the 30th day of September, 2013 at 10.30 a.m. at LINCOLN HOUSE, Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060 to transact the following business:

ORDINARY BUSINESS

- (1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and Statement of Profit and Loss for the year ended on that day together with the Directors' Report and the Auditors' Report thereon.
- (2) To declare Dividend on Equity Shares.
- (3) To appoint a Director in place of Shri Pirabhai R. Suthar, who retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- (4) To appoint a Director in place of Shri Kishorbhai M. Shah, who retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- (5) To appoint Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

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

RESOLVED THAT in partial modification of the resolution passed by the members of the company at the Annual General Meeting held in the year 1999, the consent of the Company be and is hereby accorded under the provisions of section 293(1)(d) of the Companies Act, 1956 to the Board of Directors of the Company for borrowing from time to time all such sum of money as they may deem requisite for the purpose of the business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not so set apart for any specific purpose, provided that total amount that may be borrowed by the Board of Directors shall not, at any time exceed the sum of Rs. 300 Crores (Rupees Three Crores only).

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

- (7) To consider and, if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of the section 314 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification and re-enactment thereof, the Directors' Relative (office or place of profit) Rule, 2003 consent of the Company be and is hereby accorded for the appointment of Shri Ashish R. Patel, relative of Jt. Managing Director of the Company as General Manager- Sales and Marketing w.e.f. 1st October, 2012 on the following terms & conditions:

Remuneration :

- (1) Total remuneration of Rupees 96,000/- per month and annual increment of an amount not exceeding Rs. 25,000/- per month as may be decided by Board of Directors of the Company from time to time subject to limit of Section 314 of the Companies Act, 1956.
- (2) other amenities and facilities as may be available to other senior employees of the Company.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to take appropriate action in this regard."

- (8) To consider and, if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of the section 314 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification and re-enactment thereof, the Directors' Relative (office or place of profit) Rule, 2003 consent of the Company be and is hereby accorded for the appointment of Shri Munjal M. Patel, relative of Managing Director of the Company as General Manager- International Operations w.e.f. 1st October, 2012 on the following terms & conditions:

Remuneration :

- (1) Total remuneration of Rupees 75,000/- per month and annual increment of an amount not exceeding Rs. 25,000/- per month as may be decided by Board of Directors of the Company from time to time subject to limit of Section 314 of the Companies Act, 1956.
- (2) other amenities and facilities as may be available to other senior employees of the Company.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to take appropriate action in this regard."

- (9) To consider and if thought fit, to pass with or without modifications, the following resolution as an **SPECIAL RESOLUTION** :

RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310, 311 and any other applicable provisions of the Companies Act, 1956 and also in terms of Schedule XIII of the said Act as amended upto date, consent of the Company, be and is

hereby granted for the re-appointment of Shri Mahendra G. Patel as the Managing Director of the Company for a period of 3 years commencing from 1st October, 2013 on the terms and conditions including remuneration as contained in the explanatory statement thereto."

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, he shall be paid remuneration by way of salary and perquisites as specified above, however in any case, the total remuneration shall not exceed the limit as specified in Schedule XIII."

RESOLVED FURTHER THAT the above remuneration payable to him shall be subject to limits as may be prescribed from time to time under the provisions of the Companies Act, 1956, Schedule thereof and rules there under as well as any other statutory provision as may be applicable, including statutory modifications thereof, if any."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to enhance, enlarge, alter, or vary the scope and quantum of remuneration and perquisites of Shri Mahendra G. Patel which revision should be in conformity with any amendments to the relevant provisions of the Companies Act, 1956 and/or the Rules and Regulations made there under and/or such guidelines as may be announced by the Central Government from time to time without further reference to the Company in General Meeting."

(10) To consider and if thought fit, to pass with or without modifications, the following resolution as an **SPECIAL RESOLUTION**:

RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310, 311 and any other applicable provisions of the Companies Act, 1956 and also in terms of Schedule XIII of the said Act as amended upto date, consent of the Company, be and is hereby granted for the re-appointment of Shri Rajnikant G. Patel as the Jt. Managing Director of the Company for a period of 3 years commencing from 1st October, 2013 on the terms and conditions including remuneration as contained in the explanatory statement thereto."

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, he shall be paid remuneration by way of salary and perquisites as specified above, however in any case, the total remuneration shall not exceed the limit as specified in Schedule XIII."

RESOLVED FURTHER THAT the above remuneration payable to him shall be subject to limits as may be prescribed from time to time under the provisions of the Companies Act, 1956, Schedule thereof and rules there under as well as any other statutory provision as may be applicable, including statutory modifications thereof, if any."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to enhance, enlarge, alter, or vary the scope and quantum of remuneration and perquisites of Shri Rajnikant G. Patel which revision should be in conformity with any amendments to the relevant provisions of the Companies Act, 1956 and/or the Rules and Regulations made there under and/or such guidelines as may be announced by the Central Government from time to time without further reference to the Company in General Meeting."

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

RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310, 311 and any other applicable provisions of the Companies Act, 1956 and also in terms of Schedule XIII of the said Act as amended upto date, consent of the Company, be and is hereby granted for the re-appointment of Shri Hasmukhbhai I. Patel as a Whole Time Director of the Company for a period of 3 years commencing from 1st October, 2013 on the terms and conditions including remuneration as contained in the explanatory statement thereto."

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, he shall be paid remuneration by way of salary and perquisites as specified above, however in any case, the total remuneration shall not exceed the limit as specified in Schedule XIII."

RESOLVED FURTHER THAT the above remuneration payable to him shall be subject to limits as may be prescribed from time to time under the provisions of the Companies Act, 1956, Schedule thereof and rules there under as well as any other statutory provision as may be applicable, including statutory modifications thereof, if any."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to enhance, enlarge, alter, or vary the scope and quantum of remuneration and perquisites of Shri Hasmukhbhai I. Patel which revision should be in conformity with any amendments to the relevant provisions of the Companies Act, 1956 and/or the Rules and Regulations made there under and/or such guidelines as may be announced by the Central Government from time to time without further reference to the Company in General Meeting."

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.** Proxies in order to be valid must be delivered at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956, in respect of the special business are annexed hereto.
3. Members are requested to notify the changes, if any, in their registered address.
4. The Register of Members and Share Transfer Book of the Company shall remain closed from Saturday, 21st day of September, 2013 to Monday, 30th September, 2013 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend.
5. Members are requested to bring their copy of Annual Report to the meeting.

6. Members desiring to seek information on Annual Accounts to be explained at the meeting are requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.
7. The Ministry of Corporate Affairs (MCA), New Delhi has taken "Green initiatives in Corporate Governance" by allowing paperless compliances by the Companies and issued a circular dated 21st April, 2011 clarifying that the service of documents to be made by a Company can be made through electronic mode. To support the green initiative of the Ministry of Corporate Affairs, members who have not yet registered their e-mail id are requested to register the same immediately.

Members holding shares in physical form are requested to register their e-mail id by communicating the same to the RTA/Company mentioning their Folio number. Members holding shares in electronic form are requested to register their e-mail id are advised to approach their Depository Participants in this regard.

8. Information required to be furnished under the Listing Agreement, as required under the Listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be re-appointed, are given below:

Name	Mahendra G. Patel	Rajnikant G. Patel	Hasmukh I. Patel
Date of Birth	26/01/1954	05/02/1956	08/12/1958
Date of Appointment	20/01/1995	20/01/1995	20/01/1995
Qualification	(B.A, LLB)	B. Pharma	B.Sc.
Expertise	Corporate planning, strategies, Finance, Legal	Production, Research and Development, Product Development	Marketing
Shareholding in the company	0.70%	0.65%	1.37%

Place : Registered office
"LINCOLN HOUSE"
B/h. Satyam Complex,
Science City road, Sola, Ahmedabad
Date : 13th August, 2013

BY ORDER OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED

(P. P. ARORA)
COMPANY SECRETARY

EXPLANTORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 6

In view of future planning, company would need to borrow more funds from time to time to meet its financial requirement in excess of prescribed limit under section 293 (1) (d) of the Companies Act, 1956 and the approval granted by shareholders earlier.

As per the provision of section 293(1)(d) of the Companies Act, 1956, a Company cannot borrow money where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, except with the consent of the company in General Meeting.

In view of the above your Directors have thought it advisable to get the approval of members of the Company to borrow money as mentioned in the resolution proposed for approval.

Your Directors recommend to pass the proposed Resolution.

None of the Directors of the Company is, in any way, concerned or interested in the said proposed resolution.

Item No. 7

This item relates to approval for the appointment of Shri Ashish R. Patel, relative of Jt. Managing Director of the Company as General Manager- Sales and Marketing of the company.

Shri Ashish R. Patel holds degree of MBA – Marketing (U.K.) Considering his qualification, expertise and necessity to have some qualified person to look after sales and marketing operations of the Company the Board has appointed Shri Ashish R. Patel as General Manager- Sales and Marketing subject to approval of members on remuneration of Rs. 51,000/- per month w.e.f 1st October, 2012, subsequently remuneration has been revised to Rs. 96,000/-per month w.e.f 1st January, 2013. The remuneration approved by the Board is in commensurate with his qualifications and experience.

Since he being relative of Jt. Managing Director, approval of members by way of Special resolution is required as per the provisions of section 314 of the Companies Act, 1956 and hence necessary resolution has been proposed for approval of members.

Your Directors recommend passing of the proposed resolution.

Shri Rajnikant G. Patel, Jt. Managing Director of the Company, being relative deemed to be concerned or interested in the proposed resolution.

This item relates to approval for the appointment of Shri Munjal M. Patel, relative of Managing Director of the Company as General Manager- International Operations of the company.

Shri Munjal M. Patel holds degree of MBA – Finance and PGDIFA (Post Graduate Diploma in Investment & Financial Analysis), USA. He has got experience of International trade. Considering his qualification, expertise and necessity to have some qualified person to look after International operations of the Company the Board has appointed Shri Munjal M. Patel as General Manager- International Operation subject to approval of members on remuneration as contained in the resolution. The remuneration approved by the Board is in commensurate with his qualifications and experience.

Since he being relative of Managing Director, approval of members by way of Special resolution is required as per the provisions of section 314 of the Companies Act, 1956 and hence necessary resolution has been proposed for approval of members.

Your Directors recommend passing of the proposed resolution.

Shri Mahendra G. Patel, Managing Director of the Company, being relative deemed to be concerned or interested in the proposed resolution.

Item No. 9, 10 and 11

In view of expiry of term of office of Shri Mahendra G. Patel, Managing Director, Shri Rajnikant G. Patel, Jt. Managing Director and Shri Hasmukhbhai I. Patel, Whole Time Director of the Company, the Board of Directors of the Company has re-appointed them as the Managing Director, Joint Managing Director and Whole Time Director respectively of the Company on a revised terms w.e.f. 01-10-2013 for a term of three years. Revised remuneration payable to them have been approved and recommended by the remuneration committee.

Pursuant to provisions of section 198, 310, and Schedule XIII and other applicable provisions of the Companies Act, 1956 and in accordance with notification in Official Gazette by the Department of Company Affairs dated 16th January, 2002 which amended the Schedule XIII, permits companies to pay higher remuneration provided it is approved by the members by a Special Resolution. Statement as required under the said notification is given below. Your Directors hereby declare that Company has not made any default in repayment of any of its debts including public deposits and interest thereon.

Your Directors recommend the resolutions as embodied in the notice to be passed with or without modifications as Special Resolutions.

Shri Mahendra G. Patel, Shri Rajnikant G. Patel and Shri Hasmukhbhai I. Patel themselves and Shri Arvind G. Patel, being relative, of Shri Mahendra G. Patel and Shri Rajnikant G. Patel are deemed to be concerned or interested in the respective resolutions.

Statement as required under the notification GSR36 (E), dated 16th January, 2002

I. General Information :

(1) *Nature of Industry:* Manufacturing and selling of various pharmaceutical products.

(2) The commercial operations have already begun.

(3) The Company is not a new Company.

(4) Financial performance :

(Rs. In lacs)

PARTICULARS	Years ended (Audited) 31-03-2013	Years ended (Audited) 31-03-2012
Net sales	19092.05	17492.49
Other income	469.62	321.93
Net profit	981.27	496.66

(5) There was export earnings amounting to Rs.4896.38 lacs during the financial years 2012-13. Company has paid dividend @ 6% on equity shares for the year ended 31.03.2012.

(6) There are no foreign investments in the Company and the Company has not entered in to foreign collaboration.

II. Information about the appointees :

(A) Shri Mahendra G. Patel

(1) Background details: Shri Mahendra G. Patel has a sound academic background which includes Bachelor degree in Arts and LLB. He possesses business experience of more than 33 years.

(2) Past Remuneration : Shri Mahendra G. Patel was paid remuneration of Rs. 12,35,000/- per annum plus perquisites & benefits during the years 2012-13.

(3) Recognition and awards : NIL.

- (4) Job profile and his suitability: Managing Director is responsible for managing the company subject to the superintendence, control and direction of the Board of Directors. He has wide experience and expertise in Corporate planning, Exports business, legal and finance. He handles corporate planning, formulation of strategies, policies, corporate finance, legal matters etc. His experience and knowledge has helped the Company to a great extent.
- (5) Remuneration proposed: As per details given below.
- (6) There are no companies of the same size in the industry as such there is no statistics available of comparative remuneration profiles.
- (7) The Managing Director has no pecuniary relationship directly or indirectly with the Company except to the extent of his shareholding in the Company.

(B) Shri Rajnikant G. Patel

- (1) Background details : Shri Rajnikant G. Patel holds degree in B. Pharma and has 30 years of experience in the Pharmaceutical Industry. He is working with the company since incorporation and contributed in manufacturing of various pharmaceuticals formulation.
- (2) Past Remuneration : Shri Rajnikant G. Patel was paid remuneration of Rs. 12,35,000/- per annum plus perquisites & benefits during the years 2012-13.
- (3) Recognition and awards : NIL.
- (4) Job profile and his suitability: Jt. Managing Director is responsible for managing the company subject to the superintendence, control and direction of the Board of Directors. He handles product development, manufacturing and research and development activities of the company. He has been instrumental in taking the company to its present position. His experience and knowledge has helped the Company to a great extent.
- (5) Remuneration proposed: As per details given below.
- (6) There are no companies of the same size in the industry as such there is no statistics available of comparative remuneration profiles.
- (7) The Jt. Managing Director has no pecuniary relationship directly or indirectly with the Company except to the extent of his shareholding in the Company.

(C) Shri Hasmukhbhai I. Patel

- (1) Background details: Shri Hasmukhbhai I. Patel holds degree in B.Sc. He is working with the company since incorporation and contributed in developing a strong sales distribution system for the company.
- (2) Past Remuneration : Shri Hasmukhbhai I. Patel was paid remuneration of Rs. 12,35,000/- per annum plus perquisites & benefits during the years 2012-13.
- (3) Recognition and awards : NIL.
- (4) Job profile and his suitability: He is a Whole –Time Director, managing the entire gamut of domestic marketing as well as the entire sales distribution system of the company. His experience and knowledge has helped the Company to a great extent.
- (5) Remuneration proposed: As per details given below.
- (6) There are no companies of the same size in the industry as such there is no statistics available of comparative remuneration profiles.
- (7) The Whole-Time Director has no pecuniary relationship directly or indirectly with the Company except to the extent of his shareholding in the Company.

III. Other information:

Company is engaged in the business of manufacturing and selling of pharma products. The Company's products are very well accepted in the local as well as international market. Company has started its business operations in the year 1979, the Company has made significant growth and the sales of the Company has increased from time to time. The sales of the Company has increased from Rs.17,492.49 lacs in the years 2011-2012 to Rs.19,092.05 lacs in the years 2012-13. Company has shown significant growth during the years 2012-13.

Now Company is putting more thrust on product development, R & D activities and expansion for export markets and for that purpose spending heavily and hence the profits of the Company are low and inadequate.

The Company has taken a series of steps under the guidance of management for improvement and development of the Company.

The Company has also taken steps for curtailing expenditure, introduction of high value added products, aggressive marketing. This would help the Company to further improve its results.



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IV. Disclosures :

Particulars	Mahendra G. Patel	Rajnikant G. Patel	Hasmukhbhai I. Patel
Salary	Rs. 1,50,000/-p.m. He shall be entitled for annual increment not exceeding Rs. 30,000/- p.m. depending upon work performance, working of the Company etc. as may be decided by Board from time to time. The first increment shall fall due on 01-04-2014.	Rs. 1,50,000/-p.m. He shall be entitled for annual increment not exceeding Rs. 30,000/- p.m. depending upon work performance, working of the Company etc. as may be decided by Board from time to time. The first increment shall fall due on 01-04-2014.	Rs. 1,50,000/-p.m. He shall be entitled for annual increment not exceeding Rs. 30,000/- p.m. depending upon work performance, working of the Company etc. as may be decided by Board from time to time. The first increment shall fall due on 01-04-2014.
Perquisites:			
House rent allowance	@ 25% of salary	@ 25% of salary	@ 25% of salary
Education Allowance	Rs.5,000/-p.m.	Rs.5,000/-p.m.	Rs.5,000/-p.m.
Books & Periodicals	Rs. 1,000/- p.m.	Rs. 1,000/- p.m.	Rs. 1,000/- p.m.
Uniform Allowance	Not exceeding Rs. 5,000/- p.m.	Not exceeding Rs. 5,000/- p.m.	Not exceeding Rs. 5,000/- p.m.
Medical Reimbursement	Expenses incurred for self and his family subject to a ceiling of Rs. 15,000/- in a year.	Expenses incurred for self and his family subject to a ceiling of Rs. 15,000/- in a year.	Expenses incurred for self and his family subject to a ceiling of Rs. 15,000/- in a year.
Leave Travel Concession	Not Exceeding one month salary in a year.	Not Exceeding one month salary in a year.	Not Exceeding one month salary in a year.
Provident Fund & Superannuation	Company's contribution to provident fund, as per rules of Employees Provident Fund Act, 1952. Company's contribution towards superannuation fund as per rules of Company as and when applicable, which together with P.F. contribution shall not exceed 25% of such other percentage as may be laid down from time to time under the Income Tax Act, 1961 and rules there under.	Company's contribution to provident fund as per rules of Employees Provident Fund Act, 1952. Company's contribution towards superannuation fund as per rules of Company as and when applicable, which together with P.F. contribution shall not exceed 25% of such other percentage as may be laid down from time to time under the Income Tax Act, 1961 and rules there under.	Company's contribution to provident fund as per rules of Employees Provident Fund Act, 1952. Company's contribution towards superannuation fund as per rules of Company as and when applicable, which together with P.F. contribution shall not exceed 25% of such other percentage as may be laid down from time to time under the Income Tax Act, 1961 and rules there under.
Gratuity	Gratuity at the rate of one half month's salary for every completed year of service.	Gratuity at the rate of one half month's salary for every completed year of service.	Gratuity at the rate of one half month's salary for every completed year of service.
Other Facilities			
	1) Provision for car for use on Company's business or reimbursement of conveyance expenses and telephone at residence. He shall be billed by the Company for personal long distance calls on telephone and use of car for private purposes. 2) He shall be entitled to fully paid leave as per the Company's rules. 3) Reimbursement of entertainment expenses (incurred in course of legitimate business of the Company)	1) Provision for car for use on Company's business or reimbursement of conveyance expenses and telephone at residence. He shall be billed by the Company for personal long distance calls on telephone and use of car for private purposes. 2) He shall be entitled to fully paid leave as per the Company's rules. 3) Reimbursement of entertainment expenses (incurred in course of legitimate business of the Company)	1) Provision for car for use on Company's business or reimbursement of conveyance expenses and telephone at residence. He shall be billed by the Company for personal long distance calls on telephone and use of car for private purposes. 2) He shall be entitled to fully paid leave as per the Company's rules. 3) Reimbursement of entertainment expenses (incurred in course of legitimate business of the Company)
Retirement by rotation	Not liable	Not liable	Not liable

Place : Registered office

"LINCOLN HOUSE"

B/h. Satyam Complex,

Science City road, Sola, Ahmedabad

Date : 13th August, 2013

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

**(P. P. ARORA)
COMPANY SECRETARY**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Kishor M. Shah	<i>Chairman</i>
Shri Mahendra G. Patel	<i>Managing Director</i>
Shri Rajnikant G. Patel	<i>Jt. Managing Director</i>
Shri Arvindbhai G. Patel	<i>Whole time Director</i>
Shri Hasmukhbhai I. Patel	<i>Whole time Director</i>
Shri Ishwarlal A. Patel	<i>Director</i>
Shri Maganbhai R. Patel	<i>Director</i>
Shri Pirabhai R. Suthar	<i>Director</i>

AUDIT COMMITTEE

Shri Ishwarlal A. Patel	<i>Chairman</i>
Shri Pirabhai R. Suthar	<i>Member</i>
Shri Mahendra G. Patel	<i>Member</i>

BANKER

State Bank of India

AUDITORS

M/s. Chandulal M. Shah & Company

REGISTERED OFFICE

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

PLANT

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

DIRECTORS' REPORT

To,
The Members,
Your Directors have pleasure in presenting the Annual Report together with the audited Statement of Accounts for the year ended 31st March 2013.

FINANCIAL RESULTS

The operating results of the Company for the year ended on 31st March, 2013 are briefly indicated below:

	Year 2012-2013	(Rs. in lacs) Year 2011-2012
Profit Before Depreciation and Taxation	1340.53	911.29
Less : Depreciation	207.94	188.65
Less : Provision for Taxation – Current / F.B.T	225.00	162.19
Less : Deferred Tax	-73.68	63.79
Profit after Taxation	981.27	496.66
Add : Balance brought forward	2154.97	1822.05
Profit available for Appropriation	3136.24	2318.71
APPROPRIATION		
1. Proposed Dividend	97.86	97.86
2. Dividend Tax	16.63	15.88
3. General Reserve	50.00	50.00
Net Balance carried to Balance sheet	2971.75	2154.97

OPERATIONS

During the year under review, your company has performed well and achieved total revenue of Rs. 19561.67 lacs (Previous year Rs.17814.42 lacs). There is substantial increase in net profit from previous year of Rs. 496.66 lacs to Rs.981.27 lacs in the year under review. Further details are given in Management Discussions and Analysis Report, which forms part of this report.

DIVIDEND

Your Directors are pleased to recommend a payment of dividend of Rs.0.60 (@6%) per equity shares of face value of Rs.10/- each of the Company for the year ended 31-03-2013. (Previous year @6%).

CORPORATE GOVERNANCE REPORT

Your Company has complied with the Corporate Governance practice mandated by Clause 49 of the Listing Agreement. A report on the same is given separately.

DEPOSITS

The Company has not accepted deposits within the meaning of Section 58A of the Companies Act, 1956.

DIRECTORS

Shri Pirabhai R. Suthar and Shri Kishorbhai M. Shah, Directors of the Company are retiring by rotation and being eligible, offer themselves for re-appointment.

Necessary resolutions have been proposed for their re-appointment in the ensuing Annual General Meeting. The Board of Directors have recommended their reappointment for consideration of shareholders.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors to the best of their knowledge and belief and according to the information and explanation obtained by them, confirm that:

- (1) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- (2) appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year 31.03.2013 and of the profit of the Company for that period;
- (3) proper and sufficient care has been taken 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;
- (4) the accounts have been prepared on going concern basis.

SUBSIDIARY COMPANY :

Company has two subsidiaries namely M/s. Zullinc Healthcare Limited (WOS) and M/s. Lincoln Parenteral Limited .

Pursuant to the provision of Section 212(8) of the Act, 1956, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary companies with the balance sheet of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended 31.03.2013 is included in the Annual Report. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

Annual Accounts of the subsidiary companies are also kept ready for inspection by any shareholders of the Company at registered office of the Company and of the concerned subsidiary companies. The Company will furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

INSURANCE :

The Company has taken adequate insurance to cover its assets.

LISTING :

Company's Securities are listed with the Stock Exchanges at Ahmedabad and Mumbai. The Company has already paid the listing fees for the year 2013-2014 to both the Stock Exchanges.

HUMAN RESOURCES

To enhance the effectiveness and efficiency of human resources towards better productivity and competitiveness, the company during the year undertook focused recruitment.

Company's industrial relations continued to be harmonious during the year under review.

EMPLOYEES :

As there are no employees drawing remuneration more than the limit prescribed under Section 217(2A) of the Companies Act, 1956, and the Companies (Particulars of Employees) Rules, 1975, as amended, from time to time, statement under section 217(2A) is not required.

COST AUDIT :

M/s. Kiran J. Mehta & Company Cost Accountants, Ahmedabad, have been appointed to conduct cost audit for the year ended 31-03-2014. The Audit report of the cost accounts of the Company for the year ended March 31, 2013, will be submitted to the Central Government in due course. Due date for filing the Cost audit report by Cost auditor is 30th September, 2013.

AUDITORS :

The Company's Auditors M/s. Chandulal M. Shah & Co. Chartered Accountants, Ahmedabad will retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Members are requested to appoint auditors for the current year and fix remuneration.

AUDITORS' OBSERVATIONS :

With reference to Auditors' observation relating to non provision of trade receivables to the extent of Rs. 237.57 Lacs, management is hopeful for the recovery of the same and hence provision has not made for the same in the accounts.

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

Particulars to be given in respect of the above activity under the Companies (Disclosure of Particulars in report of Directors) Rules, 1988 is given in the annexure to this report.

ACKNOWLEDGEMENT :

The Board is thankful to its bankers for their continued support and assistance which has played important role in progress of the Company. Your Directors also place on record their sincere appreciation for the significant contribution made by the employees at all levels through their dedication hard work and commitment and look forward to their continued support.

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

Place : Ahmedabad
Date : 30th May, 2013

Mahendra G. Patel
(Managing Director)

Hasmukhbhai I. Patel
(Whole-Time Director)

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

(A) Conservation of energy:

a) Energy conservation measures are taken:

The Company has taken measures and applied strict control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. The day to day consumption is monitored and various ways and means are adopted to reduce the power consumption in an effort to save energy. The office area is designed in such a way that during day time not much artificial lighting is necessary in the office.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy and other raw materials.

Company is continuously monitoring and making effort for optimum utilization of equipments which ensures to conserve energy during routine operations itself. There is no specific investment plan for energy conservation.

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

Impact of the measures mentioned here in above in point (a) and (b) certainly reduces the energy consumption and consequent impact on the cost of production of services.

d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure:

FORM : A

A. POWER & FUEL CONSUMPTION

		Current Year ending 31st March 2013	Previous Year ending 31st March 2012
1. Electricity			
I) Purchased Units(in lacs)	kWh	10.47	11.55
Total Amount(in lacs)	Rupees	73.92	68.72
Rate / unit	Rupees	7.06	5.95
II) Own Generation through Diesel Generation Sets (in lacs)	Rupees	—	3.76
Units/ Litre of Diesel	kWh	—	8090
Cost / unit	Rupees	—	46.50
2. Diesel LDO used in Boiler to generate steam for the Process			
I) Quantity	Litre	—	350
Total Cost (in Lacs)	Rupees	—	0.18
Average Rate / MT	Rupees	—	52.00
CNG/LPG used in Boiler to generate steam for the Process			
II) Quantity	SCM	104779	68814
Total Cost(in lacs)	Rupees	36.33	18.49
Average Rate / MT	Rupees	34.67	26.87
III) Consumption per unit of production			
<i>Since the Company is manufacturing different products using the same facilities at the same time, it is not practicable to give consumption per unit of production.</i>			
3. Furnace Oil	K. Lit	—	—
Total Amount / Avg. Cost			
4. Internal Wind mill Generation(in Lacs)	Units	13.34	13.70
Total Cost / Rate	Rupees	—	—

(B) Technology Absorption:

The efforts made in technology absorption are mentioned below in Form-B

FORM : B
II. RESEARCH AND DEVELOPMENT (R&D)

Company is continuously carrying out R & D activities in the areas of new product/process development, improvement in existing process.

Benefits derived as a result of the above R & D.

Production processes have improved resulting in better productivity and quality.

Expenditure on R & D :

Expenditure charged to respective primary heads of accounts.

III. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION :
1. Efforts, in brief, made towards technology absorption, adaptation and innovation--:

The Company always keeps itself updated with all latest technological innovation by way of constant communications, consulting experts. Company has always been making best effort towards technology absorption, adaptation and innovation.

2. Benefits derived as a result of the above efforts e.g. product, improvements, cost reduction, product development, import substitution etc. :

It improves the quality of company's products being manufactured and reduces the cost of production.

3. Details of Technology imported (during the last 5 years).

- | | |
|---|--------|
| a. Technology imported | : N.A. |
| b. Year of import | : N.A. |
| c. Has technology been fully absorbed? | : N.A. |
| d. If not absorbed, areas where this has not taken place, reasons there for and future plan of action | : N.A. |

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO:
1. Total foreign exchange used and earned.

	<u>Current year</u>	<u>Previous year</u>
Earnings :	Rs. 4896.38 lacs	Rs. 3848.65 lacs
Out go :	Rs. 410.21 lacs	Rs. 399.80 lacs

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

Place : Ahmedabad.
Date : **30th May, 2013**

Mahendra G. Patel
(Managing Director)

Hasmukhbhai I. Patel
(Whole-Time Director)

STATEMENT PURSUANT TO SECTION 212(1)(E) OF THE COMPANIES ACT, 1956

Sr. No	Name of the Subsidiary Company	Zullinc Healthcare Limited	Lincoln Parenteral Limited
1.	Financial Year of Subsidiary ended on	31st March, 2013	31st March, 2013
2.	No. of Shares held by the company	50,000 Equity shares of Rs. 10/- each	62,00,000 Equity shares of Rs. 10/- each
3.	Extent of Interest	100.00 %	62.00 %
4.	<p>The net aggregate of Profit / (Loss) of the Subsidiary Company in so far as it concerns the members of the Holding Company.</p> <p>a) Not dealt with in the accounts of the Company for the year ended 31.03.2013</p> <p>For the Subsidiary's financial year ended 31st March 2013.</p> <p>For the previous financial years of the Subsidiary.</p> <p>b) Dealt with in the accounts of the Company for the year ended 31.03.2013</p> <p>For the Subsidiary's financial year ended 31st March 2013.</p> <p>For the previous financial years of the Subsidiary.</p>	<p>Rs.5,83,503</p> <p>Rs.25,49,785</p> <p>Nil</p> <p>Nil</p>	<p>Rs. (33,68,149)</p> <p>Rs. 48,36,812</p> <p>Nil</p> <p>Nil</p>

For and on behalf of the Board

Place : Ahmedabad.
Date : 30th May,2013

Mahendra G. Patel
(Managing Director)

Hasmukhbhai I. Patel
(Whole-Time Director)

STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956
Financial details of Subsidiary Companies

(Amount in Rs.)

Particulars	Zullinc Healthcare Limited	Lincoln Parenteral Limited
Capital	5,00,000	10,00,00,000
Reserves and Surplus	66,33,288	98,69,686
Total Liabilities	17,14,65,939	40,18,97,239
Total Assets	17,85,99,227	51,17,66,925
Investments (Other than subsidiary)	15,000	40,22,400
Turnover (Including Other Income)	78,16,335	7,60,74,666
Profit Before Tax	8,88,503	(3,08,336)
Provision for Tax	3,05,000	30,59,813
Profit After Tax	5,83,503	(33,68,149)
Proposed Dividend	Nil	Nil

The amounts given in the table above are from the annual accounts made for the respective financial year end for each of the company. We undertake that the annual accounts of the subsidiary companies and the related detailed information will be made available to the shareholders, who seek such information, at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by the investor in the Registered / Head office of Lincoln Pharmaceuticals Limited and that of subsidiary companies.

For and on behalf of the Board

Place : Ahmedabad.
Date : 30th May, 2013

Mahendra G. Patel
(Managing Director)

Hasmukhbhai I. Patel
(Whole-Time Director)

CORPORATE GOVERNANCE REPORT

(As required by Clause 49 of the Listing Agreement of the Stock Exchanges)

The Securities and Exchange Board of India (SEBI) has introduced a code of corporate governance for listed companies which is implemented through the listing Agreements with the Exchanges with which the Company is listed. The Company has complied with the corporate governance requirements set out in Clause 49 of the listing Agreement.

1) Company's Philosophy on Code of Corporate Governance.

The Company believes that good corporate governance leads to corporate growth and long term gain in shareholders value. The Company is committed to maintain the highest standard of corporate governance in its conducts towards shareholders, employees, customers, suppliers and other stakeholders.

Our focus on sustainable growth, productivity improvement, commitment to quality and safety in operations is unrelenting.

2) Board of Directors

Composition :

The Board of Directors consists of total 8 Directors. The composition of Board is compliant with the requirement of Clause 49 (IA) i.e. more than 50% of Directors are non-executive Directors and more than 33% of Directors are independent Directors.

The detailed composition of the Board and other related information is given in the table below.

Board meetings :

During the year, 8 Board Meetings were held on 23-04-2012, 15-05-2012, 14-08-2012, 01-10-2012, 08-11-2012, 12-11-2012, 07-01-2013 and 12-02-2013.

The composition of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorships and committee Memberships are given as below:

Sr. No.	Name of Directors	Category of Directorship	No. of Board Meeting Attended	Attendance at last AGM	No. of other Directorships	No. of other Committee Members
1	Shri Kishor M. Shah	Chairman Non-Executive Director	2	No	1	—
2.	Shri Mahendra G. Patel	Managing Director	7	Yes	3	—
3.	Shri Rajnikant G. Patel	Joint Managing Director	8	Yes	1	—
4.	Shri Hasmukh I. Patel	Whole-time Director	8	No	2	—
5.	Shri Arvind G. Patel	Whole-time Director	0	No	1	—
*6.	Shri Mihir V. Patel	Non-Executive Independent Director	5	No	3	—
7.	Dr. Pirabhai Suthar	Non-Executive Independent Director	4	No	—	—
8.	Shri Ishwarbhai A. Patel	Non Executive Independent Director	6	No	3	—
9.	Dr. Maganbhai R. Patel	Non Executive Independent Director	3	No	—	—

* Ceased to be a director of the company w.e.f. 01.12.2012

- As required by the Companies Act, 1956 and Clause 49 Listing Agreement, none of the directors hold directorship in more than 15 public companies, membership of board committees (audit / remuneration / investor grievances committees) in excess of 10 and chairmanship of board committees as aforesaid in excess of 5.

Information placed before the Board of Directors :

All major decisions regarding resources mobilization, capital expenditure, etc are considered by the Board, in addition to day-to-day matters, which are statutorily required to be placed before the Board of Directors for its approval. Following information is regularly put up the Board for its consideration and approval :

- Review of operational results
- Quarterly financial results
- Minutes of the meeting of Audit Committee, Remuneration Committee as well as Shareholder's/Investors Grievance Committee of the Board.
- Compliance with various statutory requirements.

The Board is informed of all material, financial and commercial decision from time to time.

The Company did not have any pecuniary relationship or transactions with the non-executive directors during the period under review.

3) Audit Committee

Pursuant to the provisions of Section 292(A) of the Companies Act, 1956 and Clause 49 of the Listing Agreements, the Company has appointed Audit Committee of Directors. The Audit Committee consist of 2 (Two) Independent Directors and 1 (One) executive Director – Shri Ishwarbhai A. Patel, Chairman – Independent Director, Dr. Pirabhai Suthar, Independent Director and Shri Mahendra G. Patel - Executive Director. The Company Secretary is also Secretary to the Audit Committee. During the year, 4(Four) Committee Meetings were held on 15-05-2012, 14-08-2012, 08-11-2012, and 12-02-2013.

The power and role of the Audit Committee are as per the provision of Companies Act, 1956 and agreement with the Stock Exchange. The Committee inter-alia acts as a vital link between statutory and internal auditors and the Board of Directors of the Company.

The term of the reference of the Audit Committee include review the comment on internal audit reports, discussions approving and implementing the audit procedure and techniques, reviewing the financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines, review of quarterly and annual financial results , interact with the statutory auditors on annual accounts. The Audit Committee met prior to the finalization of Accounts for the year ended 31st March 2013.

The interval between two meetings convened was not more than four months. The audit committee adheres to the SEBI guidelines in terms of quorum of its meetings, functioning, role and powers as those set out in Companies Act, 1956.

4) Remuneration Committee

The Company has a Remuneration Committee. The Committee reviews the remuneration package of the Managing Director, Jt. Managing Director & Whole time Directors and recommends suitable remuneration package / revision to the Board, in accordance with the guidelines laid out by the statute.

The Remuneration Committee comprises of three Independent Directors. Shri Ishwarbhai A. Patel, Dr. Pirabhai Suthar and Shri Maganbhai Patel are the members of the Committee.

During the year, no Committee Meeting was held.

(a) Details of remuneration for the year ended 31-03-2013.

Name	Position held During the period	Salary and Allowances Rs.	Perquisites Rs.	Total Remuneration Rs.
Shri Mahendra G. Patel	Managing Director	1235000	57600	1292600
Shri Rajnikant G. Patel	Jt. Managing Director	1235000	28800	1263800
Shri Hasmukh I. Patel	Whole-time Director	1235000	28800	1263800
Shri Arvind G. Patel	Whole-time Director	475000	12000	487000

All the executive directors have been paid remuneration as per the approval given by the Board and shareholders of the Company.

The Company has not paid sitting fees to any Directors.

5) Shareholders'/ Investors' Grievances cum Share Transfer Committee

As a measure of good corporate governance and to focus on the Shareholders' grievances and towards strengthening investor relations and to expedite the transfer process in the physical segment, the Board has constituted a Shareholders/ Investors Grievances cum share Transfer Committee consisting of four Directors, Shri Arvind G. Patel, Shri Mahendra G. Patel, Shri Hasmukh I. Patel, and Shri Ishwarbhai A. Patel.

The committee deals with issue of duplicate share certificates, redressing of shareholders and investors complaints and Grievances like transfer of shares/securities, non-receipts of Balance-sheet and non-receipt Dividend etc.

6) Code of Conduct

The Company's code of conduct has been complied with by all the members of the Board and select employees of the Company. The Company has in place a prevention of Insider Trading Code based on SEBI (Insider Trading) Regulation, 1992. This code is applicable to all Directors and designated employees. The code ensures prevention of dealing in shares by persons having access to the unpublished price sensitive information.

7) Secretarial Audit

Pursuant to SEBI's circular dated December 31, 2002 on Secretarial Audit, a practicing company secretary carried out the said audit for the quarter ended 30-06-2012, 30-09-2012, 31-12- 2012 and 31-03-2013. The Audit Report confirms that there is no discrepancy whatsoever in the issued, listed and admitted capital of the Company.

**8) Management Discussion and Analysis:**

(a) Industry Structure and Developments

During the financial year 2012-13 the Indian Economy and GDP growth was slow as compared to previous year. In spite of slowdown in Indian Economy and GDP growth, Indian Pharmaceuticals Industry achieved sustainable and remarkable growth for the year 2012-13. Looking to the Indian population and their increase in health awareness about different human diseases and several steps of health awareness taken by the Government, there are lots of opportunities for fast development of industries in the coming years.

Your Company is primarily engaged in the business of manufacturing, marketing and Exports of Pharmaceutical products. Companies introduce high quality medicines at affordable price for Indian public at large. Your company trying to increase its market share by introducing high quality products and low price medicines. There are many pharmaceuticals companies in the country manufacturing high quality medicines. In spite of the stiff competition in the country, management of the Company is hopeful for growth of top line and bottom line. Management is confident to succeed in the most competitive markets.

(b) Opportunities

Increase in GDP and per capita income and consumer awareness of healthcare, there are so many opportunities available for the company in terms of products as well as sales territories in India where the growth rates are very potential. The Company is optimistic about its growth prospectus in the future. The Company has been concentrating on building brand image in the market. The future of the Company and its products seems to be excellent in the coming years and the Company is looking for regulatory marketing by way of setting up USFDA plant, so that company's presence remain in developed and under developed countries.

(c) Outlook

The Company expects to increase the market share in the existing markets by increasing its portfolio through new product launches, expanding its geographical coverage in more and more region and undertaking large job contracts. Management is cautiously optimistic of better prospects in 2013-14 and believe that the year will go a long way in stabilizing our growth path. Company also concentrates on job work of various national and multi national Companies and adding new products to its existing product range. The company has also embarked upon setting up a new USFDA plant to cater domestic as well as regulatory markets. This would also help the company to perform better in coming years.

(d) Risk and Concerns

The Company is functioning in the competitive markets where there are number of small scale and medium scale manufacturers are in the presence. There are number of similar kind of products present in the markets and therefore there is a pressure on the margin on the Company. Secondly, at the same way, the investment in the new marketing geographical area, introduction of innovative products and new introductory pricing products would affect the performance of the company and its profitability. However, the company has taken all the measures to minimize the risk by way of introducing R&D development centre and continuously incorporating suggestions and guidance given by the experts, doctors and medical councils from time to time.

(e) Internal Control Systems and their adequacy

The Company maintains a system of well established policies, guidelines, adequate internal controls ensure efficiency of operations, compliance with internal policies, applicable laws and regulation. The internal audit function conducted by independent Chartered Accountants firm for monitoring statutory and operational issues.

The system of Internal Control of the Company is adequate keeping in mind the size and complexity of your company's business. Systems are regularly reviewed to ensure effectiveness.

(f) Financial Performance

Financial Performance with respect to operational Performance is discussed in the main part of the report.

(g) Material Development in Human Resources/Industrial Relations

The Pharmaceutical industry is knowledge driven, considering this aspect, we continue to build our team with high quality talent.

Company continued to have cordial & harmonious relation with its employees. Company is putting thrust on providing training both in house and outside.

9) General Body Meetings

The last three Annual General Meetings were held as under and there was no Extra Ordinary General Meeting in last three years.

Annual General Meeting:

Financial Year ended	Date	Time	Venue
31-03-2012	29-09-2012	10.30 A.M.	"LINCOLN HOUSE" B/h. Satyam Complex, Science City Road, Sola, Ahmedabad - 380060
31-03-2011	30-09-2011	10.30 A.M.	"LINCOLN HOUSE" B/h. Satyam Complex, Science City Road, Sola, Ahmedabad - 380060
31-03-2010	30-09-2010	10.30 A.M.	"LINCOLN HOUSE", B/h. Satyam Complex, Science City Road, Sola, Ahmedabad - 380060

No Special Resolution was put through postal ballot. At the forthcoming AGM, there is no item on the agenda that needs approval by postal ballot.

10) Disclosures

In preparation of financial statements, the Company has followed the applicable Accounting Standards. The significant accounting policies that are consistently applied have been set out in the Notes to the Accounts.

Related party transactions entered in the ordinary course were placed before the Board. These transactions are not likely to have any conflict with the Company's interest. Details of transactions with related party transactions during the year have been disclosed as required under Accounting Standard 18 as applicable to the Company in the notes to the accounts. These transactions are not likely to have any conflict with the Company's interest.

Business risk evaluation and managing such risk is an ongoing process within the organization. The Board is regularly briefed of risks assessed and the measures adopted by the company to mitigate the risks.

No strictures / penalties have been imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matters related to the capital market during last 3 years.

The Company's code of conduct has clearly laid down procedures for reporting unethical behavior, actual or suspected fraud or violation of the ethics policies. No employee of the company was denied access to the Audit Committee.

11) Subsidiary Companies

The Company has one wholly owned subsidiary company (WOS) namely Zullinc Healthcare Limited and one subsidiary namely Lincoln Parenteral Limited. The financial statements and operational part of the said WOS and Subsidiary are reviewed by the Board of Directors.

12) Means of Communication

1. The Company has published its quarterly results in "The Economic Times".
2. The Management discussion & Analysis form part of the Annual Report, which is posted to all the members of the Company.

13) General Shareholder Information

Date, time and venue of AGM	30.09.2013, 10.30 A.M. at the Registered office of the company.
Dates of Book Closure	From Saturday, 21.09.2013 to Monday, 30.09.2013
Listing on Stock Exchanges	The Stock Exchanges at Ahmadabad and Mumbai.
Listing Fees	Paid the fees to Stock Exchanges as per listing agreement.
Demat Arrangement	With NSDL and CDSL
ISIN NO.	INE 405C01035
Registered Office	"LINCOLN HOUSE", B/h. Satyam Complex, Science City Road, Sola, Ahmedabad – 380 060.
Dividend Payment Date	With in statutory period of 30 days
Compliance Officer	Shri Arvindbhai G. Patel
Registrar and Share Transfer Agent	SHAREPRO SERVICES (India) PVT. LTD. 416 to 420, 4 th Floor, Dev Nandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmredabad-380006.


14) Financial Calendar 2013-2014 (tentative)

Annual General Meeting	Last week of September, 2013
Results for quarter ending June 30, 2013	on or before 14 th August, 2013
Results for quarter ending September 30, 2013	on or before 14 th November, 2013
Results for quarter ending December 31, 2013	on or before 14 th February, 2014
Results for year ending March 31, 2013 (Audited)	on or before 30 th May, 2014

15) Share price on The Stock Exchange, Mumbai.

Sr. No.	Month	High Price (₹)	Low Price (₹)
1.	April '12	35.80	25.05
2.	May '12	33.20	26.20
3.	June '12	29.00	22.00
4.	July '12	30.70	24.50
5.	August '12	30.85	25.00
6.	September '12	30.00	25.55
7.	October '12	29.80	25.50
8.	November '12	45.80	29.40
9.	December '12	47.90	42.50
10.	January '13	58.50	38.75
11.	February '13	40.00	28.40
12.	March '13	33.40	23.35

16) Distribution of Shareholding as on 31-03-2013

No. of Shares	No. of Shareholders	% of holders	No. of Shares	% of Shares
Up to 500	5241	84.67	780927	4.79
501 – 1000	578	9.34	474397	2.91
1001 – 2000	167	2.70	264832	1.62
2001 – 3000	52	0.84	129459	0.79
3001 – 4000	32	0.52	116651	0.72
4001 – 5000	12	0.19	56961	0.35
5001 – 10000	39	0.63	298883	1.83
10001 – 20000	14	0.22	196245	1.20
20001 and above	55	0.89	13992445	85.79
Total	6190	100.00	16310800	100.00

17) Shareholding Pattern as on 31-03-2013

Sr. No.	Category	No. of Shares	(%)
1.	NRI	555098	3.40
2.	Financial Institutions/Banks	NIL	NIL
3.	Mutual Funds	NIL	NIL
4.	Promoters	5336712	32.72
5.	Body Corporate	6869304	42.12
6.	Indian Publics	3547245	21.75
7.	Others	2441	0.01
	Total	16310800	100.00

18) Dematerialisation of Shares on 31-03-2013

As on 31st March 2013, 98.77% of the Company's total shares representing 1,61,10,170 Shares were held in dematerialized form and the balance 1.23% representing 2,00,630 shares were in paper form.

19) Share Transfer System & Registrar.

The share transfers received in physical form are presently processed and the said share certificates returned within a period of 15 days from the date of receipt, subject to the documents being complete in all respects.

There were no transfers pending as on 31-03-2013 exceeding the limit prescribed by listing agreement.

Sharepro Services (India) Pvt. Ltd., having its office at 416 to 420, 4th Floor, Dev Nandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad-380006 as Registrar and Share Transfer Agents being a Common Agency for Physical and Electronic modes.

20) Outstanding GDRs / ADRs / Warrants etc.

There is no outstanding GDRs / ADRs / warrants or any convertible instruments as on date.

21) Locations

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

22) Address of Correspondence

Registered Office :-

"LINCOLN HOUSE", B/h. Satyam Complex, Science city Road, Sola, Ahmedabad – 380 060.,

OR

Share Transfer Agent,

M/s. SHAREPRO SERVICES (India) PVT. LTD.

Office at : 416 to 420, 4th Floor, Dev Nandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad-380006.

23) Mandatory requirements

During the financial year 2012-13, the Company duly complied with all the mandatory requirements of the revised Clause 49 of the Listing Agreement.

24) Non Mandatory requirements :
a) Remuneration Committee :

As stated earlier, the Board has already set up a Remuneration Committee. Details regarding composition and scope of the Remuneration Committee are given at Item 4 above.

b) Shareholders Rights :

The Company's quarterly results are furnished to the Stock Exchange and also published in the newspapers and therefore not sent to the shareholders.

Adoption of other non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

Declaration

As provided under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited and Ahmedabad Stock Exchange Limited, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the year ended 31st March 2013.

For **Lincoln Pharmaceuticals Limited.**

Place : Ahmedabad.
Date : 30th May, 2013

Mahendra G. Patel
(Managing Director)

Hasmukhbhai I. Patel
(Whole-Time Director)

AUDITORS' CERTIFICATE

To,
The Members,
Lincoln Pharmaceuticals Limited.

We have examined the compliance of conditions of Corporate Governance by **Lincoln Pharmaceuticals Limited** for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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

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

We state that no investor grievance(s) is/are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance cum Share Transfer Committee.

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

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

Place : Ahmedabad
Date : 30th May, 2013

CERTIFICATION BY CHIEF- EXECUTIVE OFFICER AND CHIEF- FINANCIAL OFFICER

To,
The Board of Directors
Lincoln Pharmaceuticals Limited.
LINCOLN HOUSE, Behind Satyam Complex,
Science City Road, Sola,
Ahmedabad – 380060 .

1. We have reviewed Statement of Accounts as well as Cash Flow Statements as at 31st March, 2013 and certify that to the best of our knowledge and belief :
 - (i) These Statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
 - (ii) These Statements read together present a true and fair view of the Company's Affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. No transactions have been entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
4. We do further certify that there had been :
 - (i) no significant changes in internal control during the year;
 - (ii) no significant changes in accounting policies during the year; and
 - (iii) no instances of significant fraud, of which we are aware during the period.

Place : Ahmedabad
Dated : 30th May , 2013

Chief- Executive Officer

Chief - Financial Officer

AUDITOR'S REPORT ON FINANCIAL STATEMENTS**To the Members of Lincoln Pharmaceuticals Limited****Report on the Financial Statements**

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for qualified opinion

1. *Trade Receivable of the company is ₹ 7294.91 Lakh which includes trade receivable of ₹ 238.07 Lakh identified as doubtful debt by the management of the company. The company has provided ₹ 0.50 Lakh for Doubtful Debt as on the date of balance sheet. An additional provision for doubtful debt of ₹ 237.57 Lakh is required and accordingly, Trade Receivable, Net profit for the year and shareholder fund would have been lower by that amount.*

Qualified Opinion

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

Place : Ahmedabad
Date : 30th May, 2013

Annexure to Auditors' Report

Referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our report on the accounts of Lincoln Pharmaceuticals Limited for the year ended on 31st March, 2013

- (i) Fixed assets
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) All the assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of business. The frequency of verification is reasonable. As the fixed asset register is under preparation, discrepancies if any on physical verification could not be ascertained.
 - c) The company has not disposed off substantial part of fixed assets during the year.
- (ii) Inventory
 - a) The inventory has been physically verified by the management during the year at reasonable intervals.
 - b) The procedure of physical verification of the inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The Company has maintained proper records of inventories and discrepancies noticed on physical verification of inventories as compared to books records were not material.
- (iii) Loans secured and unsecured
 - a) The Company has granted interest free unsecured loan to three companies listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is ₹ 3604.49 Lakh and the yearend balance of the loan granted was ₹ 3493.09 Lakh.
 - b) In our opinion and according to the information and explanations given to us, the other terms and conditions of the loan are not prima facie prejudicial to the interest of the Company.
 - c) Payment of the principal amount is regular.
 - d) The company has taken unsecured loan from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The Maximum amount outstanding during the year was ₹ 272.46 Lakh. The year ended balance was ₹ 179.85 Lakh.
 - e) The loan taken by the company from four out of five parties is interest free. The rate of interest in respect of one party and other terms and conditions on which the loans have been taken from all parties are prima facie, not prejudicial to the interest of the company;
 - f) The said loans are repayable at the end of the term by a bullet payment
 - g) The loans taken are not overdue loan.
- (iv) Internal control

In our opinion and according to the information and explanations given to us, the internal control procedures are commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. Further, there is no continuing failure to correct major weaknesses in internal control.
- (v) Register under section 301
 - (a) The particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section; and
 - (b) Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) Deposit under section 58A

In our opinion and according to information and explanations given to us, the company has not accepted deposit from the public and therefore provisions of section 58A, 58AA or any other relevant provisions of Companies Act, 1956 and the rules made there under are not applicable.
- (vii) Internal audit

In our opinion, the company's internal audit system is commensurate with the size of the company and nature of its business.
- (viii) Cost records

We have broadly reviewed the cost records maintained by the company relating the manufacturing of pharmaceutical products pursuant to the rules made by the central government for the maintenance of cost records under section 209 of the companies Act. We are of opinion that prima facie the said records are made and maintained. We have however, not made a detail examination of those records with a view to determine the accuracy and completeness.

(ix) Statutory dues

- (a) According to the information and explanations given to us the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Service Tax, Excise Duty, Cess and any other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, there are no disputed dues which are not deposited of sales tax/ income tax/wealth tax/custom duty/excise duty or cess except stated below :

Sr.	Department	Year	Amount Involved ₹	Current Status
1	Service Tax	2008-09	12,89,227	Custom, Excise & Service tax appellant Tribunal. Western Zonal Bench, Ahmedabad,

(x) Cash losses

The company does not have accumulated losses as on 31st March, 2012 Further it has not incurred cash loss during the financial year 2011-2012 and in the immediately preceding financial year.

(xi) Repayment of bank dues

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

(xii) Loan or advance on the basis of securities

According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) Special Statute applicable

The company is not a chit fund or a Nidhi / mutual benefit fund / society. Therefore provisions of clause (xiii) of the Order are not applicable to the company.

(xiv) Dealing or trading in shares

The company is dealing in shares, securities, debentures and other investments, for which, proper records have been maintained of the transactions and contracts have been maintained by the company and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the company, in its own name except to the extent of the exemption, if any, granted under section 49 of the Act.

(xv) Guarantee for loan take by others

The company has not given any guarantee for loan taken by others from banks and financial institutions.

(xvi) Application of fund raised through term loan

In our opinion, the term loans have been applied for the purpose for which they were raised.

(xvii) Utilization of fund

On an overall examination the Balance Sheet of the company, we report that no fund raised on short term basis have been used for long term investment.

(xviii) Preferential allotment of shares

The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act during the year under audit.

(xix) Public issue

The company has not raised any money by way of public issue during the year.

(xx) Fraud

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year.

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

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

Place : Ahmedabad
Date : 30th May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	163,108,000	163,108,000
(b) Reserves and surplus	2	725,340,055	638,662,095
2 Non-current liabilities			
(a) Long-term borrowings	3	26,374,157	54,667,327
(b) Deferred tax liabilities (Net)	4	42,066,279	49,434,514
(c) Other Long term liabilities	5	33,205,442	28,856,410
3 Current liabilities			
(a) Short-term borrowings	6	549,020,757	465,647,797
(b) Trade payables		440,131,645	419,859,057
(c) Other current liabilities	7	129,207,296	149,981,330
(d) Short-term provisions	8	9,778,859	—
TOTAL		2,118,232,490	1,970,216,531
II. ASSETS			
1 Non-current assets	9		
(a) Fixed assets			
(a) Tangible assets		326,438,670	325,539,838
(b) Intangible assets		7,892,940	3,564,922
(c) Capital work-in-progress		23,723,263	19,989,854
(b) Non-current investments	10	112,119,200	112,119,200
(c) Long-term loans and advances	11	99,944,609	292,881,678
2 Current assets			
(a) Inventories	12	175,169,279	213,829,989
(b) Trade receivables	13	729,440,942	649,383,794
(c) Cash and Bank Balance			
(a) Cash and cash equivalents	14	95,454,019	72,547,322
(b) Other Cash and bank balance	14	53,169,849	44,485,663
(d) Short-term loans and advances	15	494,879,718	235,874,271
TOTAL		2,118,232,490	1,970,216,531

Significant Accounting Policies
Notes to Financial Statement

1 to 24

As per our report of even date
For **Chandulal M Shah & Co.**
Chartered Accountants
[FRN NO. 101698W]

B.M. Zinzuvadia
Partner
Mem No. 109606

Date : 30th May, 2013
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel Managing Director

R.G.Patel Joint Managing Director

H.I.Patel Whole Time Director

Date : 30th May, 2013
Place : Ahmedabad

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2013

Particulars	Refer Note No.	For the year ended on 31-Mar-2013	For the year ended on 31-Mar-2012
Revenue from operations	16	1,909,204,929	1,749,249,490
Other income	17	46,962,534	32,193,006
Total Revenue		1,956,167,463	1,781,442,496
Cost of materials consumed	18	341,674,949	366,428,394
Purchases of Stock-in-Trade	19	921,145,523	715,578,219
Changes in inventories of finished goods WIP and Stock-in-Trade	20	11,768,581	38,085,178
Employee benefits expense	21	159,723,163	156,158,809
Finance costs	22	71,591,371	75,568,385
Depreciation and amortization expense	9	20,794,109	18,865,297
Other expenses	23	316,210,352	338,493,939
Total expenses		1,842,908,048	1,709,178,222
Profit before tax		113,259,416	72,264,274
Tax expense:			
Current tax		22,500,000	16,219,558
Deferred tax		- 7,368,235	6,379,037
Total Tax Expense		15,131,765	22,598,595
Profit (Loss) for the period		98,127,651	49,665,679
Earnings per equity share:	24(g)		
Basic		6.02	3.04
Diluted		6.02	3.04
Significant Accounting Policies			
Notes to Financial Statement	1 to 24		

As per our report of even date
For **Chandulal M Shah & Co.**
Chartered Accountants
[FRN NO. 101698W]

B.M. Zinzuvadia
Partner
Mem No. 109606

Date : 30th May, 2013
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel *Managing Director*

R.G.Patel *Joint Managing Director*

H.I.Patel *Whole Time Director*

Date : 30th May, 2013
Place : Ahmedabad

CASH FLOWS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

Particulars	For the year ended on 31-Mar-2013	For the year ended on 31-Mar-2012
Cash flows from Operations		
Net Profit for the year	98,127,651	49,665,679
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	20,794,109	18,865,297
Profit on Sale of Investments	– 10,936,868	15,928,163
Provision for Taxation	22,500,000	16,219,558
provision for Bad debt	10,000,000	8,722,358
Loss/profit on Sale of Fixed Assets	768,641	– 893,692
Deferred tax	– 7,368,235	6,379,037
Provisions Grauity	404,944	– 397,846
Expenses Reported under other activity head	51,769,942	75,568,385
Income Reported under other activity head	– 7,263,313	– 3,153,237
Cash Flow from Operating Activities	178,796,871	186,903,702
Other operating activities		
Changes in assets and liabilities		
Decrease (increase) in Accounts Receivable"	– 90,057,148	– 278,635,793
Decrease (increase) in Loans and Advance"	– 74,752,564	– 4,753,709
Decrease (increase) in Inventory"	38,660,710	36,383,548
Decrease (increase) in Accounts Payable"	3,265,588	167,093,238
Decrease (increase) in accrued Liabilities	– 29,626,687	5,364,057
Net cash from operating activities of continuing operations	26,286,770	112,355,043
Tax paid	17,007,000	12,000,000
Net cash from operations	43,293,770	100,355,043
Cash flows from Investing Activities		
Payments for property and equipment	– 30,523,009	– 68,324,618
Sale of Property and Equipments	—	22,219,912
Other investment	10,936,868	– 127,528,163
Divident Received	17,064	—
Interest Received	7,246,249	3,153,237
Net cash from investing activities of continuing operations	– 12,322,828	– 170,479,632
Net cash from investing activities	– 12,322,828	– 170,479,632
Cash flows from Financing Activities		
Increase (decrease) in Borrowings	55,079,790	70,214,561
Increase (decrease) in long term debt	—	44,886,422
Interest paid	– 51,769,942	– 75,568,385
Dividends paid	– 11,374,092	– 11,374,092
Net cash from financing activities	– 8,064,244	28,158,506
Net increase in cash and cash equivalents	22,906,698	– 41,966,083
Cash and cash equivalents at beginning of year	72,547,322	114,513,406
Cash and cash equivalents at end of year	95,454,019	72,547,322
Net increase (decrease) in cash and cash Equivalents	22,906,696	– 41,966,084

As per our report of even date
For **Chandulal M Shah & Co.**
Chartered Accountants
[FRN NO. 101698W]

B.M. Zinzuvadia
Partner
Mem No. 109606

Date : 30th May, 2013
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel *Managing Director*

R.G.Patel *Joint Managing Director*

H.I.Patel *Whole Time Director*

Date : 30th May, 2013
Place : Ahmedabad

Basis of Preparation:

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

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

Significant accounting policies
a) Fixed assets
i. Tangible Fixed Assets

Tangible fixed assets are stated at historical cost less accumulated depreciation. Cost comprises purchase price, duties, levies and other directly attributable expenses of bringing the asset to its working condition for the intended use.

Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalized.

Advances paid towards acquisition of fixed assets and the cost of assets acquired but not ready for use as at the balance sheet date are disclosed under capital work-in-progress.

ii. Intangible Assets

Intangible fixed assets are stated at historical cost less accumulated amortization. Cost comprises purchase price, duties, levies and other directly attributable expenses of bringing the assets to its working condition for the intended use. Cost is amortized over its useful economic life based on expected benefit.

b) Depreciation

All tangible fixed assets, except freehold land, leasehold land and capital work in progress, are depreciated on a straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies' Act, 1956.

c) Impairment:

In accordance with accounting standard 28 on 'Impairment of assets', the Company assesses at each balance sheet date whether there is an indication that assets of the Company may be impaired. Where any such indication exists the company estimates the recoverable amount of the assets. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated at the higher of its net selling price and its value in use. An impairment charge is recognised whenever the carrying amount of the asset or cash-generating unit exceeds its recoverable amount.

d) Inventories:
i. Raw Materials, Containers, Stores and Spares

Raw materials, packing materials, stores, spares and consumables are valued at lower of cost (net of refundable taxes and duties) or net realizable value. The cost of these items of inventory are determined on FIFO basis and comprises of cost of purchase and other incidental costs incurred to bring the inventories to their present location and condition.

ii. Finished Goods and Work-in-progress

Work in progress and finished goods are valued at lower of cost or net realizable value. The cost of work in process and finished goods includes cost of conversion and other costs incurred to bring the inventories to their present location and condition.

iii. Traded Goods

Traded Goods are valued at lower of cost and net realizable value. Cost is determined on FIFO basis.

Excise Duty in respect of finished goods lying in factory premises are provided for and included in valuation of inventory in case of non Export Items.

e) Employee benefits

Short-term employee benefits are recognized as an expense in the profit and loss account of the year in which the related service is rendered.

Cost of post employment benefits relating to Defined Contribution Plans such as contribution to Provident Fund employee pension fund etc are recognized as an expense in the profit and loss account of the year in which the related service is rendered.

The Company has Defined Benefit Plan for post employment benefits in the form of Gratuity for all employees administered through trust, funded with Life Insurance Corporation of India. Liability for the this Defined Benefit Plans is provided on the basis of actuarial valuation, as at the balance sheet date, carried out by independent actuary. The actuarial method used for measuring the

liability is the Projected Unit Credit Method. The actuarial gains and losses arising during the year are recognized in the Profit & Loss Account for the year

f) Research and Development Costs

Research and development costs incurred for development of products are charged to revenue as incurred, except for development costs relating to the design and testing of new or improved materials, products or processes which are recognized as intangible assets to the extent that it is expected that such assets will generate future economic benefits. Research and development expenditure of capital nature is added to fixed assets.

g) Revenue Recognition:

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. Sales are stated net of excise duty, sales tax and trade discounts.

Interest on deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction based on reasonable certainty of receipt. Interest on advances is recognized when the ultimate collection is not uncertain.

Dividend income is recognized when the right to receive dividend is established.

h) Taxation

Income tax expense comprises current tax expense and deferred tax expense/credit.

i. Current tax

Provision for current tax is calculated in accordance with the provisions of the Income-Tax Act, 1961 and is made annually based on the tax liability computed after considering tax allowances and exemptions.

Assets and liabilities representing current tax are disclosed on a net basis when there is a legally enforceable right to set off and where the management intends to settle the asset and liability on a net basis.

ii. Deferred tax

Deferred tax liability or asset is recognised for timing differences between the profits/losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent there is a reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

i) Investment

Current investments are carried at the lower of cost and fair value computed category wise. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made, only if, in the opinion of the management, such a decline is regarded as being other than temporary.

j) Earnings per share ('EPS')

Basic EPS is computed using the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti dilutive. The number of equity shares is adjusted for any share splits and bonus shares issued effected prior to the approval of the financial statements by the Board of Directors.

k) Contingencies and provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

l) Foreign currency transactions

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The difference between the actual rate of settlement and the rate on the date of the transaction is charged or credited to profit and loss account.

In respect of monetary current assets and liabilities denominated in foreign currencies the overall net gain or loss, if any, on conversion at the exchange rates prevailing on the date of the balance sheet is charged to revenue.

NOTES TO FINANCIAL STATEMENTS

1) Share Capital

a. Details of Share Capital

Share Capital	As at 31-Mar-2013		As at 31-Mar-2012	
	Number	₹	Number	₹
Authorized				
Equity Shares				
Equity Share of Rs. 10 Each	20,000,000	200,000,000	20,000,000	200,000,000
	20,000,000	200,000,000	20,000,000	200,000,000
Issued, Subscribed & Paid up				
Equity Shares				
Equity Share of Rs. 10 Each	16,310,800	163,108,000	16,310,800	163,108,000
	16,310,800	163,108,000	16,310,800	163,108,000
Total	16,310,800	163,108,000	16,310,800	163,108,000

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

Particulars	As at 31-Mar-2013		As at 31-Mar-2012	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	16,310,800	163,108,000	16,310,800	163,108,000
Shares Issued during the year	—	—	—	—
Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	16,310,800	163,108,000	16,310,800	163,108,000

c. Share holding details of the company As at 31-Mar-2013 and name of persons holding more than 5% shares.

Name of Shareholder/Company	No. of Shares held	
	As at 31-Mar-2013	As at 31-Mar-2012
Names of person holding more than 5% shares		
Advent Tradelink Pvt. Ltd.	1,869,000	2,115,000
Digital Biotech Pvt. Ltd.	2,100,000	2,300,000
Unichem Dyes and Drugs Pvt. Ltd.	1,846,460	1,900,000
Total	5,815,460	6,315,000

- d. The company has only one type of equity share of Rs. 10 each listed on BSE and ASE. Each of the share holders has right to give one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Director is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.
- e. The company has not issued any shares in pursuant to a contract without receiving the payment in cash during the last five years. The company has also not issued any bonus share during last five years.
- f. The company as well as the promoters of the company has given undertaking to the State Bank of India that, while currency of the term loans and working capital loans financed by the said bank, the company will not effect any change in the company's capital structure by prohibiting disinvestment by promoters of their quota in the equity.



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2) Reserves & Surplus

Reserves & Surplus	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Capital Reserves		
Opening Balance	3,500,000	3,500,000
Closing Balance	3,500,000	3,500,000
General Reserve		
Opening Balance	39,121,600	34,121,600
(+) Current Year Transfer	5,000,000	5,000,000
Closing Balance	44,121,600	39,121,600
Securities Premium Account		
Opening Balance	380,544,000	380,544,000
Closing Balance	380,544,000	380,544,000
Surplus		
Opening balance	215,496,495	182,204,908
(+) Net Profit/(Net Loss) For the current year	98,127,651	49,665,679
(-) Proposed Dividends	9,786,480	9,786,480
(-) Dividend Tax	1,663,212	1,587,612
(-) Transfer to Reserves	5,000,000	5,000,000
Closing Balance	297,174,455	215,496,495
Total	725,340,055	638,662,095

3) Long term borrowings

a. Secured Long term Borrowings

Long Term Borrowings	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Term loans		
From Bank	525,137	8,889,601
From Other	1,139,642	1,757,176
Secured Long Term Borrowings	1,664,779	10,646,777

b. Unsecured Long term Borrowings

Long Term Borrowings	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Term loans		
From other parties	6,724,754	2,000,000
From Related parties	17,984,624	42,020,550
Unsecured Long Term Borrowings	24,709,378	44,020,550

c. Secured Loan from Bank includes followings

(1) Loan of Rs 5.25 lakh from Kotak Mahindra Bank repayable in 36 installments and with interest @ 11.5 % pa. This loan is secured against Vehical under Finance.

d. The secured laon from others includes 5 loans from finance companies. The rate of interest on these loans ranges from 11.50 % pa to 13 % pa. The repayment period of these loans ranges from 36 months. These laons are secured against the asset under finance.

e. Unsecured laon from related parties includes corporate loan from related parties. Such loan carried interest at the rate of 15 % pa.

4) Deferred Tax Liability
a. Details of the deferred tax liability

Particulars	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Deferred tax liability		
Depreciation	42,066,279	50,180,749
Total DTL	42,066,279	50,180,749
Deferred tax asset		
Diallowance under Income Tax	—	746,235
Total DTA	—	746,235
Net Deferred Tax Liability	42,066,279	49,434,514

5) Other long term Liabilities
Other Long Term Liabilities

	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Other long term liability	2,926,160	—
Securities Trade Deposits From Customers	30,040,282	28,753,410
Security Deposits From Employee	239,000	103,000
Total	33,205,442	28,856,410

6) Short term Borrowing
a. Secured Short term Borrowings

Short Term Borrowings	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Loans repayable on demand		
from banks	468,972,969	465,647,797
	468,972,969	465,647,797

b. Unsecured Short term Borrowings

Loans repayable on demand		
from banks	80,047,788	—
Total	80,047,788	—

- c. The demand loans form Bank includes working capital loan from State Bank of India. This loan is secured against all changeable current assets and by a collateral security by way of Equitable Mortgage of 1397 Sq meters land and building thereon at SN 469 of Sola Village, Daskoi Taluka Ahmedabad and Equitable mortgage of land and building at WTG site P-21 Village and Visavada Porbandar. charge on residual fixed assets of the company. this term loans are guaranteed by directors of the company.

7) Other Current liability
a. Details of other current liabilities

Other Current Liabilities	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
Current maturities of long-term debt	36,262,252	46,217,888
Other payables		
Expense payable	35,471,442	35,529,156
Statutory Liabilities	13,731,968	11,958,375
Other Current Liability	32,291,942	44,901,819
Proposed Dividend and Dividend Tax	11,449,692	11,374,092
Total	92,945,044	103,763,442
Total	129,207,296	149,981,330



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8) Short term provisions

a Details of short term provisions

Short Term Provisions	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Income Tax Provision (Net of Advance tax)	9,778,859	—
Total	9,778,859	—

9) Fixed Assets

a. Fixed Asset Details

Sr.	Fixed Assets	Gross Block			Accumulated Depreciation				Net Block	
	As at 31-Mar-2012 ₹	Additions during the year ₹	Adjustment ₹	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹	Depreciation charge for the year ₹	Adjustment during the year ₹	As at 31-Mar-2013 ₹	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
a	Tangible Assets									
	Land	75,930,613	—	—	75,930,613	—	—	—	75,930,613	75,930,613
	Leased Hold Land	900,000	—	—	900,000	—	—	—	900,000	900,000
	Buildings	114,304,167	9,639,602	—	123,943,769	19,081,536	3,192,887	—	22,274,423	101,669,346
	Plant and Equipment	152,624,951	6,330,155	—	158,955,106	45,505,026	7,366,676	—	52,871,702	106,083,404
	Furniture and Fixtures	19,135,739	717,799	—	19,853,538	8,952,525	1,218,130	—	10,170,655	9,682,883
	Vehicles	27,062,927	3,641,006	2,910,365	27,793,568	9,555,797	2,801,180	905,492	11,451,485	16,342,083
	Office equipment	6,783,217	174,815	—	6,958,032	1,086,738	325,226	—	1,411,964	5,546,068
	Electrical Installation	8,013,789	236,867	—	8,250,656	4,411,611	385,350	—	4,796,961	3,453,695
	Computers	19,886,236	766,430	—	20,652,666	10,508,568	3,313,520	—	13,822,088	6,830,578
	Total	424,641,639	21,506,674	2,910,365	443,237,948	99,101,801	18,602,969	905,492	116,799,278	325,539,838
	Previous Year	357,392,587	70,112,082	2,863,030	424,641,639	82,979,465	16,937,246	814,910	99,101,801	325,539,838
b	Intangible Assets									
	Computer software	9,903,285	6,519,158	—	16,422,443	6,338,363	2,191,140	—	8,529,503	7,892,940
	Total	9,903,285	6,519,158	—	16,422,443	6,338,363	2,191,140	—	8,529,503	7,892,940
	Previous Year	9,598,010	305,275	—	9,903,285	4,410,142	1,928,221	—	6,338,363	3,564,922
	Total	434,544,924	28,025,832	2,910,365	459,660,391	105,440,164	20,794,109	905,492	125,328,781	334,331,610
c	Capital Work In Progress	19,989,854	3,733,409	—	23,723,263	—	—	—	23,723,263	19,989,854
	Total	454,534,778	31,759,241	2,910,365	483,383,654	105,440,164	20,794,109	905,492	125,328,781	358,054,873
	Previous Year	41,360,519	21,370,665	19,989,854	—	—	—	—	19,989,854	41,360,519
	Previous Year figures	408,351,116	70,417,357	24,233,695	454,534,778	87,389,607	18,865,467	814,910	105,440,164	349,094,614

10) Non Current Investments

a. Summarized information of investments

Particulars	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Other Investments		
Investment in Equity instruments of other companies	9,200	9,200
Investment in equity instruments of Subsidiary companies	112,100,000	112,100,000
Other Investments	10,000	10,000
Total	112,119,200	112,119,200

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

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

10) Non Current Investments [Contd...]
c Extent of investment in subsidiary companies

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
Lincoln Parenteral Limited	62.00%	62.00%
Zulinc Healthcare Limited	100.00%	100.00%

d. Details of Other Investments

Sr. No.	Name of the Body Corporate	No. of Shares / Units		Face Value		Amount (₹)		Whether stated at Cost Yes / No	If not valued at cost than Basis of Valuation
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12		
a	Investment in Equity Instruments								
	Unquoted								
	Navnirman Co operative Bank Limited	320	320	25	25	8,000	8,000	Yes	NA
	Vijay Co Operative Bank Limited	20	20	10	10	200	200	Yes	NA
	Naroda Industrial Co Operative Bank Limited	40	40	25	25	1,000	1,000	Yes	NA
	Total					9,200	9,200		
b	Investment in Subsidiary Companies								
	Lincoln Parenteral Limited	6,200,000	6,200,000	10	10	111,600,000	111,600,000	Yes	NA
	Zulinc Healthcare Limited	50,000	50,000	10	10	500,000	500,000	Yes	NA
	Total					112,100,000	112,100,000		
	<i>Investment in Equity Instruments</i>					112,109,200	112,109,200		
c	Other Investments								
	N.S.C. A/C.					10,000	10,000	Yes	NA
	<i>Other non-current investments</i>					10,000	10,000		
	Total					112,119,200	112,119,200		

11) Long Term Loans and Advances
a Details of Long Term Loans and Advances

Long Term Loans and Advances	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Capital Advances		
Unsecured, considered good	2,666,433	1,924,657
<i>Capital Advances</i>	<u>2,666,433</u>	<u>1,924,657</u>
Security Deposits		
Unsecured, considered good	25,080,745	24,708,248
<i>Security Deposits</i>	<u>25,080,745</u>	<u>24,708,248</u>
Loans and Advance to Other Parties		
Unsecured, considered good	66,713,611	265,664,094
<i>Other loans and advances</i>	<u>66,713,611</u>	<u>265,664,094</u>
Other Advance in Nature of Short term Advance		
Unsecured, considered good	5,483,820	584,680
<i>Other loans and advances</i>	<u>5,483,820</u>	<u>584,680</u>
Total	99,944,609	292,881,678



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12) Inventories

Inventories	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Stock-in-trade	175,169,279	213,829,989
Total	175,169,279	213,829,989

13) Trade Receivable

Trade Receivables	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Outstanding for a period not exceeding six months from the date they are due		
Unsecured, considered good	624,521,481	547,002,547
Net of provision	624,521,481	547,002,547
Outstanding for a period exceeding six months from the date they are due		
Unsecured, considered good	81,162,354	80,860,228
Unsecured, considered doubtful	23,806,749	31,658,168
	104,969,103	112,518,396
Less: Provision for doubtful debts	49,642	10,137,149
Net of provision	104,919,461	102,381,247
Total	729,440,942	649,383,794

Note: As against doubtful debt of ₹ 238.06 lacs (Previous Year ₹ 316.58 Lacs), the company has provided ₹ 0.50 Lacs (Previous year ₹ 101.37 lacs). During the year the company has provided ₹ 100 lacs for bad and doubtful debt and identified and write off bad debt of ₹ 200.88 Lacs against the bad debt provision.

14) Cash and Bank Balance

a. Cash and cash Equivalent

Cash and cash equivalents	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Balances with banks	94,504,027	70,498,240
Cash on hand	949,991	2,049,082
Total	95,454,019	72,547,322

b. Other Cash Balance

Other Cash Balance	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Margin money	3,255,000	3,255,000
Bank deposits with more than 12 months maturity	49,914,849	41,230,663
Total	53,169,849	44,485,663

15) Short-term loans and advances

a. Details of advance

Short-term loans and advances	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Loans and advances to related parties		
Unsecured, considered good	350,466,091	135,728,073
Loans and advance to other parties		
Unsecured, considered good	110,831,000	65,128,000
Balance With Government Authorities		
Unsecured, considered good	33,582,627	35,018,198
Total	494,879,718	235,874,271

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

Due From	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Company in which officer or director is a Director	350,466,091	135,728,073
Total	350,466,091	135,728,073

16) Revenue

a. Details of revenue

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Sale of products	1,908,226,057	1,743,156,952
Sale of services	2,558,877	11,312,579
Other operating revenues	30,752,035	25,739,667
total	<u>1,941,536,970</u>	<u>1,780,209,198</u>
Less:		
Excise duty	32,332,040	30,959,708
Total	1,909,204,929	1,749,249,490

17) Other Income

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Interest Income (in case of a company other than a finance company)	7,246,249	3,153,237
Net gain/loss on sale of investments	10,936,868	15,928,163
Profit on sale of Fixed Assets	—	893,692
Gratuity Provision Reversed	—	397,846
subsidy income	—	1,000,000
Dividend Income	17,064	—
Exchange Rate Difference	19,821,429	9,111,916
Insurance Claim	2,216,274	—
Scrape Sales	4,080	—
Other Miscellenious Income	6,720,571	1,708,152
Total	46,962,534	32,193,006

18) Cost of Material Consumed

a. Details of Material consumption under broad heads

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Raw Material		
Stock at the beginning of the financial year	44,011,561	46,459,374
Purchase during the year	209,999,086	252,249,326
Total	<u>254,010,647</u>	<u>298,708,700</u>
Stock at the end of the financial year	23,900,351	44,011,561
<i>Cost of Consumption of Raw Material</i>	<u>230,110,296</u>	<u>254,697,139</u>
Packing Materials		
Stock at the beginning of the financial year	22,857,548	18,708,105
Purchase during the year	120,433,364	123,748,422
Other direct purchase costs	1,800,068	5,271,983
Total	<u>145,090,980</u>	<u>147,728,510</u>
Sold during the year	17,449,698	13,139,707
Stock at the end of the financial year	16,076,629	22,857,548
<i>Cost of Consumption of Packing Materials</i>	<u>111,564,653</u>	<u>111,731,255</u>
Total consumption of Raw Material	341,674,949	366,428,394

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

b. Details of Material consumed under broad heads

Sr.	CODE	MATERIAL NAME	For the year ended on 31-03-2013	For the year ended on 31-03-2012
1	1PM01BP	PARACETAMOL B.P. / I.P.	24,256,619	-
2	1CS071	CEFTRIAXONE SODIUM STER	13,988,890	7,467,051
3	1QBAT	ALPHA.BETA.ARTEETHER	12,511,985	20,919,779
4	1DS03BP	DICLOFENAC SODIUM B.P. / I.P.	8,398,311	3,981,118
5	1CF03A	CIPROFLOXACIN HCL EQ. CIPROFLOXACIN BP.	7,608,492	4,709,306
6	1QBAT1	ARTEMETHER	6,817,727	3,509,264
7	1CPSS1	CHLORAM.SODIUM SUCCI.STER	6,108,818	6,845,639
8	1ML01	MENTHOL (CRYSTAL)	5,861,285	7,495,022
9	1IB01BP	IBUPROFEN B.P.	5,776,097	2,281,201
10	1CT02USP	CEFIXIME (TRIHYDRATE) USP	5,449,489	6,521,095
11	1AZ04USP	AZITHROMYCIN I.P & U.S.P.	5,110,843	2,406,648
12	1MP01	MISOPROSTOL	4,849,834	2,671,092
13	1ARSP	ARTESUNATE (STERILE POWDER)	4,266,734	1,838,040
14	1PANP	PARA AMINO PHINOL	-	10,490,751
		OTHER	230,669,825	285,292,386
Total			341,674,949	366,428,394

19) Purchase of Trading Stock

a For company having Stock in Trade

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Purchase of Stock In Trade		
Purchase during the year	921,145,523	715,578,219
<i>Purchase of Stock In Trade</i>	921,145,523	715,578,219

b. Details of purchase of trading stock under braod head

PRODUCT	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
TRADING		
TABLETS	107,965,154	109,817,529
CAPSULES	27,598,027	17,970,570
CREAM IN TUBES	18,249,564	14,452,011
DRY POWDER INJECTION	28,827,952	22,815,205
LIQUID IN BOTT.	94,793,039	63,445,192
LIQUID INJECTION	61,087,560	19,634,188
CHEMICAL	556,440,852	450,120,648
RMPPM	26,183,376	17,322,876
TOTAL	921,145,523	715,578,219

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

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Trading Goods		
Stock at the Beginning of the financial year	69,868,655	102,307,409
Stock at the End of the financial year	64,437,268	69,868,655
<i>Trading Goods</i>	<u>5,431,387</u>	<u>32,438,754</u>
Finished Goods		
Stock at the Beginning of the financial year	61,484,503	66,351,352
Stock at the End of the financial year	54,882,007	61,484,503
<i>Finished Goods</i>	<u>6,602,496</u>	<u>4,866,849</u>
Work in Progress		
WIP at the Beginning of the financial year	15,607,722	16,387,297
WIP at the End of the financial year	15,873,024	15,607,722
<i>Work in Progress</i>	<u>- 265,302</u>	<u>779,575</u>
Summary		
Inventory at the Beginning of the financial year	146,960,880	185,046,058
Inventory at the End of the financial year	135,192,299	146,960,880
Change in inventory	11,768,581	38,085,178

21) Employee benefits expense

Employee Benefits Expense	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Personnel Expenses	151,969,768	148,064,372
Contribution to Staff Welfare Fund	2,913,996	3,450,766
Staff welfare expenses	4,839,399	4,643,671
Total	159,723,163	156,158,809

a) Expense Recognized during the year

Particulars	2012-13	2011-12
Current service cost	484,529	558,344
Interest on obligation	431,361	426,571
Expected return on plan assets	- 433,101	- 352,800
Net actuarial losses (gains) recognized in year	- 931,549	- 1,080,393

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

Particulars	2012-13	2011-12
Opening defined benefit obligation	5,074,830	5,272,813
Service cost	484,529	558,344
Interest cost	431,361	426,571
Actuarial losses (gains)	- 886,537	- 1,042,616
Benefits paid	- 14,135	- 140,282
Closing Defined Benefit Obligation	5,090,048	5,074,830

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

Particulars	2012-13	2011-12
Opening fair value of plan assets	5,095,306	3,814,059
Expected return	433,101	352,800
Actuarial gains and (losses)	45,012	37,777
Contributions by employer	172,550	1,030,952
Benefits paid	- 14,135	- 140,282
Closing balance of fair value of plan assets	5,731,834	5,095,306

d) Liability recognized in the financial statement

Particulars	2012-13	2011-12
Opening fair value of plan assets	5,090,048	5,074,830
Expected return	5,731,834	5,095,306
Liability(Asset) recognized in financial statement	- 641,786	- 20,476

e) Actuarial Assumptions

Particulars	2012-13	2011-12
Indian Assured Lives Mortality(2006-08) Ultimate	(2006-08)	(2006-08)
Discounted rate Per Annum	8.25%	8.50%
Expected Return on Plan Assets (Per Annum)	8.70%	8.50%
Future Salary Growth (Per Annum)	6.50%	6.50%
Attrition Rate	2.00%	2.00%
Retirement Age	58 Years	58 Years

22) Finance Cost

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Interest expense	65,185,472	69,023,143
Bank Commission	6,405,899	6,545,243
Total	71,591,371	75,568,385

23) Other Expenses

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Manufacturing Expenses		
Power and Fuel	7,012,266	5,495,504
Labour Charges	22,015,291	40,623,637
Laboratory goods & Testing Charges	6,774,512	7,272,504
Factory Expenses		
Consumption Of Stores And Spares	3,327,392	150,291
Electrical Expense	829,886	840,365
Excise On Finish Goods	—	2,751,177
Factory Expenses	2,284,507	2,195,962
Inspection Fees	1,139,551	283,053
Laboratory Expenses	1,500	174,584
Licence Fee Expense	1,250,442	319,722
Loading & Unloading Charges	6,701	371,875
Machinery & Spares Tools	2,359,196	1,710,221
Machinery Repairs & Maintenance	593,048	458,748
Polution Control Exp.	1,111	19,300
Processing Charge	2,800	—
Product Development Charges	—	74,960
Research & Development Exp.	635,818	292,019
Total Manufacturing Expenses	48,234,021	63,033,922
Administrative Expenses		
Audit Fee	730,340	814,610
Computer Exps	1,356,628	1,402,045
Conveyance & Vehicle Exps.	2,669,868	3,820,310
Donation	107,802	393,821
Insurance	1,713,853	1,545,216
Legal and Registration Exps.	8,260,128	4,470,702
Office Exps.	3,565,106	4,081,343
Post & Telephone Exps.	3,890,187	4,787,819
Professional & Consulting Fees	9,788,562	10,970,683
Rent,Rate & Taxes	16,776,278	16,983,312
Repairs & Maintanance	6,407,319	7,055,266
Stationery, Printing & Xerox	2,683,067	1,892,634
Prior Period Expenses	3,141,272	8,315,224
Loss On Sales Of Assets	768,641	400,906
Profit On Sales Of Export Licence	196,906	—
Total Administrative Expenses	62,055,957	66,933,892
Selling and Distribution Expenses		
Travelling Expenses	67,764,487	64,521,484
Transportation Expenses	13,958,793	20,345,394
Advertisement Expenses	789,689	501,473
Sales Promotion & Marketing Expenses	90,982,551	89,193,474
Sales Commission	22,424,853	25,241,943
Provision for Bad and Doubtful debt	10,000,000	8,722,358
Total Selling and Distribution Expenses	205,920,373	208,526,125
Total Other Expenses	316,210,352	338,493,939



24) Other Information

- a The Board of Directors has proposed a dividend of ₹ 97,86,480/- to be distributed to equity share holders at the rate of ₹ 0.60 per equity share of Rs. 10 Each.
- b In the opinion of the Management, there are no indication, internal or external which could have the effect of impairing the value of the assets to any material extent as at the Balance sheet date requiring recognition in terms of AS-28
- c In the opinion of the board, the current assets are approximately of the value stated if realized in the ordinary course of business. The provision for the depreciation and for all known Liabilities are adequate and not in excess of amount reasonably necessary. There are no Contingent Liabilities other than stated.
- d Balance of Trade Receivables & Loans and Advances is subject to confirmation by them.
- e Details of Payment to Auditors

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Audit Fee	450,000	450,000
Taxation Work	150,000	150,000
for management services	130,340	214,610
Total	730,340	814,610

- f. Details of Prior period Items

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Key Man Insurance Expenses	—	1,175,000
Purchase Exp.	383,434	—
Other Revenue Expenses	693,230	4,933,669
Selling and Distribution Expenses	2,064,608	2,206,555
Total	3,141,272	8,315,224

- g. Earnings per share

Particulars		For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Basic & Diluted EPS			
Profit attributable to equity shareholders	₹	98,127,651	49,665,679
Nominal Value of equity share	₹	10	10
Weighted average number of ordinary equity shares for Basic EPS	No.	16,310,800	16,310,800
Basic & Diluted EPS	₹	6.02	3.04

- h. CIF Value of Import

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Raw Materials	33,032,442	37,624,225
Total	33,032,442	37,624,225

i. Earnings in foreign currency

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Export of goods calculated on F.O.B. basis;	489,638,231	384,865,380
Total	489,638,231	384,865,380

j. Expenditure in foreign currency

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Travelling	—	2,444,586
Product Registration and related expenses	7,988,545	2,355,764
Total	7,988,545	4,800,350

k. Related party disclosures

a) List of related parties

Sr.	Name of related Party	Nature of relation
1	Lincoln Parenteral Limited	Subsidiary Company
2	Karnavati Distributors Limited	Controlled by Relative of Key Managerial Person
3	Downtown Travels Pvt. Ltd.	Controlled by Relative of Key Managerial Person
4	Downtown Finance Pvt. Ltd.	Controlled by Key Managerial Persons
5	Indus Hospital	Controlled by Relative of Key Managerial Person
6	SLS Metal (India) Pvt. Ltd. (Formerly known as Invivo CRD Pvt. Ltd.)	Controlled by Key Managerial Persons
7	Zullinc Healthcare Limited	Subsidiary Company
8	Sunmed Corporation Pvt. Ltd. (Formerly known as Allantis Exim Pvt. Ltd.)	Controlled by Relative of Key Managerial Person
9	Mahendra G. Patel	Key Managerial Person
10	Rajnikant G. Patel	Key Managerial Person
11	Hasmukh I. Patel	Key Managerial Person
12	Arvind G. Patel	Key Managerial Person
13	Kailashben M. Patel	Relative of Key Managerial Person
14	Munjal M. Patel	Relative of Key Managerial Person
15	Mansiben M. Patel	Relative of Key Managerial Person
16	Nidhi M. Patel	Relative of Key Managerial Person
17	Kalpnaben R. Patel	Relative of Key Managerial Person
18	Ashish R. Patel	Relative of Key Managerial Person
19	Shivani A. Patel	Relative of Key Managerial Person
20	Siddharth R. Patel	Relative of Key Managerial Person
21	Dharmisthaben H. Patel	Relative of Key Managerial Person
22	Jigar H. Patel	Relative of Key Managerial Person
23	Hansaben A. Patel	Relative of Key Managerial Person
24	Amar A. Patel	Relative of Key Managerial Person
25	Binal A. Patel	Relative of Key Managerial Person
26	Anand A. Patel	Relative of Key Managerial Person
27	Mansiben A. Patel	Relative of Key Managerial Person
28	Avis Travells	Controlled by Relative of Key Managerial Person

b) Details of Transactions with related parties

Sr.	Name of Party	Nature of Transaction	Amount Involved	
			2012-13	2011-12
1	Lincoln Parenteral Limited	Purchase	57,618,608	1,941,300
		Sales	14,428,699	193,146
		Loan Given	180,330,859	—
		Interest Income	3,423,890	
		Job Work Charges	7,278,274	9,677,731
2	Avis Travels	Travelling Expenses	2,265,105	3,924,927
3	Downtown Travels Pvt. Ltd.	Travelling Expenses	436,358	532,154
		Loan Given	11,586,453	—
		Loan Repaid	12,736,453	—
4	Downtown Finance Pvt. Ltd.	Interest Expenses	955,220	832,500
		Loan Taken	900,000	3,500,000
		Loan Repaid	555,220	555,220
5	Sunmed Corporation Pvt. Ltd. (formerly known as Allantis Exim Pvt. Ltd.)	Paid for service	—	3,028,585
		Interest Expenses	1,824,149	1,850,328
		Sales	—	20,888,303
		Loan Taken	16,382,416	13,187,910
		Repayment Received	—	3,925,492
6	Indus Hospital	Repayment Received	925,000	2,150,000
7	Zullinc Healthcare Limited	Loan Given	125,889,536	54,891,406
		Repayment Received	5,000,000	10,000,000
8	Mahendra G. Patel	Remuneration	1,292,600	1,197,600
9	Rajnikant G. Patel	Remuneration	1,263,800	1,197,600
10	Hasmukh I. Patel	Remuneration	1,263,800	1,197,600
11	Arvind G. Patel	Remuneration	487,000	1,197,600

c) Details of Closing Balances

Sr.	Name of party	As at	As at
		31-Mar-2013	31-Mar-2012
1	Lincoln Parenteral Limited	183,499,564	62,046,369
2	Avis Travels	386,850	382,044
3	Downtown Travels Pvt. Ltd.	63,081	– 28,706
4	Downtown Finance Pvt. Ltd.	– 9,937,780	– 9,937,780
5	Sunmed Corporation Pvt. Ltd. (Formerly known as Allantis Exim Pvt. Ltd.) Loan A/c	– 3,000,206	16,792,418
6	Sunmed Corporation Pvt. Ltd. (Formerly known as Allantis Exim Pvt. Ltd.) Trading A/c	– 5,039,638	– 15,228,132
7	Zullinc Healthcare Limited	165,896,732	45,007,196

l Research & Development Expenditure :

Company's in house R&D unit has been approved by Government of India, Ministry of Science & Technology, Department of Scientific and Industrial Research, New Delhi. The Company's in house R&D unit is also approved for weighted deduction U/S 35 (2AB) of the Income Tax act, 1961.

DETAILS OF CAPITAL & REVENUE EXPENDITURE OF R & D

Particulars	2012-13 ₹		2011-12 ₹	
	Capital	Revenue	Capital	Revenue
Building Construction	433804		35265964	
Plant & Machinery	5838868		13473988	
Furniture & Fixture	22620		1869233	
Personnel Expenses		12140637		10037482
Material Consumption		2513896		3338850
Direct Expenses		7283661		6395927
Depreciation		3618831		2905829
Administration Expenses		4461015		1559342
TOTAL	6295292	30018040	50609185	24237430

m Segment Reporting

a) Primary Segment:

The company is in the business of

- i. Manufacturing & marketing of Pharmaceuticals products and
- ii. Trading in finished goods, chemicals products and Bulk drug

b) Secondary Segment:

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

- i. Domestic Sales
- ii. Export Sales

c) Details Primary Segments

Particulars	Pharmaceutical		Chemical		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Segment Revenue						
From External Customers	1,749,031,410	1,52,40,89,269	162,410,937	23,14,93,850	1,911,442,347	1,75,55,83,119
Segment Result	157,034,011	12,66,09,452	98,246	5,86,441	157,132,257	12,71,95,893
Carrying amount of segment Assets	2,042,210,934	1,84,79,53,362	76021556	11,35,57,564	2,118,232,490	1,96,15,10,926
Segment liability	1,108,083,887	984932867	75339229	112972293	1,183,423,116	1,09,79,05,160
Cost incurred to acquire segment assets	31,759,241	7,04,17,357	—	—	31,759,241	7,04,17,357
Non cash Expenses considered in segment result						
Depreciation	20,794,109	1,88,65,467	—	—	20,794,109	1,88,65,467
Other non cash expenses	(404,944)	(3,97,846)	—	—	(404,944)	(3,97,846)

d) Reconciliation with financial statement

Particulars	Reportable Segments		Un allocable reconciling items		As per financial statement	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Revenue	1,911,442,347	1,75,55,83,119	18,183,117	1,99,75,092	1,929,625,464	1,77,55,58,211
Result	157,132,257	127195893	(59,004,606)	(77530214)	98,127,651	49,665,679
Assets	2,118,232,490	1961510926	—	8256820	2,118,232,490	1,96,97,67,746
Liability	1,183,423,116	1097905160	46,361,319	70092490	1,229,784,435	1,16,79,97,650

e) Secondary Segment.

Particulars	Export		Domestic		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Segment revenue from external customers	48,96,38,231	38,48,65,380	1,439,987,233	1,39,06,92,831	1,929,625,464	1,77,55,58,211
Carrying amount of segment Assets	21,17,38000	20,28,08,117	—	1,76,69,59,629	—	1,96,97,67,746

n Medium and Small Enterprises

In the absence of information available with the Company about enterprises which are qualifying under the definition of Medium and Small Enterprises as defined under Micro Small & Medium Enterprises Development Act, 2006, no disclosure is made as required under the Act.

- o The company has prepared financial statement as per revised schedule VI to the Companies Act 1956 and accordingly, the assets, liability Income and Expenditure of the previous year is regrouped/ reclassified to conform to the current year's presentation.

As per our report of even date
For **Chandulal M Shah & Co.**
Chartered Accountants
[FRN NO. 101698W]

B.M. Zinzuvadia
Partner
Mem No. 109606

Date : 30th May, 2013
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel Managing Director

R.G.Patel Joint Managing Director

H.I.Patel Whole Time Director

Date : 30th May, 2013
Place : Ahmedabad

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of Lincoln Pharmaceuticals Limited.

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion

1. *Trade Receivable of the company is ₹ 7294.91 Lakh which includes trade receivable of ₹ 238.07 Lakh identified as doubtful debt by the management of the company. The company has provided ₹ 0.50 Lakh for Doubtful Debt as on the date of balance sheet. An additional provision for doubtful debt of ₹ 237.57Lakh is required and accordingly, Trade Receivable, Net profit for the year and shareholder fund would have been lower by that amount.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the basis for qualified opinion paragraph, 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 consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the consolidated Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of subsidiary companies whose financial statements reflect total assets of ₹ 2647.10 Lakh, as at March 31, 2013, total revenues of ₹ 394.85 Lakh and net cash outflows amounting to ₹ 459.51 Lakh for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of that subsidiaries are based solely on the reports of the other auditors.

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

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

Place : Ahmedabad
Date : 30th August, 2013

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	163,108,000	163,084,000
(b) Reserves and surplus	2	729,922,986	644,749,775
2 Minority Interest	3	41,750,481	43,030,377
3 Non-current liabilities			
(a) Long-term borrowings	4	175,660,933	143,001,827
(b) Deferred tax liabilities (Net)	5	47,489,120	51,797,542
(c) Other Long term liabilities	6	33,205,442	28,856,410
4 Current liabilities			
(a) Short-term borrowings	7	549,020,757	465,647,796
(b) Trade payables		477,687,088	420,469,460
(c) Other current liabilities	8	160,996,323	162,480,828
(d) Short-term provisions	9	9,778,859	—
TOTAL		2,388,619,989	2,123,118,015
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	10		
(a) Tangible assets		600,036,643	332,293,996
(b) Intangible assets		49,323,376	45,095,358
(c) Capital work-in-progress		23,723,263	135,111,838
(b) Non-current investments	11	4,056,600	4,056,600
(c) Long-term loans and advances	12	284,003,701	388,575,818
(d) Other non-current assets	13	2,152,378	2,189,506
2 Current assets			
(a) Inventories	14	193,271,261	214,067,949
(b) Trade receivables	15	748,000,401	653,738,233
(c) Cash and Bank Balance	16		
Cash and cash equivalents		96,615,865	119,660,596
Other Cash and bank balance		57,538,821	48,974,513
(d) Short-term loans and advances	17	329,897,680	179,353,609
TOTAL		2,388,619,989	2,123,118,015

As per our report of even date
For **Chandulal M Shah & Co.**
Chartered Accountants
[FRN NO. 101698W]

B.M. Zinzuvadia
Partner
Mem No. 109606

Date : 30th May, 2013
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel Managing Director

R.G.Patel Joint Managing Director

H.I.Patel Whole Time Director

Date : 30th May, 2013
Place : Ahmedabad

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2013

Particulars	Refer Note No.	For the year ended on 31-Mar-2013	For the year ended on 31-Mar-2012
Revenue from operations	18	1,928,787,353	1,875,757,010
Other income	19	66,865,099	33,623,138
Total Revenue		1,995,652,452	1,909,380,149
Cost of materials consumed	20	391,112,591	372,539,913
Purchases of Stock-in-Trade	21	871,510,788	805,709,443
Changes in inventories of finished goods WIP and Stock-in-Trade	22	8,103,589	49,021,279
Employee benefits expense	23	177,090,313	165,244,213
Finance costs	24	78,404,838	76,000,704
Depreciation and amortization expense	10	26,484,280	19,328,273
Other expenses	25	329,106,469	348,267,201
Total expenses		1,881,812,869	1,836,111,026
Profit before tax		113,839,584	73,269,122
Tax expense:			
Current tax		22,805,000	16,919,558
Deferred tax		– 4,308,422	5,068,918
Total Tax Expense		18,496,578	21,988,476
Profit (Loss) for the period before Minority Interest		95,343,006	51,280,646
Profit attributable to Minority Interest		– 1,279,896	92,901
Profit (Loss) for the period		96,622,902	51,187,745
Earnings per equity share:	26(g)		
Basic		5.92	3.14
Diluted		5.92	3.14

As per our report of even date
For **Chandulal M Shah & Co.**
Chartered Accountants
[FRN NO. 101698W]

B.M. Zinzuvadia
Partner
Mem No. 109606

Date : 30th May, 2013
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel *Managing Director*

R.G.Patel *Joint Managing Director*

H.I.Patel *Whole Time Director*

Date : 30th May, 2013
Place : Ahmedabad

CONSOLIDATED CASH FLOWS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

Particulars	2012-13	2011-12
Cash flows from Operations		
Net profit for the year	95,343,006	51,280,648
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	26,484,280	19,328,273
Provision of income tax	22,805,000	16,919,558
Profit on Sale of Investments	- 6,886,324	15,481,492
provision for Bad debt	10,000,000	8,722,358
Loss on sale of Fixed asset	768,641	4,195,599
Deferred tax	4,308,422	5,068,918
Provisions Grauity	404,944	- 397,846
Expenses Reported under other activity head	78,404,838	75,779,936
Cash Flow from Operating Activities	- 7,264,417	- 3,153,237
Other operating activities	—	1,223,687
Changes in assets and liabilities		
Change in Current Asstes	- 136,196,269	- 228,287,037
Change in Current Liability	20,465,806	164,512,544
Decrease (increase) in Accounts Receivable"	- 104,262,168	- 279,100,123
Decrease (increase) in Loans and Advance"	- 58,407,897	2,824,681
Decrease (increase) in Inventory"	26,473,796	47,988,405
Decrease (increase) in Accounts Payable"	39,649,208	155,598,553
Decrease (increase) in accrued Liabilities	- 19,183,402	8,913,991
Net cash from operating activities of continuing operations	108,637,927	130,674,893
Tax paid	17,568,420	- 12,000,000
Net cash from operations	126,206,347	118,674,893
Cash flows from Investing Activities		
Payments for property and equipment	- 187,835,011	- 170,983,829
Sale of Property and Equipments	—	22,629,342
Other investment	6,886,324	- 127,106,492
Interest Received	7,246,249	3,153,237
Dividend received	18,168	—
Net cash from investing activities of continuing operations	- 173,684,270	- 272,307,742
Net cash from investing activities	- 173,684,270	- 272,307,742
Cash flows from Financing Activities		
Increase (decrease) in Borrowings	110,354,958	277,842,988
Holding Companies share disposed by subsidiary	24,000	—
Increase (decrease) in long term debt	—	- 28,834,325
Interest paid	- 78,404,838	- 75,779,935
Dividends paid	- 11,449,692	- 11,374,092
Cash flows from Financing Activities	20,524,428	161,854,636
Net increase in cash and cash equivalents	- 26,953,495	8,221,787
Cash and cash equivalents at beginning of year	123,569,359	115,347,573
Cash and cash equivalents at end of year	96,615,865	123,569,360
Net increase (decrease) in cash and cash Equivalents	- 26,953,495	8,221,787

As per our report of even date
For **Chandulal M Shah & Co.**
Chartered Accountants
[FRN NO. 101698W]

B.M. Zinzuvadia
Partner
Mem No. 109606

Date : 30th May, 2013
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel Managing Director

R.G.Patel Joint Managing Director

H.I.Patel Whole Time Director

Date : 30th May, 2013
Place : Ahmedabad

Statement of significant accounting policies

(a) Basis of Preparation :

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

(b) Use of estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

(c) Fixed assets

Tangible Fixed Assets

Tangible fixed assets are stated at historical cost less accumulated depreciation. Cost comprises purchase price, duties, levies and other directly attributable expenses of bringing the asset to its working condition for the intended use.

Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalized.

Advances paid towards acquisition of fixed assets and the cost of assets acquired but not ready for use as at the balance sheet date are disclosed under capital work-in-progress.

Intangible Assets

Intangible fixed assets are stated at historical cost less accumulated amortisation. Cost comprises purchase price, duties, levies and other directly attributable expenses of bringing the assets to its working condition for the intended use. Cost is amortised over its useful economic life based on expected benefit.

(d) Depreciation

All tangible fixed assets, except freehold land, leasehold land and capital work in progress, are depreciated on a straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies' Act, 1956.

(e) Impairment:

In accordance with accounting standard 28 on 'Impairment of assets', the Company assesses at each balance sheet date whether there is an indication that assets of the Company may be impaired. Where any such indication exists the company estimates the recoverable amount of the assets. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated at the higher of its net selling price and its value in use. An impairment charge is recognised whenever the carrying amount of the asset or cash-generating unit exceeds its recoverable amount.

(f) Inventories:

Raw Materials, Containers, Stores and Spares

Raw materials, packing materials, stores, spares and consumables are valued at lower of cost (net of refundable taxes and duties) or net realizable value. The cost of these items of inventory are determined on FIFO basis and comprises of cost of purchase and other incidental costs incurred to bring the inventories to their present location and condition.

Finished Goods and Work-in-progress

Work in progress and finished goods are valued at lower of cost or net realizable value. The cost of work in process and finished goods includes cost of conversion and other costs incurred to bring the inventories to their present location and condition.

Traded Goods

Traded Goods are valued at lower of cost and net realizable value. Cost is determined on FIFO basis.

Excise Duty in respect of finished goods lying in factory premises are provided for and included in valuation of inventory in case of non Export Items.

**(g) Employee benefits**

Short-term employee benefits are recognized as an expense in the profit and loss account of the year in which the related service is rendered.

Cost of post employment benefits relating to Defined Contribution Plans such as contribution to Provident Fund employee pension fund etc are recognized as an expense in the profit and loss account of the year in which the related service is rendered.

The Company has Defined Benefit Plan for post employment benefits in the form of Gratuity for all employees administered through trust, funded with Life Insurance Corporation of India. Liability for the this Defined Benefit Plans is provided on the basis of actuarial valuation, as at the balance sheet date, carried out by independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit Method. The actuarial gains and losses arising during the year are recognized in the Profit & Loss Account for the year

(h) Research and Development Costs

Research and development costs incurred for development of products are charged to revenue as incurred, except for development costs relating to the design and testing of new or improved materials, products or processes which are recognized as intangible assets to the extent that it is expected that such assets will generate future economic benefits. Research and development expenditure of capital nature is added to fixed assets.

(i) Revenue Recognition:

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. Sales are stated net of excise duty, sales tax and trade discounts.

Interest on deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction based on reasonable certainty of receipt. Interest on advances is recognized when the ultimate collection is not uncertain.

Dividend income is recognized when the right to receive dividend is established.

(j) Taxation

Income tax expense comprises current tax expense and deferred tax expense/credit.

Current tax

Provision for current tax is calculated in accordance with the provisions of the Income-Tax Act, 1961 and is made annually based on the tax liability computed after considering tax allowances and exemptions.

Assets and liabilities representing current tax are disclosed on a net basis when there is a legally enforceable right to set off and where the management intends to settle the asset and liability on a net basis.

Deferred tax

Deferred tax liability or asset is recognised for timing differences between the profits/losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent there is a reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

(k) Investment

Current investments are carried at the lower of cost and fair value computed category wise. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made, only if, in the opinion of the management, such a decline is regarded as being other than temporary.

(l) Earnings per share ('EPS')

Basic EPS is computed using the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti dilutive. The number of equity shares is adjusted for any share splits and bonus shares issued effected prior to the approval of the financial statements by the Board of Directors.

(m) Contingencies and provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(n) Foreign currency transactions

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The difference between the actual rate of settlement and the rate on the date of the transaction is charged or credited to profit and loss account.

In respect of monetary current assets and liabilities denominated in foreign currencies the overall net gain or loss, if any, on conversion at the exchange rates prevailing on the date of the balance sheet is charged to revenue.

(o) Principles of Consolidation

The Consolidated Financial Statement relate to Lincoln Pharmaceuticals Limited (the Parent Company) and its Subsidiaries - Zullinc Healthcare Limited and Lincoln Parenteral Limited, a partially owned subsidiary company.

The Consolidated Financial statements have been prepared in accordance with Accounting Standard 21(AS-21)-“Consolidated Financial Statement issued By the Institute of Chartered Accountant of India. The Consolidated Financial Statements have been prepared on the following basis.

- i. The financial Statements of the Parent and its Subsidiary have been Combined on a line by line basis by adding together the book values like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealized profit or losses of intra group transactions.
- ii. The Consolidated financial statements have been prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented, to the extent possible, in the same manner as the parent company's separate financial statement.
- iii. The excess of cost to the parent company of its investment in the subsidiary over the parent company's portion of equity of the subsidiary is recognized in the financial statements as Goodwill. This goodwill is tested for impairment at end of financial year. The excess of parent company portion of equity over the cost of investments as at the date of its investment is treated as Capital Reserve.
- iv. The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date i.e. year ended March,31,2013.
- v. Consolidated financial statement of Parent & subsidiary company prepared in addition to separate financial statement of subsidiary company.
- vi. The parent company's holding in subsidiary company considered in consolidated financial statement as follows

Name of Company	Country incorporation	Proportion of shareholding as on 31/03/2013	Proportion of shareholding as on 31/03/2012
Zullinc Healthcare Limited	India	100%	100%
Lincoln Parenteral Limited	India	62%	62%

NOTES TO FINANCIAL STATEMENTS

1) Share Capital

a. Details of Share Capital

Share Capital	As at 31-Mar-2013		As at 31-Mar-2012	
	Number	₹	Number	₹
Authorized				
Equity Shares				
Equity Share of Rs. 10 Each	20,000,000	200,000,000	20,000,000	200,000,000
	20,000,000	200,000,000	20,000,000	200,000,000
Issued, Subscribed & Paid up				
Equity Shares				
Equity Share of Rs. 10 Each	16,310,800	163,108,000	16,310,800	163,108,000
	16,310,800	163,108,000	16,310,800	163,108,000
Total	16,310,800	163,108,000	16,310,800	163,108,000

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

Particulars	As at 31-Mar-2013		As at 31-Mar-2012	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	16,308,400	163,084,000	16,310,800	163,108,000
Shares Issued during the year	—	—	—	—
Shares Held By New Subsidiary	—	—	2,400	24,000
Share Disposed by Subsidiary Compan	2,400	24,000	—	—
Shares outstanding at the end of the year	16,310,800	163,108,000	16,308,400	163,084,000

c. Share holding details of the company As at 31-Mar-2013 and name of persons holding more than 5% shares.

Name of Shareholder/Company	No. of Shares held	
	As at 31-Mar-2013	As at 31-Mar-2012
Names of person holding more than 5% shares		
Advent Tradelink Pvt. Ltd.	1,869,000	2,115,000
Digital Biotech Pvt. Ltd.	2,100,000	2,300,000
Unichem Dyes and Drugs Pvt. Ltd.	1,846,460	1,900,000
Total	5,815,460	6,315,000

d. The company as well as the promoters of the company has given undertaking to the State Bank of India that, while currency of the term loans and working capital loans financed by the said bank, the company will not effect any change in the company's capital structure by prohibiting disinvestment by promoters of their quota in the equity.

e. The issued subscribed and paid up capitlal excludes Nil (PY 2400) Equity shares directly held by Lincoln Parenteral Limited (a subsidiary compnay aquired duiring last financial year) before its becoming subsidiary of the company.

2) Reserves & Surplus

Reserves & Surplus	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Capital Reserves		
Opening Balance	3,500,000	3,500,000
Closing Balance	3,500,000	3,500,000
General Reserve		
Opening Balance	42,621,600	37,621,600
(+) Current Year Transfer	5,000,000	5,000,000
Closing Balance	47,621,600	42,621,600
Securities Premium Account		
Opening Balance	380,544,000	380,544,000
Closing Balance	380,544,000	380,544,000
Surplus		
Opening balance	218,084,175	183,384,204
(+) Net Profit/(Net Loss) For the current year	96,622,902	51,187,745
(-) Proposed Dividends	9,786,480	9,786,480
(-) Dividend Tax	1,663,212	1,587,612
(-) Transfer to Reserves	5,000,000	5,113,682
Closing Balance	298,257,386	218,084,175
Total	729,922,986	644,749,775

3) Minority Interest

Particulars	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Minority Interest attributable to 38 % of the share holders of Lincoln Parenteral. Ltd	41,750,481	43,030,377

4) Long term borrowings
a. Secured Long term Borrowings

Long Term Borrowings	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Term loans		
From Bank	140,525,137	115,517,750
From Other	1,139,642	7,743,176
Secured Long Term Borrowings	141,664,779	123,260,926

b. Unsecured Long term Borrowings

Long Term Borrowings	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Term loans		
From other parties	6,724,754	2,000,000
From Related parties	27,247,400	17,716,901
Other loans and advances	24,000	24,000
Unsecured Long Term Borrowings	33,996,154	19,740,901

- c First Exclusive Charge in favour of the Bank by way of hypothecation of the company's entire stock of raw materials, semi-finished and finished goods, consumable stores and spares and such other movables including book- debts, bills, in the form and in the manner satisfactory to the bank.
- d First charge on the Fixed Assets company, both present and future ranking pari passu with ICICI Bank Limited, Singapore.
- e First Charge by way of Equity mortgage of Factory Land at Khatraj, having market value not less than Rs. 20 million.
- f Corporate Guarantee of Lincoln Pharmaceuticals Limited having networth of Rs. 529.0 million at March 31, 2010.
- g Pledge of 0.8 million shares of Lincoln Pharmaceuticals Limited to be created.
- h Unconditional and irrevocable personal Guarantee of Directores.



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5) Deferred Tax Liability

Details of the deferred tax liability

Particulars	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Deferred tax liability		
Depreciation	42,066,279	50,180,749
	5,422,841	2,363,028
Total DTL	47,489,120	52,543,777
Deferred tax asset		
Diallowance under Income Tax	—	746,235
Total DTA	—	746,235
Net Deferred Tax Liability	47,489,120	51,797,542

6) Other long term Liabilities

Other Long Term Liabilities	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Other long term liability	2,926,160	—
Securities Trade Deposits From Customers	30,040,282	28,753,410
Security Deposits From Employee	239,000	103,000
Total	33,205,442	28,856,410

7) Short term Borrowing

a. Secured Short term Borrowings

Short Term Borrowings	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Loans repayable on demand		
from banks	468,972,969	465,647,797
	468,972,969	465,647,797

b. Unsecured Short term Borrowings

Short Term Borrowings	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Loans repayable on demand		
from banks	80,047,788	—
Total	80,047,788	—

c. The demand loans form Bank includes Working capital loan is secured against all changeable current assets and by a collateral security by way of Equitable Mortgage of 1397 Sq meters land and building thereon at SN 469 of Sola Village, Daskoi Taluka Ahmedabad and Equitable mortgage of land and building at WTG site P-21 Village and Visavada Porbandar. charge on residual fixed assets of the company. This term loans are guaranteed by directors of the company.

8) Other Current liability

a. Details of other current liabilities

Other Current Liabilities	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Current maturities of long-term debt	36,262,252	46,217,888
Other payables		
Expense payable	59,458,953	36,411,005
Statutory Liabilities	17,351,205	12,839,689
Other Current Liability	32,291,942	44,901,819
Proposed Dividend and Dividend Tax	11,449,692	11,374,092
Payable against capital work	3,575,609	8,797,154
Income Tax Provision (Net of Advance tax)	606,670	310,570
Advance from Customers	—	1,628,611
Total	160,996,323	162,480,828

9) Short term provisions
a Details of short term provisions

Short Term Provisions	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Income Tax Provision (Net of Advance tax)	9,778,859	—
Total	9,778,859	—

10) Fixed Assets
a. Fixed Asset Details

Sr.	Fixed Assets	Gross Block			Accumulated Depreciation				Net Block	
	As at 31-Mar-2012 ₹	Additions during the year ₹	Adjustment during the year ₹	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹	Depreciation charge for the year ₹	Adjustment during the year ₹	As at 31-Mar-2013 ₹	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
a	Tangible Assets									
	Land	76,380,613	—	—	76,380,613	—	—	—	76,380,613	76,380,613
	Leased Hold Land	900,000	—	—	900,000	—	—	—	900,000	900,000
	Buildings	123,716,412	90,917,690	—	214,634,102	24,811,107	4,742,002	—	29,553,109	185,080,993
	Plant and Equipment	155,026,356	194,862,940	—	349,889,296	45,575,986	11,383,951	—	56,959,937	292,929,359
	Furniture and Fixtures	20,329,819	3,007,312	—	23,337,131	9,955,877	1,315,328	—	11,271,205	12,065,926
	Vehicles	28,106,710	3,641,006	2,910,365	28,837,351	10,599,580	2,801,180	905,492	12,495,268	16,342,083
	Office equipment	6,783,217	174,815	—	6,958,032	1,086,738	325,226	—	1,411,964	5,546,068
	Electrical Installation	8,013,789	236,867	—	8,250,656	4,411,611	385,350	—	4,796,961	3,453,695
	Computers	20,008,226	1,200,030	—	21,208,256	10,530,247	3,340,103	—	13,870,350	7,337,906
	Total	439,265,142	294,040,660	2,910,365	730,395,437	106,971,146	24,293,140	905,492	130,358,794	600,036,643
	Previous Year	393,863,361	72,865,477	27,463,696	439,265,142	108,521,768	17,400,222	18,950,844	106,971,146	332,293,996
b	Intangible Assets									
	Goodwill	41,530,436	—	100,000	41,430,436	—	—	—	41,430,436	41,530,436
	Computer software	9,903,285	6,519,158	—	16,422,443	6,338,363	2,191,140	—	8,529,503	7,892,940
	Total	51,433,721	6,519,158	—	57,852,879	6,338,363	2,191,140	—	8,529,503	49,323,376
	Previous Year	9,598,010	41,835,711	—	51,433,721	4,410,142	1,928,221	—	6,338,363	45,095,358
	Total	449,168,427	300,559,818	2,910,365	788,248,316	113,309,509	26,484,280	905,492	138,888,297	649,360,019
c	Capital Work In Progress	135,111,838	3,733,409	115,121,984	23,723,263	—	—	—	23,723,263	135,111,838
	Total	584,280,265	304,293,227	118,032,349	811,971,579	105,440,164	26,484,280	905,492	138,888,297	673,083,282
	Previous Year	55,610,677	100,871,826	21,370,665	135,111,838	—	—	—	135,111,838	55,610,677
	Previous Year figures	459,072,048	174,042,578	48,834,361	625,810,701	112,931,910	19,328,443	18,950,844	113,309,509	512,501,192

11) Non Current Investments
a. Summarized information of investments

Particulars	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Other Investments		
Investment in Equity instruments of other companies	4,009,200	4,009,200
Other Investments	47,400	47,400
Total	4,056,600	4,056,600

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

Aggregate of Quoted Investment	—	—
Aggregate of Unquoted Investment	4,056,600	4,056,600
Market Value of Quoted Investment	—	—



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11) Non Current Investments [Contd...]

c. Details of Other Investments

Sr. No.	Name of the Body Corporate	No. of Shares / Units		Face Value		Amount (₹)		Whether stated at Cost Yes / No	If not valued at cost than Basis of Valuation
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12		
a	Investment in Equity Instruments								
	Unquoted								
	Navnirmal Co operative Bank Limited	320	320	25	25	8,000	8,000	Yes	NA
	Vijay Co Operative Bank Limited	20	20	10	10	200	200	Yes	NA
	Naroda Industrial Co Operative Bank Limited	40	40	25	25	1,000	1,000	Yes	NA
	Aesculapius Remedies Ltd.	4,00,000	4,00,000	10	10	4,00,000	4,00,000	Yes	NA
	Total					4,009,200	4,009,200		
b	Other Investments								
	N.S.C. A/C.					29,000	29,000	Yes	NA
	Nav Nirman Coop. Bank-Share A/C	736	736	25	25	18,400	18,400	Yes	NA
	Other non-current investments					47,400	47,400		
	Total					4,056,600	4,056,600		

12) Long Term Loans and Advances

a Details of Long Term Loans and Advances

Long Term Loans and Advances		As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Capital Advances			
Unsecured, considered good		4,344,372	36,737,642
<i>Capital Advances</i>		<u>4,344,372</u>	<u>36,737,642</u>
Security Deposits			
Unsecured, considered good		25,080,745	24,708,248
<i>Security Deposits</i>		<u>25,080,745</u>	<u>24,708,248</u>
Loans and Advance to Other Parties			
Unsecured, considered good		249,094,765	326,545,248
<i>Other loans and advances (specify nature)</i>		<u>249,094,765</u>	<u>326,545,248</u>
Other Advance in Nature of Short term Advance			
Unsecured, considered good		5,483,820	584,680
<i>Other loans and advances (specify nature)</i>		<u>5,483,820</u>	<u>584,680</u>
Total		284,003,701	388,575,818

13) Other Non Current Assets

a Details of Other Non Current Assets

Other Non Current Assets		As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Advance Tax Net of Provision			
Unsecured, considered good		2,152,378	2,189,506
Total		2,152,378	2,189,506

14) Inventories

Inventories	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Stock-in-trade	193,271,261	214,067,949
Total	193,271,261	214,067,949

15) Trade Receivable

Trade Receivables	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Outstanding for a period not exceeding six months from the date they are due		
Unsecured, considered doubtful	624,521,481	547,002,547
Net of provision	624,521,481	547,002,547
Outstanding for a period exceeding six months from the date they are due		
Unsecured, considered good	99,721,813	85,214,667
Unsecured, considered doubtful	23,806,749	31,658,168
	123,528,562	116,872,835
Less: Provision for doubtful debts	49,642	10,137,149
Net of provision	123,478,920	106,735,686
Total	748,000,401	653,738,233

Note : As against doubtful debt of ₹ 238.06 lacs (Previous Year ₹ 316.58 Lacs), the Company has provided ₹ 0.50 Lacs (Previous Year ₹ 101.37 Lacs). During the year the Company has provided ₹ 100 Lacs for bad and doubtful debt and identified and write off bad debt of ₹ 200.88 Lacs against the bad debt provision.

16) Cash and Bank Balance
a. Cash and cash Equivalent

Cash and cash equivalents	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Balances with banks	95,548,097	117,432,305
Cash on hand	1,067,767	2,228,291
Total	96,615,865	119,660,596

b. Other Cash Balance

Other Cash Balance	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Margin money	7,623,972	7,743,850
Bank deposits with more than 12 months maturity	49,914,849	41,230,663
Total	57,538,821	48,974,513

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

Short-term loans and advances	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Loans and advances to related parties		
Unsecured, considered good	111,988,000	65,190,221
Net of provision	111,988,000	65,190,221
Balance With Government Authorities		
Unsecured, considered good	66,623,742	41,307,332
Net of provision	66,623,742	41,307,332
Other Advance in Nature of Short term Advance		
Unsecured, considered good	9,989,005	6,858,117
Net of provision	9,989,005	6,858,117
Loans & advances to other parties		
Unsecured, considered good	141,294,683	65,997,939
Net of provision	141,294,683	65,997,939
Advance Given to Supplies		
Unsecured, considered good	2,250	—
Net of provision	2,250	—
Total	329,897,680	179,353,609

**LINCOLN****17) Short-term loans and advances (Contd...)**

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

Due From	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
Company in which officer or director is a Director	111,988,000	65,190,221
Total	111,988,000	65,190,221

18) Revenue

a. Details of revenue

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Sale of products	1,931,353,495	1,859,132,985
Sale of services	2,548,155	20,994,259
Other operating revenues	31,486,566	26,736,667
total	1,965,388,217	1,906,863,911
Less:		
Excise duty	36,600,864	31,106,901
Total	1,928,787,353	1,875,757,010

19) Other Income

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Interest Income (in case of a company other than a finance company)	7,246,249	3,153,237
Dividend Income	18,168	2,544
Net gain/loss on sale of investments	10,936,868	16,374,834
Profit on sale of Fixed Assets	—	893,692
Gratuity Provision Reversed	—	397,846
subsidy income	—	1,000,000
DOLLAR RATE DIFFERENCE	19,821,429	9,111,916
KEYMAN INSURANCE POLICY	2,216,274	—
SCRAP SALE A/C	4,080	—
Other Miscellenious Income	16,220,571	1,708,152
Excise Refund A/C	2,880,339	—
Sundry CR/DR Written Off	—	381,945
PROFIT ON SHARE (SHORT TERM)	6,886,324	—
Outward Transportation	634,798	598,972
Total	66,865,099	33,623,138

20) Cost of Material Consumed

a. Details of Material consumption under broad heads

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Raw Material		
Stock at the beginning of the financial year	44,238,397	47,075,271
Purchase during the year	249,433,172	255,745,466
Total	293,671,569	302,820,737
Stock at the end of the financial year	33,686,488	44,238,397
<i>Cost of Consumption of Raw Material</i>	259,985,081	258,582,340
Packing Materials		
Stock at the beginning of the financial year	22,868,672	18,998,924
Purchase during the year	144,633,441	125,694,306
Other direct purchase costs	1,802,578	5,272,723
Total	169,304,691	149,965,953
Sold during the year	17,449,698	13,139,707
Stock at the end of the financial year	20,727,483	22,868,672
<i>Cost of Consumption of Packing Materials</i>	131,127,510	113,957,574
Total consumption of Raw Material	391,112,591	372,539,913

21) Purchase of Trading Stock

a. For company having Stock in Trade

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Purchase of Stock In Trade		
Purchase during the year	871,510,788	805,709,443
<i>Purchase of Stock In Trade</i>	871,510,788	805,709,443



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

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Trading Goods		
Stock at the Beginning of the financial year	69,868,655	102,779,665
Stock at the End of the financial year	66,746,087	69,868,655
<i>Trading Goods</i>	<u>3,122,568</u>	<u>32,911,010</u>
Finished Goods		
Stock at the Beginning of the financial year	61,484,503	76,815,197
Stock at the End of the financial year	56,238,180	61,484,503
<i>Finished Goods</i>	<u>5,246,323</u>	<u>15,330,694</u>
Work in Progress		
WIP at the Beginning of the financial year	15,607,722	16,387,297
WIP at the End of the financial year	15,873,024	15,607,722
<i>Work in Progress</i>	<u>- 265,302</u>	<u>779,575</u>
Summary		
Inventory at the Beginning of the financial year	146,960,880	195,982,159
Inventory at the End of the financial year	138,857,291	146,960,880
Change in inventory	8,103,589	49,021,279

23) Employee benefits expense

Employee Benefits Expense	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Personel Expenses	169,182,132	156,885,745
Contribution to Staff Welfare Funds	2,913,996	3,450,766
Provident fund	331,724	212,652
Gratuity Expense	- 103,420	—
Gujarat Labour Welfare Board	837	459
Labour Welfare Fund	- 117	- 33
Staff welfare expenses	4,765,161	4,694,624
Total	177,090,313	165,244,213

Details of Employee benefits

a) Expense Recognized during the year

Particulars	2012-13	2011-12
Current service cost	596,287	650,644
Interest on obligation	480,223	468,687
Expected return on plan assets	- 495,493	- 408,650
Net actuarial losses (gains) recognized in year	- 1,159,896	- 1,151,443
Losses (gains) on curtailments and settlement	—	7,516

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

Particulars	2012-13	2011-12
Opening defined benefit obligation	5,649,677	5,783,305
Service cost	596,287	650,644
Interest cost	480,223	468,687
Actuarial losses (gains)	- 1,112,266	- 1,112,677
Benefits paid	- 43,212	- 140,282
Closing Defined Benefit Obligation	5,570,709	5,649,677

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

Particulars	2012-13	2011-12
Opening fair value of plan assets	5,829,335	4,434,616
Expected return	495,493	408,650
Actuarial gains and (losses)	47,630	38,766
Contributions by employer	172,550	1,087,585
Benefits paid	- 43,212	- 140,282
Closing balance of fair value of plan assets	6,501,796	5,829,335

d) Liability recognized in the financial statement

Particulars	2012-13	2011-12
Opening fair value of plan assets	5,570,709	5,649,677
Expected return	6,501,796	5,829,335
Liability(Asset) recognized in financial statement	- 931,087	- 179,658

e) Actuarial Assumptions

Particulars	2012-13	2011-12
Indian Assured Lives Mortality(2006-08) Ultimate	(2006-08)	(2006-08)
Discounted rate Per Annum	8.25%	8.50%
Expected Return on Plan Assets (Per Annum)	8.70%	8.50%
Future Salary Growth (Per Annum)	6.50%	6.50%
Attrition Rate	2.00%	2.00%
Retirement Age	58 Years	58 Years

24) Finance Cost

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Interest expense	71,918,478	69,150,778
Bank Commission	6,486,360	6,849,926
Total	78,404,838	76,000,704



LINCOLN

25) Other Expenses

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Manufacturing Expenses		
Power and Fuel	12,146,903	6,452,842
Labour Charges	14,823,321	40,623,637
Laboratory goods & Testing Charges	6,872,962	7,272,504
Factory Expenses		
Consumption of Stores and Spares	4,504,800	171,403
Electrical Expense A/C	829,886	840,365
Excise On Finish Goods	—	2,751,177
Factory Expenses A/C.	7,718,776	3,736,933
Inspection Fees A/C	1,139,551	283,053
Laboratory Expenses A/C	1,500	174,584
Licence Fee Expense A/C	1,250,442	319,722
Loading & Unloading Charges	6,701	371,875
Machinery & Spares Tools	2,359,196	1,710,221
Machinery Repairs & Maintenance A/C	593,048	458,748
Polution Control Exp.	1,111	19,300
Processing Charge Income	2,800	—
Product Development Charges	—	74,960
R&D Expenses	635,818	292,019
Total Manufacturing Expenses	52,886,814	65,553,342
Administrative Expenses		
Audit Fee	745,340	840,640
Computer Exps	1,442,397	1,404,795
Conveyance & Vehicle Exps.	2,739,158	3,821,185
Donation	107,802	393,821
Insurance	1,988,672	1,574,003
Legal And Registration Exps.	8,328,849	4,530,577
Office Exps.	3,607,361	4,086,243
Post & Telephone Exps.	3,890,262	4,804,409
Professional & Consulting Fees	11,102,556	11,418,494
Rent,Rate & Taxes	17,275,933	17,781,725
Repairs & Maintanance	6,407,319	7,055,266
Stationery, Printing & Xerox	3,316,852	1,906,388
Prior Period Expenses	3,141,272	8,342,713
Loss On Sales Of Assets	768,641	3,702,813
Profit On Sales Of Export Licence	196,906	—
Building Mainta.& Rep.Exp.A/C	91,970	—
Maintainance & Repairs Exp.A/C	218,732	—
Profit On Share (Long Term)	59,281	—
Telephone Exps.	49,594	24,350
Other Expenses	314,871	296,288
Total Administrative Expenses	65,793,768	71,983,710
Selling And Distribution Expenses		
Travelling Expenses	68,270,637	65,412,482
Transportation Expenses	13,994,332	20,660,656
Advertisement Expenses	789,689	501,473
Sales Promotion & Marketing Expenses	94,823,692	90,120,598
Provision For Bad And Doubtful Debt	10,000,000	8,722,358
Outward Transportation	122,684	70,639
Total Selling And Distribution Expenses	210,425,887	210,730,149
Total Other Expenses	329,106,469	348,267,201

26) Other Information

- a The Board of Directors has proposed a dividend of ₹ 97,86,480/- to be distributed to equity share holders at the rate of ₹ 0.60 per equity share of Rs. 10 Each.
- b In the opinion of the Management, there are no indication, internal or external which could have the effect of impairing the value of the assets to any material extent as at the Balance sheet date requiring recognition in terms of AS-28
- c In the opinion of the board, the current assets are approximately of the value stated if realized in the ordinary course of business. The provision for the depreciation and for all known Liabilities are adequate and not in excess of amount reasonably necessary. There are no Contingent Liabilities other than stated.
- d Balance of Trade Receivables & Loans and Advances is subject to confirmation by them.

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Audit Fee	495,000	495,000
Taxation Work	150,000	150,000
for management services	130,340	214,610
Total	775,340	859,610

- f. Details of Prior period Items

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Key Man Insurance Expenses	—	1,175,000
Purchase Exp.	383,434	—
Other Revenue Expenses	693,230	4,933,669
Selling and Distribution Expenses	2,064,608	2,206,555
Profesional Charges	—	2,000
Grauity Premium	—	25,489
Total	3,141,272	8,342,713

- g. Earnings per share

Particulars		For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Basic & Diluted EPS			
Profit attributable to equity shareholders	₹	96,622,902	51,187,745
Nominal Value of equity share	₹	10	10
Weighted average number of ordinary equity shares for Basic EPS	No.	16,310,800	16,310,800
Basic & Diluted EPS	₹	5.92	3.14

- h. CIF Value of Import

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2012 ₹
Raw Materials	33,032,442	37,624,225
Total	33,032,442	37,624,225

i. Earnings in foreign currency

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2011 ₹
Export of goods calculated on F.O.B. basis;	496,720,035	399,654,765
Total	496,720,035	399,654,765

j. Expenditure in foreign currency

Particulars	For the year ended on 31-Mar-2013 ₹	For the year ended on 31-Mar-2011 ₹
Travelling	—	2,444,586
Product Registration and related expenses	7,988,545	2,355,764
Total	7,988,545	4,800,350

k. Related party disclosures

a) List of related parties

Sr.	Name of related Party	Nature of relation
1	Karnavati Distributors Limited	Controlled by Relative of Key Managerial Person
2	Downtown Travels Pvt. Ltd.	Controlled by Relative of Key Managerial Person
3	Downtown Finance Pvt. Ltd.	Controlled by Key Managerial Persons
4	Indus Hospital	Controlled by Relative of Key Managerial Person
5	SLS Metal (India) Pvt. Ltd. (Formerly known as Invivo CRD Pvt. Ltd.)	Controlled by Key Managerial Persons
6	Sunmed Corporation Pvt. Ltd. (Formerly known as Allantis Exim Pvt. Ltd.)	Controlled by Relative of Key Managerial Person
7	Mahendra G. Patel	Key Managerial Person
8	Rajnikant G. Patel	Key Managerial Person
9	Hasmukh I. Patel	Key Managerial Person
10	Arvind G. Patel	Key Managerial Person
11	Kailashben M. Patel	Relative of Key Managerial Person
12	Munjal M. Patel	Relative of Key Managerial Person
13	Mansiben M. Patel	Relative of Key Managerial Person
14	Nidhi M. Patel	Relative of Key Managerial Person
15	Kalpnaben R. Patel	Relative of Key Managerial Person
16	Ashish R. Patel	Relative of Key Managerial Person
17	Shivani A. Patel	Relative of Key Managerial Person
18	Siddharth R. Patel	Relative of Key Managerial Person
19	Dharmisthaben H. Patel	Relative of Key Managerial Person
20	Jigar H. Patel	Relative of Key Managerial Person
21	Hansaben A. Patel	Relative of Key Managerial Person
22	Amar A. Patel	Relative of Key Managerial Person
23	Binal A. Patel	Relative of Key Managerial Person
24	Anand A. Patel	Relative of Key Managerial Person
25	Mansiben A. Patel	Relative of Key Managerial Person
26	Avis Travells	Controlled by Relative of Key Managerial Person
27	Vaishali Jigar Patel	Relative of Key Managerial Person
28	Anirudha H. Patel	Relative of Key Managerial Person

b) Details of Transactions with related parties

Sr.	Name of Party	Nature of Transaction	2012-13	2011-12
1	Avis Travels	Travelling Expenses	2,265,105	3,924,927
2	Downtown Travels Pvt. Ltd.	Travelling Expenses	436,358	532,154
		Loan Taken	11,586,453	—
		Loan Repaid	12,736,453	—
3	Downtown Finance Pvt. Ltd.	Interest Expenses	955,220	832,500
		Loan Taken	900,000	3,500,000
		Loan Repaid	555,220	555,220
4	Sunmed Corporation Pvt. Ltd. (formerly known as Allantis Exim Pvt. Ltd.)	Paid for service	—	3,028,585
		Interest Expenses	1,824,149	1,850,328
		Sales	—	20,888,303
		Loan Given	16,382,416	13,187,910
		Repayment Received	—	3,925,492
5	Indus Hospital	Repayment Received	925,000	2,150,000
6	Zullinc Healthcare Limited	Loan Given	125,889,536	54,891,406
		Repayment Received	5,000,000	10,000,000
7	Mahendra G. Patel	Remuneration	1,292,600	1,197,600
8	Rajnikant G. Patel	Remuneration	1,263,800	1,197,600
9	Hasmukh I. Patel	Remuneration	1,263,800	1,197,600
10	Arvind G. Patel	Remuneration	487,000	1,197,600
11	Arth Print Pack	Purchase of Paking Material	—	27,752
12	Anand A. Patel	Loan Repaid	—	4,38,000
13	Arvind G. Patel	Loan Repaid	—	1,72,000
14	Mansiben A. Patel	Loan repaid	—	1,00,000
15	Mansiben A. Patel	Salary	314000	1,80,000
16	Munjal m. patel	Salary	450000	—
17	Ashish R. patel	Salary	240000	—
18	Anand A. Patel	Director Remuneartion	630000	3,60,000
19	Hansaben A.Patel	Director Remuneartion	120000	2,40,000

c) Details of Closing Balances

Sr.	Name of party	As at 31-Mar-2013	As at 31-Mar-2012
1	Avis Travels	386,850	382,044
2	Downtown Travels Pvt. Ltd.	63,081	– 28,706
3	Downtown Finance Pvt. Ltd.	– 9,937,780	– 9,937,780
4	Sunmed Corporation Pvt. Ltd. (formerly known as Allantis Exim Pvt. Ltd.) Loan A/c	3,000,206	16,792,418
5	Sunmed Corporation Pvt. Ltd. (formerly known as Allantis Exim Pvt. Ltd.) Trading A/c	– 5,039,638	– 15,228,132
6	Arth Print Pack	8,715	8,715

l Segment Reporting
a) Primary Segment:

The company is in the business of

- Manufacturing & marketing of Pharmaceuticals products and
- Trading in finished goods, chemicals products and Bulk drug

b) Secondary Segment:

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

- Domestic Sales
- Export Sales

c) Details Primary Segments

Particulars	Pharmaceutical		Chemical		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Segment Revenue						
From External Customers	1,836,437,548	1447281021	162,410,937	320515460	1,928,787,353	1,767,796,481
Segment Result	155,529,262	131932915	98,246	853120	155,627,508	132,786,035
Carrying amount of segment Assets	2,312,598,433	1990103582	76021556	124757613	2,388,619,989	2,114,861,195
Segment liability	1,373,888,456	1395031733	75339229	112972293	1,449,227,685	1,508,004,026
Cost incurred to acquire segment assets	31,759,241	73170672	—	—	31,759,241	73,170,672
Non cash Expenses considered in segment result						
Depreciation	20,794,109	19328443	—	—	20,794,109	19,328,443
Other non cash expenses	(404,944)	(397,846)	—	—	(404,944)	(397,846)

d) Reconciliation with financial statement

Particulars	Reportable Segments		Un allocable reconciling items		As per financial statement	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Revenue	1,928,787,353	1767796481	18,183,117	22181097	1,946,970,470	1,789,977,578
Result	155,627,508	132,786,035	(59,004,606)	(81598288)	96,622,902	51,187,745
Assets	2,388,619,989	2,114,861,195	—	8256820	2,388,619,989	2,123,118,015
Liability	1,449,227,685	1,508,004,026	46,361,319	72782188	1,495,589,004	1,580,786,214

e) Secondary Segment.

Particulars	Export		Domestic		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Segment revenue from external customers	496,720,035	399,654,765	1,450,250,435	1,390,322,813	1,946,970,470	1,789,977,578
Carrying amount of segment Assets	211,738,000	2,028,081,17	—	1,766,959,629	211,738,000	1,969,767,746

m Medium and Small Enterprises

In the absence of information available with the Company about enterprises which are qualifying under the definition of Medium and Small Enterprises as defined under Micro Small & Medium Enterprises Development Act, 2006, no disclosure is made as required under the Act.

n The company has prepared financial statement as per revised schedule VI to the Companies Act 1956 and accordingly, the assets, liability Income and Expenditure of the previous year is regrouped/ reclassified to conform to the current year's presentation.

As per our report of even date
For **Chandulal M Shah & Co.**
Chartered Accountants
[FRN NO. 101698W]

B.M. Zinzuvadia
Partner
Mem No. 109606

Date : 30th May, 2013
Place : Ahmedabad

P.P.ARORA
Company Secretary

For & on behalf of Board

M.G.Patel Managing Director

R.G.Patel Joint Managing Director

H.I.Patel Whole Time Director

Date : 30th May, 2013
Place : Ahmedabad

**LINCOLN****LINCOLN PHARMACEUTICALS LIMITED****Reg. Office:** LINCOLN HOUSE ,Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060**ATTENDANCE SLIP**
Annual General Meeting

DP ID : _____

Client ID : _____

Reg. Folio No. : _____ No. of Shares held : _____

I hereby record my presence at the **19th ANNUAL GENERAL MEETING** OF THE COMPANY held on Monday, the 30th September, **2013** at 10.30 A.M. at LINCOLN HOUSE, Behind Satyam Complex, Science City Road, Sola, Ahmedabad 380060

(Member's / Proxys name in block letters)

(Member's / Proxy's Signature)

Note: Please fill in the attendance slip and hand it over at the ENTRANCE OF THE COMPANY

LINCOLN PHARMACEUTICALS LIMITED**Reg. Office:** LINCOLN HOUSE ,Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060**PROXY**

DP ID : _____

Client ID : _____

Reg. Folio No. : _____ No. of Shares held : _____

I/We _____ of _____

a Member / members of the above named Company, hereby appoint Mr/Mrs/Miss _____

_____ of _____

or failing him / her, Mr/Mrs/Miss _____ of _____

as my/our Proxy to vote for me/us on my/our behalf at the **19th Annual General Meeting** of the Company to be held on Monday, the 30th September, 2013 at 10.30 A.M. and at any adjournment thereof.

Signed at _____ this _____ day of 2013.

Affix
0.15 Paise
Revenue
Stamp

Note : The instrument of proxy should be deposited at the Registered Office of the Company not less than 48 (Fourty Eight) hours before the time of holding the meeting.



INDIA'S FIRST FAST ACTING TECHNOLOGY



DOMITMup

Each squirts (spray) delivers 2 mg Ondansetron Hydrochloride

- Meter Dose Pump
- Accurate 0.2 ml deliver on each Spray
- Convenient for patients over Injectable preparation



Why DOMI UP oral spray ?

FAST ONSET OF ANTIEMETIC ACTION

- Directly absorbed in saliva and can enter into the systemic circulation without undergoing first pass hepatic metabolism and on increase the bioavailability.
- Pre gastric absorption can result in improved bioavailability, reduced dose and improved clinical performance by reducing side effects¹
- Buccal delivery offers a clear advantage over the peroral route by avoidance of intestinal and hepatic first-pass metabolism²

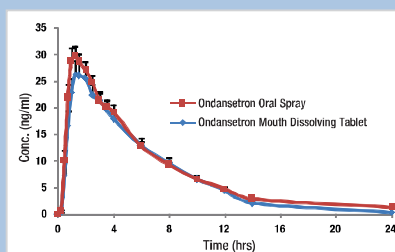
PATIENT COMPLIANCE

- Having difficulty in swallowing oral dosage form for travelling, bedridden & busy people who do not have ready access to water³
- Pediatrics patients may also have difficulty in ingesting because of their underdeveloped muscular and nervous systems⁴

Indication:

- Nausea and vomiting associated with Chemotherapy
- Post-operative induced nausea and vomiting

PROVEN BIOEQUIVALENCE STUDY



Domi UP Oral Spray Vs Ondansetron Mouth Dissolving Tablet

Parameters	Point Estimator (%)	90% CI	
		Lower (%)	Upper (%)
C _{max} (ng)	84.63	89.41	103.19
AUC ₀₋₄ (ng.hr/ml)	80.14	83.05	101.86
AUC _{0-∞} (ng.hr/ml)	88.07	81.52	108.43

**Lead the way in management of
Nausea & Vomiting**

*Ref:

1. Jaccard TT, Leyder J. (1985) Une nouvelle forme galénique: le lyoc. Ann Pharm Fr., 43: 123-131.
2. Critical evaluation of permeation enhancers for oral mucosal drug delivery, March 2010, Vol. 36, No. 3, Pages 254-282.
3. <http://www.divinecaroline.com>
4. Novel drug delivery: Review of recent trends with oral solid dosage forms. Am Pharm Rev, 4: 28-35.



REGISTERED OFFICE

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PLANT

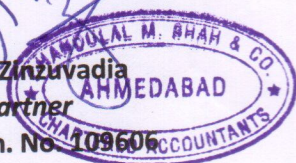
10, 12, 13, Trimul Estate,
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Form B
Pursuant to clause 31(a) of Listing Agreement

1.	Name of the Company	LINCOLN PHARMACEUTICALS LIMITED
2.	Annual Financial statements for the year ended.	31 st March, 2013
3.	Type of Audit qualification	<p>Qualified Report</p> <p>Basis of Qualified Report: Trade Receivable of the company is Rs. 7294.91 Lakh which includes trade receivable of Rs. 238.07 Lakh identified as doubtful debt by the management of the company. The company has provided Rs. 0.50 Lakh for Doubtful Debt as on the date of balance sheet. An additional provision for doubtful debt of Rs. 237.57 Lakh is required and accordingly, Trade Receivable, Net profit for the year and shareholder fund would have been lower by that amount.</p>
4.	Frequency of qualification	The qualifications are being appeared from the F.Y. 2011-2012.
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	<p>Reference is invited to note 13 of financial statement regarding doubtful debt.</p> <p>Management Response to the auditors' qualification in Director's Report is as under:</p> <p>"With reference to Auditors' observation relating to on provision of trade receivables to the extent of Rs. 237.57 Lacs, management is hopeful for the recovery of the same and hence provision has not made for the same in the accounts."</p>
	Additional Comments from the Board/Audit committee Chair	The Audit Committee discussed about the said qualification with Auditors and prepared a course of action to recover the same.

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

[Signature]
B. M. Zinzuvadia
Partner
Mem. No. 109606



Place : Ahmedabad
Date : 03.09. 2013

For LINCOLN PHARMACEUTICALS LIMITED

[Signature]
CEO/Managing Director

[Signature]
Chief Financial Officer

[Signature]
Audit Committee Chairman

Place : Ahmedabad
Date: 03.09.2013

