

29th Annual Report
2011-12



**“Meant”
to Achieve**

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Some things in life are ordained, some achievements are 'meant'.

Not due to fate, but due to the unstinting efforts, endeavours and hard work of those who make those achievements.

The year gone by was one of such achievements for Elder Pharma. All our business verticals delivered consistent financial and operational performances. Women's healthcare continued to remain our strongest pillar, contributing 23% of total revenues.

Nutraceuticals and pain management divisions witnessed encouraging growth with contributions of 7% and 9% of total revenues respectively. And our anti-infectives division showed great promise, contributing to 11% of total revenues in the year.

It's just another step in the continuing saga of achievements that we have been **'meant'** to earn over the years. And that we have encapsulated here as a showcase of the efforts, endeavours and hard work of all those people who made them happen.





The real story of our progress is encapsulated in our achievements over the years. They tell a story on their own. They reflect our continuing endeavours to push the envelope, over the years.

Crossed the coveted

₹ 1,000 crore+ mark

on a consolidated basis in less than 3 decades

Presence across **5**
niche therapeutic segments

6 products featured
amongst the top brands in the country

8+ new products
being introduced year-on-year

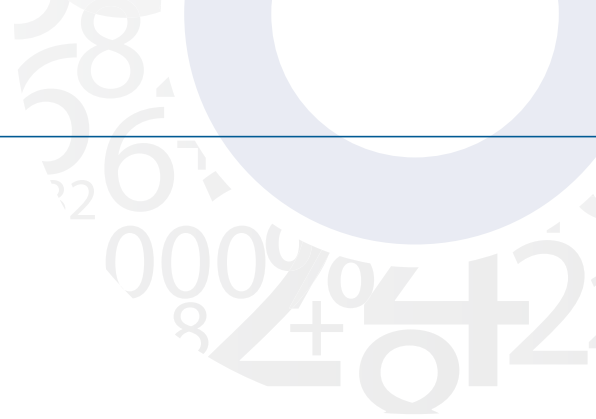
82%+ revenues
from domestic markets on consolidated basis

Ranked **27th**
by IMS ORG

In-licensing agreements
with **24** companies

These are not mere coincidences or a series of unrelated facts. They are born of a pedigree to achieve. We are stepping up the pace of growth and are well on our way to achieve leadership in our market segments.

That is what we are
intrinsically meant to achieve.



Achievements fuelled by...

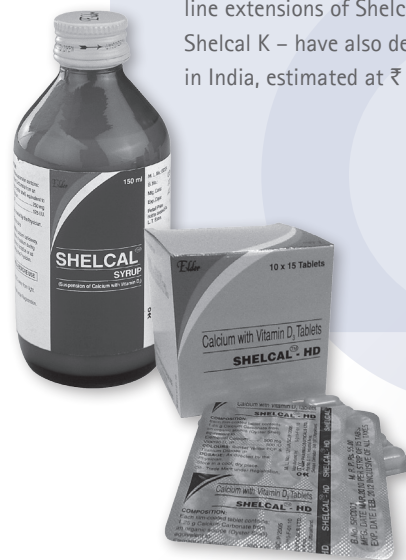
Strong presence across niche therapeutic segments

Elder Pharma's story of achievements is underlined by its strong presence in the 5 niche therapeutic segments of women's healthcare, wound care & pain management, nutraceuticals and lifestyle disease care. A judicious mix of drug formulations and Active Pharma Ingredients (APIs) has enabled the Company to achieve a leadership position in women's healthcare, wound care and nutraceuticals, with a fast-growing presence in the lifestyle disorder and anti-infective segments.

Women's Healthcare

The Company has created an enviable niche in this segment, with products ranging from pre-menstrual, infertility to menopause as well as problems related to vitamin necessities, labour/parturition and hormonal imbalance through dosage of supplements.

Key brands include Shelcal, Deviry and B-Long. Shelcal has firmly established itself as the No. 1 supplement in the calcium supplements market; the line extensions of Shelcal - Shelcal CT, Shelcal HD, Shelcal K - have also dented the gynaecology market in India, estimated at ₹ 2,300 crore.





Wound & Pain Management

The total addressable size of the wound care / pain management market in India is estimated at ₹ 3,600 crore. In this segment, the Company addresses a wide range of wound care applications and pain-management products used during surgeries. The products can also be used in pre and post operative stages.

The key brands in this business segment include Chymoral Forte supported by Chymoral Forte DS, Chymoral Plus and Tantum (in-licensed brand). Chymoral is a market leader in its segment and has a robust 86% market share.



Nutraceuticals

The Indian nutraceuticals market has been growing at a CAGR of 18% for the last 3 years, much faster than the global growth rate of 7%. As per estimates by Ernst & Young and FICCI, the Indian nutraceuticals market is pegged at ₹ 4,400 crore.

The products in this segment include vitamin supplements & vitamin combination specialised products capable of handling problems of diabetes, arthritis, neurological issues & cardiac ailments. The Company's key brands include the Eldervit Range, I-Vit and Phytomega.



Strong presence
across niche therapeutic
segments



Anti-infectives

Anti-infectives being a mass market category have large benefits and hence the market size is attractive thus offering immense magnitude of opportunities by sheer virtue of size. The anti-infectives market in India is pegged at \$ 2.2 million.

Mass markets house substantially greater 'number of players' which makes the scenario highly competitive. With a view to addressing the price sensitivity of mass markets, the Company's anti-infective products are competitively priced and positioned against its peers.

The Company's anti-infective portfolio comprises of Cephalosporins, Aminoglycosides and Penicillins in all dosage forms. These help in the treatment of a wide range of infections, in patients seeking advice of a General practitioner to one admitted in an ICU. The key brands for the Company are Formic Group, Elfi Group, Amkey Group and Widcef.





Life Care Portfolio

Lifestyle diseases have been on an increase over the years on account of long work hours, stress, unhealthy eating habits, to name a few. The problem is becoming quite severe in Tier I and II cities, with hypertension, diabetes and cholesterol being major areas of concern. The Indian market for lifestyle disease therapeutics is estimated at ₹ 25,000 crore.

The Company's focus areas in this segment are anti-hypertensive and metabolic protection of the heart. The key brands are Carnisure, Somazina (in-licensed brand), Flavospas group, Elmecob group, Amifru group, Nephrocaps and I-Vit group.



Going forward, the Company's efforts to strengthen its presence further in these segments shall continue to facilitate even bigger achievements.

Achievements fuelled by...

Expanding product portfolio

With every product addition to its portfolio, Elder Pharma has transcended new levels of achievement. The Company's endeavours to continuously expand its product bouquet to meet the evolving needs of the niche therapeutic segments saw the launch of 9 new products during the year.

I-Vit

The original anti-oxidant concept in India has been enhanced with patented Astaxanthin from Fuji, Japan

Segment: Anti-oxidants

Market potential: Anti-oxidants market is approximately pegged at ₹ 230 crore

Objective: Feature among top 5 players in this segment and aim for leadership in next 3 years

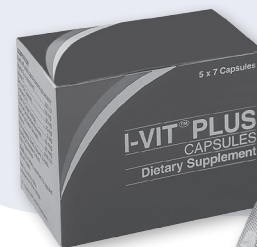
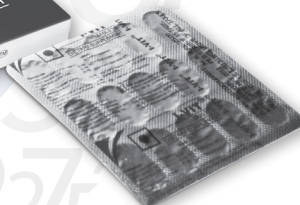
I-Vit Plus

An extension of I-Vit with Omega-3 FA, Lycopene, CoQ10, Methylcobalamin, minerals & multivitamins

Segment: Anti-oxidants

Market potential: Anti-oxidants market is approximately pegged at ₹ 230 crore

Objective: Feature among top 5 players in this segment and aim for leadership in next 3 years





Meny (Meropenem) & Meny Plus (Meropenem+Sulbactam)

Intensive care anti-infective in injectable form (Carbapenem group)

Segment: Anti-infective

Market potential: ₹ 392 crore and growing at 29% p.a.

Objective: To penetrate and establish Elder Pharma's antibiotic range in ICU's, hospitals & nursing homes

Somazina Plus

Original patented Citicholine (in-licence product from Ferrer Grupo, Spain) with Piracetam

Segment: Stroke, cerebrovascular insufficiency

Market potential: Citicholine + Piracetam is the fastest growing neurological market segment with a domestic market size of approximately ₹ 45 crore

Objective: To be number 2 in 2012-13 and leadership by 2013-14



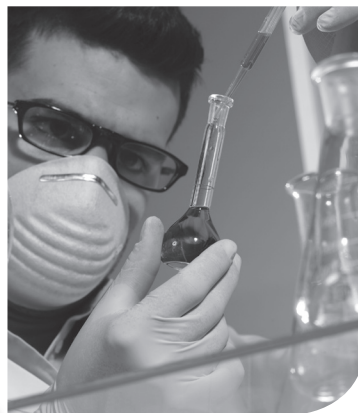
D-360

A formulation containing high dose of Vitamin D in granules

Segment: Nutraceuticals

Market potential: ₹ 76 crore with an estimated growth rate of 180%

Objective: To achieve leadership with D-360 group in Vitamin D segment



Expanding product portfolio

Formic-OF (Cefixime & Ofloxacin)

Oral first line anti-infective combining power of Cephalosporin & Quinolone

Segment: Anti-infective – Cefixime & Ofloxacin combination market

Market potential: ₹ 171 crore with a growth rate of 194% p.a.

Objective: Enhancing the Company's anti-bacterial product basket

BFX (Balofloxacin)

Anti-infective with excellent results for urinary tract infections

Segment: Anti-infective – fluoroquinolone market

Market potential: ₹ 31 crore and growing at 258%

Objective: Strengthening foothold as a frank 1st line antibiotic in the anti-infective basket



Vagisil

Vagisil is an in-licensed product from M/s Combe, USA & is targeted towards the vaginal hygiene market. The brand comprises of three different formulations mentioned below along with their target indications:

- Vagisil Anti-Itch crème for irritation & burning – Provides fast longlasting relief from vulvo vaginal itching
- Vagisil Feminine Lubricant – Provides long-lasting relief from uncomfortable vaginal dryness
- Vagisil Intimate Feminine Wash – Gently cleanses, maintains vaginal ph & also blocks odour

Market potential: The market potential is immense considering that these products can be used widely across reproductive age up to menopause & beyond

Objective: To be the leaders in this market of vaginal hygiene & healthcare





Zalain (Sertaconazole - A new age anti-fungal)

Elder Pharma in collaboration with Ferrer, the Spanish international pharmaceutical company has launched Zalain, the original research molecule of Sertaconazole for the first time in India.

Segment: Gynaecology anti-infective

Market potential: The gynaecology anti-infective market of topicals is pegged at ₹ 55 crore and is growing at 23%

Objective: With Zalain & Vagisil, the objective is to provide comprehensive solution, from treatment to wellness, in vaginal hygiene & healthcare



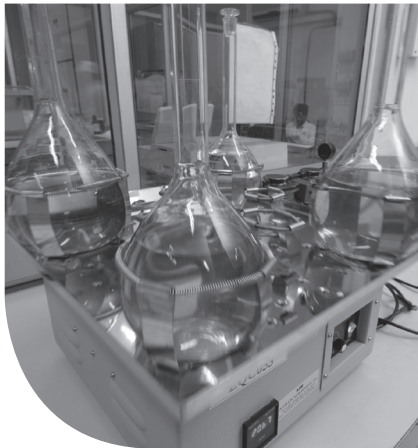
The Company's innovative achievements in this field shall continue to strengthen its market position as a leading player in the niche segments of its presence.



Achievements fuelled by...

Reaching out to mass markets with affordable brands

Rural markets offer attractive opportunities for potential volume growth, led by a huge demand potential that has not been tapped properly by most pharma companies. Rising rural income levels, SOPs by Government to set up health infrastructure in rural areas, thrust on rural health programmes, emergence of lifestyle diseases and penetration of medical insurance are fuelling pharma growth in rural /mass markets.





The Company's dedicated division Elvista is focussed on addressing this untapped demand. The division's network is fast spreading across villages, towns, sub-urban/periphery markets and hinterland districts. Through Elvista, Elder Pharma is targeting therapeutics that have greater relevance in rural/mass markets and is preferred by doctors in these areas. These include anti-infectives, NSAIDs, cough preparations, nutraceuticals, anti-peptic ulcerants & anti-malarials.

Eldervit-12 injection is the flagship brand of Elder Pharma and a flagship product of this division. With a market share of 41%, it is the market leader in the B-complex combination injection

and benefits nearly 40 lacs patients every year. Known to be an instant energy booster, its application is indicated in general debility & weakness associated with neuropathy, typhoid, jaundice & malaria and in hospitalised & convalescing patients.

Elvista has already penetrated the rural markets of UP, Maharashtra, Andhra Pradesh and Bihar and is all set to enter the Southern market. By 2012 end, the Company plans to reach 1,500 villages with a population less than 40,000, 300 villages with populations of 40,000 to 100,000 and over 75 peripheral villages/towns around Mumbai Metropolitan Region (MMR).

New products launched during the year

Elpod CV Tablets & Dry Syrup:

An oral antibiotic Elpod CV is indicated in upper respiratory tract infections, lower respiratory tract infections and soft tissue infections.

Aptirez Syrup:

Aptirez can be prescribed in underweight children to promote weight gain. It also ensures healthy recovery in prolonged illness.

New Zephrol-Cold Syrup & Tablets:

This product relieves sneezing, nasal congestion, fever & sore throat, all symptoms of common cold.

New Zephrol-D Syrup & Tablets:

This product relieves dry & irritating cough. It was launched to tap the potential of dry cough market, as the Company already has a presence in the productive cough market with New Zephrol.

Achievements fuelled by...

Growing global scale

Elder Pharma achieved a new milestone in nutraceuticals, in which it is among the market leaders, during the year. The Company acquired NeutraHealth Ltd., UK, where it now holds 100% stake. NeutraHealth focusses on the highly fragmented vitamins, minerals and supplement sectors within the UK and Europe and has two group companies, Biocare and Brunel Healthcare.





Brunel

- Primarily catering to Private Labels business
- MHRA approved manufacturing facility in Birmingham, UK
- Specialises in development, manufacture, distribution and packaging of high quality VMS

Biocare

- Involved in prescription drugs business
- Offers high quality vitamins and supplements (VMS) and Probiotics
- Products consumed by individuals with high knowledge of nutrition or those who require high strength of supplementation



NeutraHealth has a large distribution set-up in the UK and services practitioners, independent retailers and multiple retailers, which will enable it to distribute quite a few of Elder Pharma's products internationally. Seizing this advantage, the Company has identified several products which can be sold in the European market and help leverage the turnover of NeutraHealth. These are:

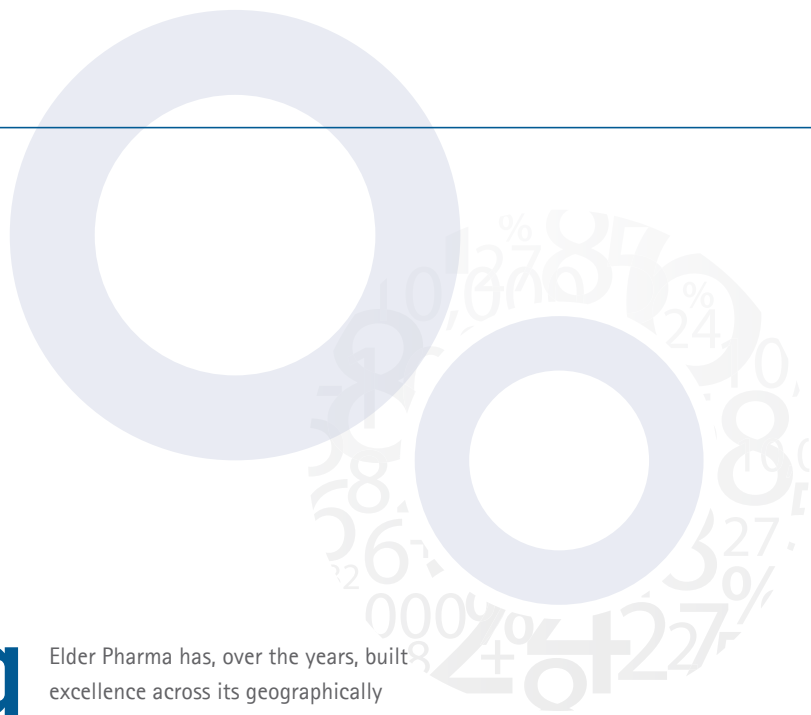
- Shelcal: Mother brand for the Company can be sold in the European markets. Recently launched Shelcal HD (high dose of calcium supplement), which will also help leverage the already strong VMS Company Biocare (NeutraHealth acquisition).
- Ecozyme: Chewable CoQ10 formulation is a product used to improve the quality of life in cardiovascular diseases as well as Stroke, Parkinson's disease, migraine and diabetes.

This acquisition has enabled the Company to expand its presence across major markets of Europe. Further, as manufacturing is not the predominant occupation of the UK-based company, it gives Elder Pharma the chance to enjoy and reap the benefits of backward integration. The acquisition also gives the Company the advantage of acquiring distribution chains that facilitate product movement in these markets.



Achievements fuelled by...

Excellence in manufacturing



Elder Pharma has, over the years, built excellence across its geographically diversified 6 manufacturing facilities located in Patalganga (Maharashtra), Paonta Sahib (Himachal Pradesh), Selaqui (Uttarakhand), Langha Road (Uttarakhand), Nerul (Maharashtra) and Pawane (Maharashtra).

1

Location	Selaqui, Uttarakhand
Approvals	<ul style="list-style-type: none"> • WHO c-GMP • Schedule – M
Manufacturing capability	<ul style="list-style-type: none"> • Tablets • Capsules

2

Location	Langha Road – Uttarakhand
Approvals	<ul style="list-style-type: none"> • New facility commenced operations • Process of applying for approvals is underway • Procured local approval for manufacturing for the domestic market
Manufacturing capability	<ul style="list-style-type: none"> • Oral liquids • Cephalosporin Tablets • Ampoules Injectables



3

Location	Paonta Sahib, Himachal Pradesh
Approvals	<ul style="list-style-type: none"> • WHO c-GMP • Schedule – M
Manufacturing capability	<ul style="list-style-type: none"> • Creams / Ointments • Cosmetic Creams

4

Location	Patalganga, Maharashtra
Approvals	<ul style="list-style-type: none"> • WHO c-GMP • Schedule – M • Approved by Health Ministry, France • Approved by Health Ministry, Japan
Manufacturing capability	<ul style="list-style-type: none"> • Multi-product bulk drug facility • Output varies from a few kilograms to tonnes per month depending on product and product mix as well as market dynamics like demand and pricing

5

Location	Pawane, Maharashtra
Approvals	<ul style="list-style-type: none"> • WHO c-GMP
Manufacturing capability	<ul style="list-style-type: none"> • API

6

Location	Nerul, Navi Mumbai
Approvals	<ul style="list-style-type: none"> • WHO c-GMP • Schedule – M
Manufacturing capability	<ul style="list-style-type: none"> • Used both as a Pilot Plant and Production Unit • Tablets • Capsules • Oral Liquids • Ointments / Creams



Elder Pharma's manufacturing prowess lies in international grade processes and state-of-the-art facility for research & development. Its manufacturing excellence has positioned the Company attractively to leverage the immense opportunities unfolding in the global pharmaceutical market.

Achievements fuelled by...

Robust financials

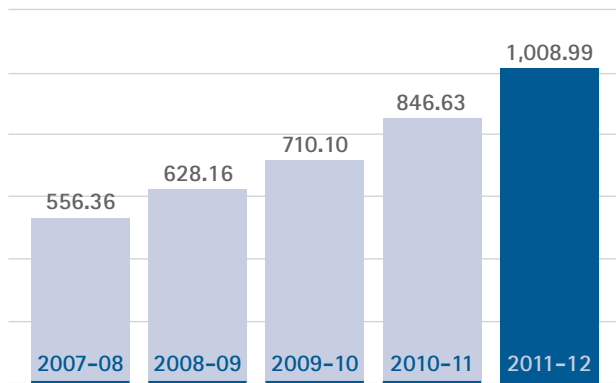
Standalone

(₹ crore)

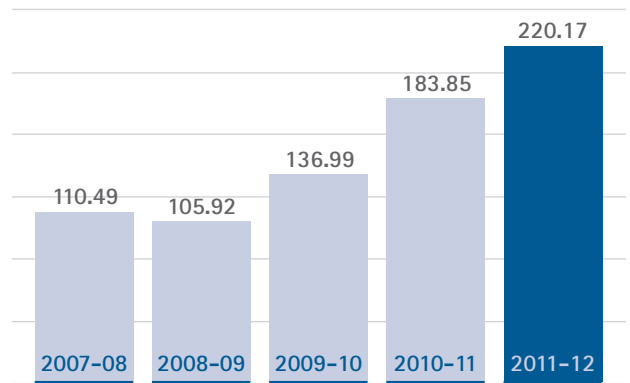
Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Total Income	556.36	628.16	710.10	846.63	1,008.99
EBIDTA	110.49	105.92	136.99	183.85	220.17
Profit Before Tax	78.57	58.59	64.67	89.06	103.51
Profit After Tax and minority interest	68.64	50.64	55.39	70.79	84.07
FINANCIAL POSITION					
Networth	384.95	415.33	474.67	566.11	609.70
Gross Block	211.53	224.87	535.40	570.94	630.07
Net Block (incl. Capital WIP)	332.52	423.41	531.05	568.80	698.62
Investments	61.88	3.92	19.68	10.84	21.09
Cash & Bank Balance	66.71	63.79	77.31	251.67	129.34
Net Current Assets	337.30	393.15	483.44	204.39	135.86
RATIOS					
EBIDTA margin (%)	19.86	16.86	19.29	21.92	22.99
PAT margin (%)	12.34	8.06	7.80	8.36	8.33
Return on Capital Employed (ROCE) (%)	14.14	10.75	10.63	19.27	14.86
Return on Net Worth (RONW) (%)	17.83	12.20	11.67	12.61	13.80
Earnings Per Share (₹)	36.74	26.86	29.37	35.88	40.94



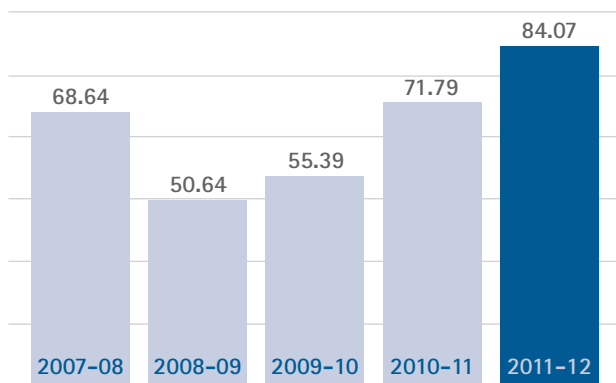
Total Income (₹ crore)



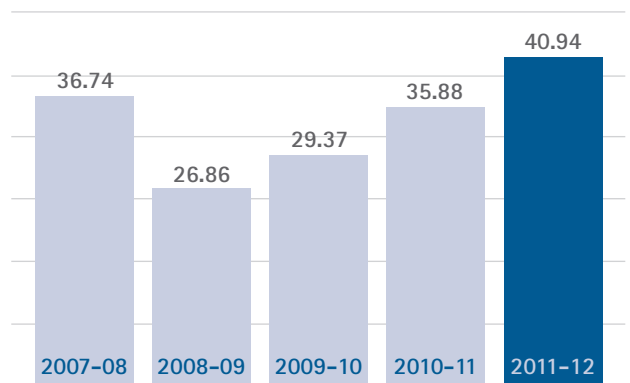
EBIDTA (₹ crore)



PAT (₹ crore)



EPS (₹)



Chairman's Message

“The strong growth witnessed by your Company during the year under review has set the pace for future growth and value-delivery”



Dear Shareholders,

It is a pleasure writing to you at the end of another good year for the Company, which saw us deliver industry-leading performance on double-digit growth. Strong sales growth enabled us to exceed our strategic and financial goals despite the challenging external environment. The year saw us entrench ourselves even more firmly in the industry, as a durable, sustainable and growth-led Company delivering exceptional value to stakeholders year after year.

Business Overview

Our growth trajectory for more than two decades, has been mapped by our strong focus on developing, marketing and distributing safe and innovative pharmaceuticals that help to improve the quality of life of patients. This strategy has enabled us to deliver long-term, profitable returns to our investors, value to our partners and rewarding careers to our employees.



Riding on our long-term strategy and our unceasing commitment to international grade quality, we have established a proven track record in terms of our product portfolio – existing and pipeline products, industry experience, as well as sales and marketing expertise. We are focussed on continued expansion of our product scale and depth, with commensurate focus on quality sustenance, to propel our future growth.

This focus steered your Company's financial and operational performance during the year gone by. We crossed the prestigious ₹ 1,000 crore mark on a consolidated basis and our revenues stood at ₹ 1,334.78 crore. The profit after tax clocked was ₹ 72.26 crore. Launch of several new products – a mix of proprietary and in-licensed, facilitated the expansion of our brand strength across our niche therapeutic areas. We strategically capitalised on our flagship brands by introducing product extensions – an approach that has always worked in your Company's favour in the past.

In geographical terms, our focus on the domestic markets continued, with our rural and mass marketing division Elvista driving growth. Internationally, our revenues are led by your Company's 100% subsidiary NeutraHealth.

Future Forward

The strong growth witnessed by your Company during the year under review has set the pace for future growth and value-delivery. The fundamentals are in place and your Company is well equipped to take on the challenging demands of the future on the strength of its skilled and creative R&D team and its state-of-the-art infrastructure. Our well-recognised market presence, coupled with a

strong product portfolio which is being continuously marked up with newer brands, together with technical prowess built on efficient manufacturing capabilities, places us in a strong position in the industry. What augments our growth capacity is the high quality of our production, cost effectiveness and a well established marketing and distribution network. Our expanding customer base consistently drives our growth focus, enabling us to achieve greater brand equity as we continue to surge on our path to progress.

Going ahead, these pillars of our growth trajectory will help us surge on to greater heights, breaking new boundaries and seizing more emerging opportunities in proprietary as well as in-licensing products.

In conclusion

Before I conclude, I would like to assure all of you of our steady and resolute commitment to continue to create value for you. We appreciate the confidence that you have reposed in us and earnestly look forward to your continued support and encouragement in the time to come. I also take this opportunity to thank the Board for their invaluable guidance and support and the employees of Elder Pharma for their undaunted commitment, incredible dedication and valuable contribution.

Warm Regards,

Jagdish Saxena
Chairman

Management Discussion and Analysis



Economic developments of the past year have been volatile, punctuated by natural disasters, large swings in investor sentiment and periods of relative calm and improving prospects. Output in the second half of 2011, was particularly weak, buffeted by flooding in Thailand, earthquake and tsunami in Japan, unrest in oil-producing countries, the debt crisis in Europe, and a stagnating recovery in the US. According to the International Monetary Fund, the global economy will continue to be sluggish in coming quarters as the recovery is threatened by intensifying strains in the euro area and fragilities elsewhere. Global output is projected to expand by 3.5% in 2012.

Moving on to India, the GDP growth for 2011-12 stands at 6.9%, only marginally higher than the 6.7% growth seen in 2008-09, the year of the global economic crisis. Growth impulses and business sentiments have weakened in India in the recent months on account of a host of factors which include an increase in interest rates. The year was marked by economic slowdown across the globe, with the Euro crisis being the highlight. The Indian economy, despite its resilience, was not immune. The falling rupee, widening fiscal deficit, double-digit inflation, 13 interest rate hikes in a year, crucial policies like FDI in retail with strong backward linkages going on the back burner, the dismal feeling of policy paralysis in the country, all these marked critical developments in the course of 2011. Sustaining high growth is likely to be the overarching concern in 2012, although the risk of inflation will remain, largely because of a weakening rupee. Investment growth is likely to remain sluggish in 2012-13 as well, unless policy issues are addressed and there is a substantial pick-up in the pace of implementation of big ticket economic reforms.

Global Pharmaceutical Industry

The economic crisis is adding another layer of complexity to an already challenging market environment. The forecast by IMS Health announces a world pharmaceutical market growth level of between 2.5% and 3.5% on a constant dollar basis. The pharmaceutical industry will feel the impact of the economic climate, but to a lesser extent than many other industries. The current forecast for the 2012 global pharma market is just over \$ 750 billion when currency exchange fluctuations are also taken into consideration. In the US, the biggest market for prescription drugs, the market is expected to contract for the first time in more than 50 years by 1% to 2% to between \$ 280 billion and \$ 290 billion in 2012.

Taking the five largest European markets (Germany, France, Italy, the U.K. and Spain) together with Japan and Canada, the average yearly growth rate will range between 1% and 4% over the next five years. Higher growth is expected in emerging markets (Brazil, Russia, India, China, Turkey, Mexico and Korea), with average annual growth of 13% to 16%. The seven emerging markets will contribute more than half of global market growth in 2012 and sustain an average 40% contribution through 2013.

Despite the pressures, there is still room for new drug launches and potential blockbusters. IMS predicts that between 50 and 60 new medicinal products will reach the market in the coming two years. While the pharmaceutical market is expected to rebound as the global economy recovers, an unprecedented level of potential patent expirations in 2012 and 2013 will curb sales growth. The global compound annual growth rate (CAGR) for pharmaceutical market growth is forecast to be 3% to 6% through 2013.

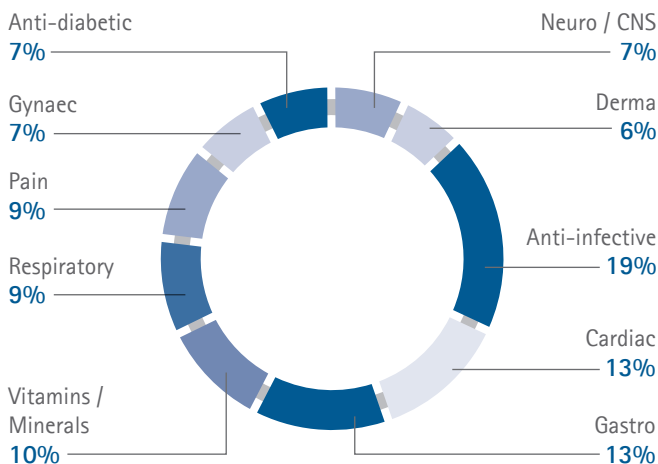


Indian Pharmaceutical Industry

The domestic pharmaceutical sector has seen 15% revenue CAGR in the past five years and the momentum is expected to continue at 14-15% CAGR, to reach an industry size of \$ 17.5 billion by 2014. The overall growth will be primarily driven by 18-20% CAGR in the chronic diseases sub-segment, which makes up ~25% of the market, and ~12% growth in acute therapies. Increasing healthcare penetration in rural areas would add to the growth. Segment-wise growth is driven primarily by strong growth in the anti-diabetic, cardiac, gynaecology and anti-infective segments.

Double-digit growth is expected to continue in the next 4-5 years, led by deeper penetration in rural markets, rising healthcare spend and a higher incidence of chronic diseases. Contributing 19% of revenue, anti-infectives remain the largest segment of the domestic pharma market. Chronic diseases such as cardiac, diabetes and CNS cumulatively brought in 27% of revenues, growing at 18-20% for more than five years, faster than the industry growth rate of 14-15%. The respiratory and pain segments individually accounted for 9% of revenues, while vitamins and minerals contributed 10%. The prevalence of chronic diseases in India is growing alarmingly, due to increasing sedentary lifestyles and unhealthy eating habits. Lifestyle diseases offer sustainable sales and better operating margins than acute segments.

Break-up of the home pharmaceutical market, by segment



About 65% of the population in India does not have access to essential affordable medicine, against only 15% in China and 47% in Africa. This is despite the fact that a stringent price-control mechanism is in force in the country and the Government has been

able to provide medicine in India at a price that is lower than even in smaller economies such as Sri Lanka, Pakistan and Bangladesh. However, rising income levels of the Indian population and increasing healthcare awareness are likely to increase affordability.

Moving further, the Indian pharmaceutical sector is largely a brand conscious market, where brand recall is the most important driver of its future. It is also a doctor-driven market, as the Indian population prefers to consume branded medicine prescribed by its doctors. These prescriptions form the key to revenue generation for a pharma company. Therefore, for a pharmaceutical company to succeed in the Indian formulations market, strong brands need to be well-established in order to ensure sustainable revenue momentum and good margins.

India's economic parameters strengthen the strong growth story for the domestic pharmaceutical market. India is still far behind other developed and emerging countries in terms of per-capita healthcare expenditure, proportion of population lacking access to essential medicines, and public healthcare expenditure as percentage of GDP.

Company Overview

Elder Pharmaceuticals is one of the fastest growing pharma companies in the country. Set up in 1988 with a manufacturing plant in Navi Mumbai, the Company today has acquired a major presence in women's healthcare, lifestyle diseases and pain management. Shelcal, a calcium supplement is a leading brand in the Indian pharma industry. A domestic centric Company, it derives more than 90% of its revenue from the domestic market and is ranked 27th by IMS ORG, April 2012. The Company has its presence highlighted across the domestic pharmaceutical chain from in-house manufacturing, In-licensing agreements, Active Pharmaceutical Ingredients and Dosage Formulations backed by an intensive Research & Development division at Nerul (Mumbai). Elder Pharmaceuticals has geographically diversified manufacturing facilities in six locations: Paonta Sahib (Himachal Pradesh), Selaqui (Uttaranchal), Langha Road (Uttaranchal), Nerul (Maharashtra) Patalganga (Maharashtra) and Pawane (Maharashtra). Together, these help Elder cater to customers on a pan-India platform.

Financial Performance

Standalone revenues for the financial year ended March 2012 stood at ₹ 98,468.73 lacs as compared to ₹ 83,858.56 lacs in the corresponding period last year thereby registering an increase by 17.42%. Standalone Profit for the year for the financial year under review stood at ₹ 8,407.33 lacs as compared to ₹ 7,079.12 lacs, an increase by 18.76%.

Business Performance

The financial year under review reflects that the Company's business verticals have delivered consistent financial and operational performances. Women's healthcare continues to remain the strongest pillar at Elder Pharma contributing 23% of total revenues. Nutraceuticals and pain management divisions witnessed encouraging growth with contributions of 7% and 9% of total revenues respectively. The anti-infectives division has also shown promise.

Segment-wise Overview

A detailed summary of each of the therapeutic segments is as follows:

1. Women's healthcare

- Shelcal remains the lead value creator for the Company. Shelcal and its extensions take the complete needs of calcium as a supplement, as a preventive and as a treatment for calcium deficiencies which gives rise to Osteoporosis
- Extensions of Shelcal named Shelcal CT and Shelcal OS have witnessed consistent growth
- Shelcal K and Shelcal HD are further assisting in boosting brand Shelcal
- The newly launched niche range for vaginal hygiene, Vagisil and Zalain will contribute to growth of this division going ahead

2. Nutraceuticals

- For the financial year under review, this division grew by 14%
- The Company's own brand 'Eldervit' continues to be the key contributor to this division's performance
- Phytomega, an in-licensed brand is garnering support in cardio protection segment
- Chewable form of co-enzyme Q10 'Ecozyme', I-Vit Plus as well as Pepamino are expected to boost revenues from this division going further
- Newly launched D-360 is also expected to boost earnings moving ahead.

3. Wound care and pain management

- The Company's own brand 'Chymoral' continues to remain the key revenue driver with a robust 84% domestic market share in its category. Chymoral Plus, an extension of predecessor Chymoral, has been well received
- Recently launched Eltrodar GM is expected to bolster performance of this division

4. Anti-infectives

- In the financial year under review, this division registered an increase of 12%
- The Company's Cefixime brands have displayed consistent performance over the financial year under review
- Formic and its line-extension Formic-O are the key revenue contributors to this division
- Newly launched Balofloxacin, MENY (Meropenem) and Formic OF are expected to boost revenues in this division going ahead

5. Lifestyle Disease Care Portfolio

- This segment is driven heavily by promotional inputs and the gestation period for product acceptability is fairly long
- On keen observation, it is noted that Lifestyle diseases are on the rise especially in the Tier I and Tier II cities owing to unhealthy lifestyles and increasing stress levels
- This is leading to issues pertaining to Hypertension, Diabetes and Cholesterol steadily gaining status
- Carnisure, a cardiovascular product is a major and established brand in its category
- Somazina Group has maintained high growth over past 5 years





Geographical Break-up

(₹ lacs)

Particulars	FY 12	FY 11	Shift (%)
Domestic	96,434.51	82,345.73	17
Exports	2,814.87	2,349.60	20

- Focus continues on the domestic markets with an intention to concentrate on nurturing possible opportunities on the domestic front
- In FY 12, domestic revenues were at ₹ 96,434.51 lacs, an increase by 17% over the corresponding period last year
- Apart from the urban markets, the Company is also tapping growth opportunities in the rural and semi-urban markets through its rural marketing team Elvista
- The Company is exporting to the non-regulated and semi-regulated markets that offer immense opportunities
- Revenue from exports in the financial year under review stood at ₹ 2,814.87 lacs, registering a growth of 20%
- Elder Pharma has acquired 100% stake in NeutraHealth, UK and in Biomeda, Bulgaria. Commencement of commercial operations in Bulgaria and UK and improved exports has witnessed the Company garner better revenues from International business

Outlook

The year under review, has been good as Elder Pharma delivered robust financial and operational performances across all segments. The Company has always aimed to be a leading innovator of pharmaceutical products while maintaining a high standard of quality controls and overall integrity of the brand. Further, the Company is positive of the potential of the recently launched which would augment growth in the time to come.

Adding to our revenues would be the contribution of the Company's mass marketing division Elvista. The division has been performing consistently well enabling Elder Pharma to strengthen presence in the rural and semi urban markets. Enhancing performance would be the Company's initiative of consistently investing in augmenting market reach through improved distribution of products. Going forward, the Company continues to explore opportunities, introduce new products and believe there is significant opportunity in the

year ahead to accelerate growth and create value. The management is optimistic of continuing to deliver consistent performance enhancing shareholder value.

Human Resources

Human Resources form an integral part of the Company's strategy for growth. Elder Pharma employs almost 3,537 employees. The growth attained by the Company is largely a function of the competence and quality of its human resources. The work environment is very challenging and performance-oriented, recognising employee potentials coupled with providing them with opportunities. The Company is also at the forefront in attracting and retaining the best talent. Human resource continues to be core strength and always endeavours to work towards having sound, proactive & progressive HR strategies and practices in place so as to align Company's objectives and employee aspirations.

Internal Control and Systems

The Company has an adequate internal control system to safeguard all assets and to ensure efficient productivity. Timely reviews ensure that all transactions are correctly authorised and reported. Wherever deemed necessary, internal control systems are also reassessed and corrective actions are taken.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's performance include economic developments within the country, demand and supply conditions in the industry, changes in input prices, changes in Government regulations, tax laws and other factors such as litigation and industrial relations.





Directors' Report

The Directors are pleased to present the Twenty Ninth Annual Report of the Company together with the audited Accounts for the year ended 31st March 2012. The working results of the Company for the year ended 31st March 2012 vis-à-vis those of the previous year are summarized below:

	Year ended 31.03.2012 (₹ In Lacs)	Year ended 31.03.2011 (₹ In Lacs)
1. Operating Income	98,468.73	83,858.56
2. Other Income	2,430.75	804.27
3. Profit before Tax	10,351.12	8,906.95
4. Less: Provision for Tax		
Current Year	2,100.00	1,800.00
Deferred Tax	(164.83)	(33.17)
5. Profit after Tax	8,415.95	7,140.12
6. Less: Prior year Tax adjustments	(8.62)	(61.00)
7. Add: Profit as per the last Balance Sheet	18596.86	19,233.78
8. Profit available for appropriation	27,004.19	26,312.90
Out of which Directors recommend Appropriation as under:		
a) Proposed Dividend	616.11	616.09
b) Tax on Dividend	99.95	99.95
c) Transfer to General Reserve	3,000.00	3,000.00
d) Transfer to Debenture Redemption Reserve	4,000.00	4,000.00
e) Surplus carried forward to Balance Sheet	19,288.13	18,596.86

OPERATIONS AND PERFORMANCE:

The economy throughout the world witnessed economic and political turmoil during the year under review with natural and man made calamities which have impacted businesses across all sectors. The Indian GDP growth was below expectation and with high interest rates and monsoon playing truant this season, the already high inflation is likely to have spiraling effect. Added to this is the depreciating Rupee against US Dollar making the imported inputs costlier. All these factors have brought a lot of pressure on both operating costs and margins of the Company. Your Company's Operating Income during the year under review was ₹ 98,468.73 lacs as against ₹ 83,858.56 lacs in the previous year. This represents an increase of ₹ 14,610.17 lacs which is equivalent to 17.42% increase over the previous year. Ever rising oil prices and resultant increase in the all round input costs, increased finance costs, etc. have brought the pre and post tax profits under pressure. However, there has been slight improvement in the pre tax and post-tax profit,

although in percentage terms it is less than the top line growth, with profit before tax for the year under review being ₹ 10,351.12 lacs as against profit before tax of ₹ 8,906.95 lacs in the previous year and profit after tax for the year under review being ₹ 8,415.95 lacs as against profit after tax of ₹ 7,140.12 lacs in the previous year.

During the year under review the Company introduced a number of new products. These products were BFX, MENY, MENY Plus, Elpod O and FORMIC OF in the Anti-infective category, New Zephrol Cold Syrup, New Zephrol Cold Tablets and New Zephrol DC Syrup in the Cough & Cold category, Aptirez Syrup in Appetite Stimulant category, Vagisil Range in the Women's Health Care category, Chymoral AP in Wound Care & Pain Management category and Gastrochill & Gastrochill D in the G. I. category.

All the products of the Company including new introductions have been well accepted by the medical fraternity in India. The main therapeutic area of interest to the Company continues to be Women's healthcare, Wound care and Pain Management, Nutraceuticals / Vitamin Supplements, Life Style & Diabetes, and Antibiotics.

MERGER OF ELDER HEALTH CARE LIMITED WITH ELDER PHARMACEUTICALS LIMITED

The Company has explored and evaluated the various opportunities for growth and expansion available for the Company. Looking at the synergies of operations and the benefits that would accrue to the Company it was decided by the Board of Directors to merge Elder Health Care Limited into the Company and at its meeting held on 2nd August 2012 has approved the draft Scheme of Arrangement in respect thereof u/s 391 to 394 of the Companies Act, 1956. The Directors are of the opinion that the draft Scheme of Arrangement is advantageous and beneficial to the Shareholders of the Company and the terms thereof are fair and reasonable. Subject to the approval of the Stock Exchanges, the Shareholders of both the transferor and transferee companies, the Registrar of Companies, the Hon'ble High Court of Judicature at Mumbai and other authorities, if any, the Scheme of Arrangement will come into effect from 1st April 2012, being the Appointed Date. It is proposed to allot 100 (One Hundred) equity shares of ₹ 10/- each fully paid up in the capital of the Company for every 358 (Three Hundred Fifty Eight) equity shares of ₹ 10/- each fully paid up held by the shareholders of the transferor company i.e. Elder Health Care Limited, once the Scheme of Arrangement is approved by all the appropriate authorities.

GLOBAL DEPOSITORY RECEIPTS:

The Company had made an issue of Global Depository Receipts (GDR) during the year 2004-05. All the issued GDRs have been converted into equity shares and no GDRs are outstanding as on 31st March 2012. The Company's listing for the GDRs, however, continues on the Luxembourg Stock Exchange and as on 31st March 2012 the same were quoted at \$13.31.



DIVIDEND:

The Directors have pleasure in recommending a dividend of 30 % i.e. ₹ 3/- per equity share of ₹ 10/- each for the year ended 31st March 2012 and the same, once approved by the shareholders, will be paid on or before 23rd October 2012 to those shareholders whose names appear in the Register of Members as on the close of business on 19th September 2012.

DIRECTORS:

Dr. R. Srinivasan, Director, is due to retire by rotation at the ensuing Annual General Meeting of the Company. He however, being eligible, has offered himself for re-appointment.

Dr. S. Jayaram, Director, is due to retire by rotation at the ensuing Annual General Meeting of the Company. He, however, being eligible, has offered himself for re-appointment.

Mr. Michael Bastian, Director, is due to retire by rotation at the ensuing Annual General Meeting of the Company. He, however, being eligible, has offered himself for re-appointment.

As required under Clause 49 of the Listing Agreement, the details of Dr. R. Srinivasan, Dr. S. Jayaram and Mr. Michael Bastian, Directors who are due to retire by rotation at the ensuing Annual General Meeting but having offered for their re-appointment are given in the Report on Corporate Governance, forming part of this Annual Report.

The Board of Directors at its meeting held on 9th August 2012, has subject to provisions of sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and further subject to the consent and approval of Shareholders and /or any other statutory authorities, if any, that may be required, re-appointed Mr. Yusuf Karim Khan as Executive Director for a period of Five years effective from 28th August, 2012.

The particulars of Mr. Yusuf Karim Khan are given in the Notice of the 29th Annual General Meeting as well as in the Report on Corporate Governance.

AUDITORS & AUDITORS' REPORT:

M/s. S. S. Khandelwal & Co., Chartered Accountants, Mumbai retire as the Auditors of the Company at the conclusion of the ensuing Annual General Meeting. They have signified their willingness to get re-appointed and have given a declaration that if re-appointed their appointment will be within the limits specified under Section 224(1)(B) of the Companies Act, 1956. On the recommendation of the Audit Committee, the Board proposes for consideration of the Shareholders, the re-appointment of M/s. S. S. Khandelwal & Co. as Auditors of the Company for the financial year 2012-13. You are requested to appoint Auditors and fix their remuneration.

The Auditors' Report to the Shareholders is self explanatory and does not contain any reservations, qualifications or adverse remark. Notes on Accounts as referred to in the Auditors' Report are self explanatory and do not call for further comments or explanation.

COST AUDITORS AND COST AUDIT REPORT:

The Directors have appointed M/s. Sevekari, Khare and Associates, Cost Accountants, Mumbai, having registration No. 00084, as Cost Auditors of the Company for the formulations and bulk drugs activities of the Company for the financial year 2012-13 and their appointment has been approved and taken on record by the Central Government. The Cost Audit Reports would be submitted to the Central Government within the prescribed time limit.

The Cost Audit Reports for bulk drugs and formulations for the year ended 31st March 2011 were filed with the Central Government on 11th October 2011.

NON-CONVERTIBLE DEBENTURES:

Your Company made two issues of Rated Secured Redeemable Non-Convertible Debentures on a private placement basis during the previous financial year. The first issue was of 1,188 units of ₹ 10.00 lacs each aggregating ₹ 118.80 crores carrying interest @ 10.75% p.a. payable half yearly and redeemable in twelve equal quarterly installments starting from the end of the 9th quarter from the date of allotment i.e. 23rd December 2010 & ending at the end of the 20th quarter from the date of allotment. The installments will commence after two years of moratorium from the date of allotment. The second issue aggregated ₹ 73.00 crores comprising of 730 units of ₹ 10.00 lacs each having seven year maturity. This issue carries interest @ 11.25% p.a. which is payable half yearly from the date of allotment i.e. 30th March 2011 and is redeemable in ten equal semi annual installments starting from six months after the end of the second year from the date of allotment & ending at the end of seventh year from the date of allotment. Both the issues were rated by Credit Analysis and Research Limited (CARE) who had assigned 'A+' rating to the said NCD issues of the Company. NCD units issued under both the issues have been listed with the WDM Segment of National Stock Exchange of India Limited (NSE). The purpose of the NCD issue was retirement of high cost debt and to augment the medium to long term resources of the Company, including regular capital expenditure (not constituting a project).

Attached hereto at Appendix 1 are the details of funds raised through Non-Convertible Debentures as above and their utilization.

Since the close of the accounting year under review, the Company has made another issue of NCDs on private placement basis, called NCD 3rd Tranche issue amounting to ₹ 100.00 crores for augmenting medium to long term resources of the Company including regular capital expenditure (not constituting a project).

The directors take this opportunity to express their sincere thanks to the investors in NCDs for the confidence reposed by them in the Company.



JOINT VENTURES / SUBSIDIARIES / INVESTMENTS:

'ELDER INTERNATIONAL FZCO' the wholly owned subsidiary of the Company in Jebel Ali, Dubai, United Arab Emirates ((Dubai WOS), continues to hold 100% stake in the U. K. based NeutraHealth Limited. Upon acquisition of 100% stake in the said company it was delisted from AIMS Exchange.

Mr. Jagdish Saxena, Chairman and Managing Director of your Company continues to be a Director on the Board of NeutraHealth Limited.

The Dubai WOS had been holding 92.2% interest in Elder Biomedica AD, Bulgaria, a step down subsidiary of the Company. During the year under review the stake in Bulgarian Company was increased to 100%. Thus it has become a wholly owned subsidiary of Dubai WOS and as a single shareholder company, it is now known as Elder Biomedica EAD. It continues to hold 100% interest in Elder Bulgaria EOOD, a pharmaceuticals & neutraceuticals manufacturing company and Biomedica 2000 EOOD, a distribution company. Bulgaria, being a part of the European Union, offers an excellent opportunity for the Company to enter the Eastern European as well as CIS countries. The manufacturing unit in Bulgaria is being upgraded and once upgradation is completed it is expected that there will be a lot of opportunities for manufacturing products for the Eastern European, CIS and other markets. The distribution business in Bulgaria has started picking up. The distribution company which used to be operating only in the Bulgarian market has now started exporting some of its products to nearby countries. The Company is trying to promote some of the products manufactured by Elder Bulgaria EOOD in the export markets in which it has been operating.

The Dubai WOS had entered into a 50 : 50 joint venture in Syncro Health Limited, Guernsey (Syncro), which was engaged in web marketing of certain neutraceutical products. Guernsey offered certain tax concessions and this would have made the products offered by Syncro Health Limited competitive as compared to buying them in stores. Since the business of Syncro did not pick up as expected it was voluntarily decided to liquidate Syncro.

The Company continues to hold it's investment in the Nepal Joint Venture. During recent period there have been certain issues on decisions taken by the Nepalese partner whereby the Company's stake in terms of percentage to total capital was reduced from earlier 40% to 30.6%. The Company has notified its dissent to the action taken by the Nepalese partner and has written to the Ministry of Industry, Government of Nepal seeking an amicable solution in the matter. The discussions are going on with the Nepalese partner as directed by the Director of Industry, Government of Nepal for arriving at an acceptable solution.

Pursuant to and in compliance with the General Circular No. 2 / 2011 being No. 51/12/2007-CL-III dated 8th February 2011 issued by Government of India, Ministry of Corporate Affairs the Company has given the required particulars of its subsidiary and subsidiaries of the subsidiary in a statement forming part of this Annual Report. The Annual Audited Accounts and related detailed information of the subsidiary and subsidiaries of subsidiary has been kept for the inspection at the registered / head office of your Company as well as the head office of

subsidiary companies concerned and the shareholders of the Company and subsidiaries seeking such information shall be provided the same at any point of time. The Company shall also furnish a hard copy of detailed accounts of subsidiaries to any shareholder on demand.

BANKERS AND FINANCIAL INSTITUTIONS:

The Directors wish to put on record their sincere gratitude to the consortium of Banks for working capital comprising State Bank of India, Canara Bank, Bank of India, Axis Bank Ltd., Development Credit Bank Ltd., , DBS Bank Ltd. and Bank of Baroda for their continued and timely support to the Company.

The Directors also wish to put on record their sincere gratitude to the various term lenders for their continued and timely support to the Company.

EXPORT HOUSE STATUS:

The Company continues to enjoy 'Export House' status. The Company's products are exported to certain African and South East Asian markets. The registration procedures are presently going on in a number of countries and once their formalities are completed, the Company's exports are expected to increase.

ISO / WHO GMP ACCREDITATION:

The Company continues to be certified as conforming to ISO 9001 : 2000 in the areas of development, manufacturing and marketing of pharmaceutical products. The Company's bulk drug manufacturing plant at Patalganga complies with ICH Q7A guidelines for manufacturing products for international markets including the US and UK markets. The Company's Sela Qui and Paonta Sahib formulation units are accredited for WHO GMP apart from these units being certified as conforming to ISO 9001 : 2000. The facility at Paonta Sahib in Himachal Pradesh, which has been set up as per the highest industry standards, has been approved by WHO for manufacturing and packing of pharmaceutical products. The formulations plant at Langha Road in Uttarakhand is designed as per US FDA requirements for drug products and steriles. The formulation plant at Nerul, Navi Mumbai is in the process of renewing its WHO GMP accreditation..

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors, on the basis of compliance certificate received from Managing Director, CFO and other executives of the Company and subject to disclosures in annual accounts as on 31st March 2012 and on the basis of discussions with the Statutory Auditors of the Company from time to time, declare and confirm:

- a) that in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures if any;
- b) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial



year ended on 31st March 2012 and the profit of the Company for that year;

- c) That the Directors had taken proper and sufficient care for maintenance of adequate accounting records for the year ended 31st March 2012 in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities; and
- d) That the Directors had prepared the accounts for the financial year ended 31st March 2012 on a 'going concern basis'.

CORPORATE GOVERNANCE:

In pursuance of the system of Corporate Governance instituted by SEBI and forming part of the Listing Agreement with the Stock Exchanges, a report thereon is separately attached as a part of to this report.

RESEARCH AND DEVELOPMENT ACTIVITY:

The Research and Development activities of the Company continue to be recognized by the Department of Science and Technology, Government of India. The Research and Development laboratory of the Company has successfully developed certain import substitute molecules / intermediates and has been working on development of a number of other molecules. It has also been continuously working on process developments of the molecules already developed by it. It has been engaged in development of new products and their improvement in terms of delivery, absorption and efficacy. The Company has applied for eighteen Indian patents with seven PCT applications. Out of these one PCT application has been entered in the USA, Europe and Japan. The Company enjoys "approved" status for its Research & Development Facility from the Secretary, DSIR u/s 35 (2AB) of the Income Tax Act, 1961 for claiming rebate on the expenses incurred by the Company on Research and Development.

INSURANCE OF ASSETS:

All the fixed assets, finished goods, semi-finished goods, raw materials, packing materials and other goods and assets of the Company lying at different locations and in-transit have been insured against fire, burglary, transit, riots, strike, malicious damage and allied risks.

CAPITALISATION:

During the year under review the Company has added fixed assets worth ₹ 59.84 crores whereas disposal and adjustment of fixed assets amounted to ₹ 0.72 crores. The Company had capital work in progress amounting to ₹ 191.01 crores as at 31st March 2012 at various project sites.

DEPOSITS:

The Company's public deposit scheme has been receiving good response from depositors. The Company is regular in repayment and payment of interest and has not defaulted therein. The Company has been complying with the provisions of Section 58A and other applicable provisions, if any, of the Companies Act, 1956 and the rules made thereunder. As at 31st March 2012 the fixed deposits outstanding under the public deposit

schemes were ₹ 128.55 crores. Bajaj Capitals Limited continue to be the Managers to the Fixed Deposit Schemes of the Company.

PARTICULARS OF EMPLOYEES:

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended is available at the registered office of the Company. As per the provisions of Section 219(i)(b)(iv) of the Companies Act, 1956 this Report and Accounts are being sent to all Shareholders of the Company and others entitled to it excluding the aforesaid information. Any Shareholder interested in obtaining a copy of the statement under Section 217(2A) of the Companies Act, 1956 may write to the Company Secretary at the address of the registered office of the Company.

EMPLOYER / EMPLOYEE RELATIONS:

The relationship with the workers of the Company's manufacturing units and other staff continues to be cordial. The Directors wish to place on record their sincere appreciation and gratitude for the services rendered by the workers and staff at all levels.

EMPLOYEE STOCK OPTION PLAN:

The Shareholders at the 21st Annual General Meeting of the Company passed a resolution approving the Employee Stock Option Plan called 'Elder ESOP 2004'. A total of 1,439,274 equity shares of the Company are available under Elder ESOP 2004 for grant of Options at an exercise price of 15% discount to the market rate. The Company had granted Options in respect of 399,250 shares which were to be exercised in four equal parts ending on 27th March 2008 at an exercise price of ₹ 209/- per share inclusive of a premium of ₹ 199/- per share. Out of the Options granted 285,748 Options were exercised. Options that were not exercised within the stipulated period have lapsed. There are 1,153,526 shares for which Options can still be granted to Employees under Elder ESOP 2004.

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

In accordance with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 as applicable, the particulars relating to conservation of energy and technology absorption are given in Annexure 1 to this Report.

The foreign exchange outgo during the year under review was ₹ 30.64 crores for imports of raw materials / trading and other items, and Rs 39.84 lacs for foreign travel. The Company also paid ₹ 1.38 crores in foreign exchange as interest on the External Commercial Borrowing of Japanese Yen equivalent of USD 15 million. The foreign exchange earnings during the year were ₹ 28 crores on account of exports on FOB basis.

For and on behalf of the Board

Jagdish Saxena
Chairman

Mumbai, 9th August, 2012



Annexure – I

A. POWER & FUEL CONSUMPTION	2010-11	2011-12
1. ELECTRICITY PURCHASED:		
Units	7984275	7061768
Total Amount	₹ 43,222,933	₹ 36,321,049
Rate/Unit	₹ 5.41	₹ 5.14
2. COAL	Not Applicable	Not Applicable
3. FURNACE OIL (L.D.O):		
Quantity (Ltrs)		143,730
Total Amount	₹ 6,488,635	₹ 6,996,832
Average Rate	₹ 54.55	₹ 48.68
4. FURNACE OIL:		
Quantity (Ltrs)	172,938	191843
Total Amount	₹ 6,496,982	₹ 6,138,976
Average Rate	₹ 37.57	₹ 32.00
5. FURNACE OIL (DIESEL)		
Quantity (Ltrs)	11,495	11,405
Total Amount	₹ 493,825	405,615
Average Rate	₹ 42.96	35.56
6. Liquified Petroleum Gas (LPG):		
Quantity (Kgs)	277,042	228560
Total Amount	₹ 20,184,842	₹ 14,595,100
Average Rate	₹ 72.86	₹ 63.86
5. OTHER/INTERNAL GENERATION		
Units	770137	501675
Quantity H.S.D. (Ltrs)	158,885	158,885
Total Amount	₹ 5,629,815	₹ 5,629,815
Rate/Unit	₹ 11.22	₹ 11.22

CONSUMPTION PER UNIT OF PRODUCTION:

For finished Packed Production per lac packs of formulations/per Kg. of Bulk Drug

Item	2011-12	2010-11
1. Electricity:		
For Formulations	₹ 33,278.81	₹ 29,404.34
For Bulk Drugs	₹ 100.78	₹ 60.53
2. L.D.O.		
For Formulations	₹ 9,847.93	₹ 10,308.80
For Bulk Drugs	₹ 19.00	₹ 8.21
3. Furnace Oil		
For Bulk Drugs	₹ 125.55	₹ 106.63
4. Furnace Oil (Diesel)		
For Formulations	₹ 27,311.46	₹ 15,939.84
5. Liquified Petroleum Gas:		
For Formulations	₹ 31,326.62	₹ 20,724.96
6. Coal:	Not Applicable	Not Applicable
7. a) LSHS	Not Applicable	Not Applicable
b) HSD	Not Applicable	Not Applicable



Form 'B'

The Company has established in-house Research and Development Centre (R & D Centre) for development of various Active Pharmaceutical Ingredients (APIs) & Dosage forms. The said R & D Centre has earned recognition from the Department of Scientific & Industrial Research, Ministry of Science & Technology, New Delhi. The strength of the development activities includes creative chemistry driven work on a systematic basis to develop new technologies leading to generation of cost effective and non-infringing routes. The Company has filed a total of eighteen Indian patents with seven PCT applications, two out of which have already entered the U.S.A., Europe and Japan.

The objectives of the Company's Research & Development (R & D) initiatives are as under:

- Process Development for cost & quality effectiveness
- Improvements in existing processes
- Development of analytical method / Impurity profiling
- Customer support.

The R & D activities are focusing on certain core segments such as anti malarial, urinary tract infections, non steroidal & anti inflammatory molecules with specific focus on areas such as wound healing, woman health care & urinary tract infection. The Development is continuous & some of major APIs that are developed and commercialized are Amiloride Hydrochloride, Flavoxate Hydrochloride, Carbocistein, Diosmin & Diacerein. Some of the formulations developed and commercialized include Repral, Elfi-XL, Hibor, Amifru S, Artrodar, Bonviva, Anamol, Elnutrin C, Enzar, CMPH, Flavospas, Somazina, Shelcal, Thrive, etc.

Appendix 1

During the year ended 31st March 2011 the Company had raised funds through issuance of the rated redeemable Non-Convertible Debentures aggregating ₹ 1,918,000. Their utilization is given hereinbelow:

Amount raised	₹	1,918,000,000
The said funds were utilized as under:		
a) Retirement of high cost debt	₹	1,324,485,374
b) Capital expenditure	₹	141,545,235
c) Augmenting medium to long term resources	₹	386,009,666
d) Issue Expenses	₹	65,959,725
TOTAL	₹	<u>1,918,000,000</u>

R&D has also created new portfolio of custom made advanced API intermediates and have successfully developed some innovative compounds for international customers.

New Pharmaceutical preparations including mouth dissolving tablets, taste mask tablets, sustained release / controlled release formulations in different dosage forms utilizing the latest technology have also been developed and launched successfully.

BENEFITS DERIVED:

- a) The proactive backward integration of the Company into the manufacture of own APIs with the objective to control quality at all stages, has helped the Company to extend its value chain in its formulations driven business model and emerge increasingly competitive in market which will support the Nation to build strong technological base.
- b) The APIs thus manufactured will render an uninterrupted flow of these APIs into the Indian market thus controlling cost and quality of formulations of the Company's dosage forms.

EXPENDITURE ON R&D:

	2011-12 (₹ in lacs)	2010-11 (₹ in lacs)
a. Capital Expenditure	6.60	54.30
b. Recurring Expenditure	507.81	435.81



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

Name of the Subsidiary	:	Elder International FZCO, Dubai, U.A.E.
Financial Year of the subsidiary Company	:	1 st April to 31 st March every year
Extent of Interest	:	100%
No. of Shares held by Elder Pharmaceuticals Limited	:	4 Shares of DHS 1,00,000 each held in the name of Elder Pharmaceuticals Limited and 1 Share of DHS 1,00,000 each held in the name of Mr. Jagdish Saxena for the benefit of Elder Pharmaceuticals Limited
Net aggregate amount Profits / (Losses) of the Subsidiary so far as it concerns to the members of Elder Pharmaceuticals Limited as it is not dealt with the Company's Accounts for the year ended 31 st March 2011 of the subsidiary	:	Not Applicable
Net aggregate amount Profits / (Losses) of the Subsidiary so far as dealt with or provision is made for those losses in the accounts of Elder Pharmaceuticals Limited for subsidiary's Financial Year ended 31 st March 2012	:	The accounts of the Subsidiary were audited for the year ended 31 st March 2012. The loss of ₹ 713.59 lacs has been dealt with in the consolidated accounts of Elder Pharmaceuticals Limited.

Report on Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges the Directors submit for the information of the Shareholders the following Report on Corporate Governance.

1. CORPORATE PHILOSOPHY:

The Management has always believed in good corporate governance and has been practicing it since inception to the extent feasible and beneficial for the enhancement of long term shareholder value and protecting the interests of the other elements involved in the working of the Company. It has adopted the philosophy of openness and transparency in its dealings with the insiders and outsiders alike.

2. BOARD OF DIRECTORS:

The Board of Directors of the Company comprises eleven Directors, three (27%) of whom are executive Directors and the remaining eight (73%) are independent non-executive Directors. Mr. Jagdish Saxena, Managing Director of the Company is the Promoter Director and also the Chairman of the Board. The Company is in compliance with Clause 49 of the Listing Agreement regarding composition of the directors.

The Company used to pay sitting for of ₹ 15,000/- which with effect from 12th August 2011 has been revised to ₹ 20,000/- for each meeting of the Board or Committees of the Board attended by the non-executive Directors.

THE STATEMENT OF OTHER DIRECTORSHIPS, MEMBERSHIPS OF COMMITTEES, ETC. IS GIVEN BELOW. (Check)

	Name of Directors	Chair-manships	Director-ships	Member of Committees	Attendance at The last AGM
1	Mr. Jagdish Saxena	Two	Four	One	Yes
2	Mr. Alok Saxena	One	Four	One	Yes
3	Mr. Yusuf Karim Khan	None	One	None	Yes
4	Dr. R.Srinivasan	Three	Ten	Nine	Yes
5	Dr. J. S. Juneja	One	Three	One	Yes
6	Dr. Sailendra Narain	None	One	None	No
7	Mr. Michael Bastian	Two	Five	Five	Yes
8	Dr. S. Jayaram	None	None	None	Yes
9	Mr. Saleem I. Shervani	Two	Seven	None	No
10	Mr. Edoardo Richter	None	None	None	No
11	Mrs. Urvashi Saxena	None	Two	None	Yes

ATTENDANCE OF DIRECTORS AT BOARD MEETINGS:

During the year ended 31st March 2012 the Board of Directors met on six occasions. The dates on which the Board Meetings were held are as follows: 10th May 2011, 12th August 2011, 26th September 2011, 4th November 2011, 10th February 2012 and 21st March 2012. The time gap between two Board meetings was not more than four months.

	Name of Director	Number of Board Meetings held	Number of Meetings attended
1	Mr. Jagdish Saxena	Six	Six
2.	Mr. Alok Saxena	Six	Six
3.	Mr. Yusuf Karim Khan	Six	Six
4.	Dr. R. Srinivasan	Six	Four
5.	Dr. J. S. Juneja	Six	Five
6.	Dr. Sailendra Narain	Six	One
7.	Mr. Michael Bastian	Six	Five
8.	Dr. S. Jayaram	Six	Six
9.	Mr. Saleem I. Shervani	Six	Three
10.	Mr. Edoardo Richter	Six	None
11.	Mrs. Urvashi Saxena	Six	Six



BOARD PROCEDURE:

The Board of Directors of the Company meets at regular intervals at meetings of the Board and also informally as and when required.

The Board met on six occasions during the financial year 2011-12. The time gap between two consecutive meetings of the Board of Directors was not more than four months.

The following information is placed before the Board as its meetings:

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results for the company and its operating divisions or business segments.
4. Minutes of meetings of audit committee and other committees of the Board.
5. The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
6. Show cause, demand, prosecution notices and penalty notices which are materially important
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8. Any material default in financial obligations to and by the Company, or substantial nonpayment for goods sold by the Company.
9. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
10. Details of any joint venture or collaboration agreement.
11. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
12. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
13. Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
15. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
16. Statutory Compliances.
17. Disclosure of interest by Directors.
18. Review of Cost Audit Reports.
19. Appointment of Chief Financial Officer on the recommendation of the Audit Committee.
20. Appointment of the Cost Auditor on the recommendation of the Audit Committee.

3. AUDIT COMMITTEE:

The Board of Directors has set up an Audit Committee which presently has four members namely, Dr. J. S. Juneja, Dr. R. Srinivasan, Dr. Sailendra Narain and Mr. Michael Bastian all of whom are non-executive and independent Directors having financial and accounting knowledge. Mr. Michael Bastian has been appointed as the Chairman of the Audit Committee from 29th April 2009. The Managing Director, the Joint Managing Director, Executive Director, Chief Financial Officer, the statutory Auditors and internal auditors are the invitees of the meetings of Audit Committee, as and when required. The Audit Committee met on four occasions during the accounting year under review.

The role of the Audit Committee was defined and continues to be as under:

- 1) Oversight of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial information is correct, sufficient and credible.
- 2) Recommending to the Board, appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 4) Reviewing with the management the annual financial statements before submission to the board for approval, with particular reference to:



- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report;
- 5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval
 - 6) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 - 7) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - 8) Discussion with internal auditors any significant findings and follow up there on.
 - 9) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - 10) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - 11) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 - 12) To review the functioning of the Whistle Blower mechanism, in case the same is existing.
 - 13) Approval of appointment of CFO (i.e the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience &

background etc. of the candidate and recommending to the Board for his appointment.

- 14) Recommending to the Board , the firm/ individual for appointment as Cost Auditor.
- 15) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the company has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

The attendance at the meetings of the Audit Committee was as under:

Name	No. of meetings	
	Held	Attended
Mr. Michael Bastian	Four	Four
Dr. R. Srinivasan	Four	Two
Dr. J. S. Juneja	Four	Four
Dr. Sailendra Narain	Four	One

Necessary quorum was present at all the Audit Committee meetings. Mr. S. P. Date, Company Secretary acts as the Secretary of the Audit Committee.

NCD Committee:

For the specific purpose of taking decisions on the matters relating to the issue of 3rd Tranche Rated Secured Redeemable Non Convertible Debentures of the Company a Committee of Directors called '**NCD 3rd Tranche Committee**' was constituted under the chairmanship of Mr. Jagdish Saxena with Dr. R. Srinivasan, Dr. S. Jayaram, Mrs. Urvashi Saxena, Mr. Alok Saexna and Mr. Yusuf karim Khan as its other members. Mr. S. P. Date, Company Secretary acts as the Secretary of the 3rd Tranche NCD Committee. The terms of reference of the NCD Committee were as under:

1. To determine the quantum of the Issue, i.e. the number of Debentures to be issued, the Coupon rate including the premium on redemption, if any, in consultation with the Lead Managers to the Issue;
2. To consider and appoint Lead Managers or additional / joint Lead Managers, Underwriters, Legal Counsels, Bankers, Listing Agents, Brokers, Sub-Brokers and any other intermediaries as may be required, including Debenture Trustee and to determine the fees or remuneration payable to them;



3. To consider and finalise the terms and conditions of the proposed Issue in consultation with the Lead Managers to the Issue;
4. To prepare and finalise the Information Memorandum / Disclosure Document in consultation with the Lead Managers, Legal Counsels, Auditors of the Company and various intermediaries to be appointed in this regard;
5. To authorize application to Stock Exchanges for in-principle approval.
6. To approve the Schedule of the Issue and application forms etc.;
7. To open one or more separate banking current account(s) for collecting the NCD proceeds;
8. To authorize employees to prepare, sign, execute, deliver and receive such documents as may be required in this regard;
9. To consider approve and effectuate listing of any of the securities of the Company on National Stock Exchange of India Ltd.; and
10. To deal with any other matters relating to the Issue".

During the year under review the 3rd Tranche NCD Committee meeting did not hold any meetings.

4. REMUNERATION OF DIRECTORS:

Non-executive Directors:

The Company does not pay any remuneration to non-executive Directors except by way of sitting fee which with effect from 12th August 2011 has been ₹ 20,000/- for every meeting of the Board or the Committee thereof attended by them.

Details of payments made to Non-Executive Directors during the year ended 31st March 2012 are given below:

Name	Sitting Fees (₹)
1. Dr. R. Srinivasan	125,000
2. Dr. Joginder Singh Juneja	1,90,000
3. Dr. Sailendra Narain	30,000
4. Mr. Saleem Shervani	55,000
5. Dr. S. Jayaram	130,000
6. Mr. Michael Bastian	1,70,000
7. Mr. Edoardo Richter	NIL
8. Mrs. Urvashi Saxena	115,000

Dr. J. S. Juneja and Mr. Saleem Shervani were issued 15,000 Options and 5,000 Options, respectively under Employees Stock Option Scheme called 'Elder ESOP 2004'. While Dr. J. S. Juneja has fully exercised Options granted to him, Mr. Saleem Shervani exercised only 1,250 Options and remaining 3,750 Options have lapsed.

Whole-Time Directors:

The Whole-Time Directors of the Company received their remuneration by way of monthly remuneration. Such remuneration (inclusive of perquisites) made to the Whole-Time Directors during the year ended 31st March 2012 is given in the table below.

Name/Designation	Amount (₹)			
	Salary	Perquisites & Allowances	Retiral Benefits	Total
Mr. Jagdish Saxena Managing Director	22,347,600	5,570,800	2,681,712	30,600,712
Mr. Alok Saxena Joint Managing Director	5,684,400	2,176,260	1,421,100	9,281,760
Mr. Yusuf Karim Khan Executive Director	3,451,800	3,035,480	862,950	7,350,230

Notes:

1. The appointment of each of the Managing Director, Joint Managing Director and Executive Director is for a period of five years. Either party to the agreement is entitled to terminate the agreement by giving not less than three months' prior notice in writing to the other party.
2. Under the Employee Stock Option Scheme 'Elder ESOP 2004', Mr. Yusuf Karim Khan was given 5,600 Options entitling him to subscribe to 5,600 Equity Shares of ₹ 10/- each for cash at a price of ₹ 209/- per share. Mr. Yusuf Karim Khan has fully exercised Options granted to him.

Remuneration Committee:

The Company has formed a sub-committee of the Board called Remuneration Committee which consists of three Directors namely, Dr. R.Srinivasan, Dr. S.Jayaram and Mr. Jagdish Saxena with Dr. Srinivasan, a non executive independent Director as its Chairman. The remuneration committee reviews the remuneration of Working Directors/ Executive Directors of the Company and recommends to the Board periodical revisions in their remuneration. During the year this Remuneration Committee met once on 9th August 2011.



Mr. S. P. Date, Company Secretary acts as the Secretary to Remuneration Committee.

Remuneration Policy:

The Company decides the remuneration package of Working Director/Executive Director after considering employment scenario, remuneration package of the industry for the like candidate and remuneration package of managerial talent of other industries. The annual pay is also linked to the performance of the Company in general and individual achievement measured against specific key results areas based on Company's objectives.

MANAGEMENT:

The Management Discussion and Analysis Report on various matters is appearing elsewhere in this Annual Report.

5. SHAREHOLDERS:

A sub-Committee of the Board under the Chairmanship of Dr. R. Srinivasan, a non-executive Director with Dr. S. Jayaram and Mr. Alok Saxena as the other members thereof designated as "Shareholders/Investors Grievances Committee" has been formed to look into the redressing of shareholders and investors complaints. Since there have not been major complaints from shareholders and / or investors the Committee did not meet during the year under review to attend to and address the complaints/grievances of the shareholders and investors.

Mr. S. P. Date, the Company Secretary acts as the Compliance Officer of the Company. It is the policy of the Company to attend and sort out the complaints of shareholders and investors as early as they can be. During the year under review the Company had received 41 complaints/requests from shareholders and all of them have been promptly attended to and addressed. As on 31st march 2012 no requests/complaints were pending to be attended to.

The Board of Directors of the Company has delegated the power of share transfer to the Registrars and Share Transfer Agents namely, Link Intime India Pvt. Ltd. who are attending to the work of share transfers and dematerialisation of shares at regular periodicity. The share transfer and dematerialisation work is overseen by the Company Secretary and periodically reported to Directors at their meetings.

6. DETAILS OF THE LAST THREE ANNUAL GENERAL MEETINGS HELD:

For the Year		Date & Time of AGM	Venue
2010-11	28 th AGM	26 th September 2011 10.30 a.m.	Juhu Vile Parle Gymkhana Club Plot No.U-13, 13 th Road, JVPD Scheme, Juhu, Mumbai 400 049.
2009-10	27 th AGM	28 th September 2010 10.30 a.m.	Juhu Vile Parle Gymkhana Club Plot No.U-13, 13 th Road, JVPD Scheme, Juhu, Mumbai 400 049.
2008-09	26 th AGM	28 th September 2009 10.30 a.m.	Juhu Vile Parle Gymkhana Club Plot No.U-13, 13 th Road, JVPD Scheme, Juhu, Mumbai 400 049.

During the last three AGMs the following Special Resolutions were passed.

26th AGM – Special Resolution for appointment of Mr. Jagdish Saxena as a Director in whole time service not liable to retirement by rotation to be designated as Managing Director effective 1st May 2009.

26th AGM – Special Resolution for authorizing the Board of Directors to issue FCCBs/ADRs/GDRs, etc. pursuant to provisions of Section 81 and or 81(1A) applicable and other applicable provisions of the Companies Act, 1956.

27th AGM – No Special Resolution was passed in the 27th AGM.

28th AGM – Special Resolution for authorizing the Board of Directors to issue FCCBs/ADRs/GDRs, Equity Shares, etc. pursuant to provisions of Section 81 and / or 81(1A) as applicable and other applicable provisions of the Companies Act, 1956.

No Special Resolution was passed last year through postal ballot.

7. DISCLOSURES:

The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have any potential conflict with the interests of the Company. Wherever transactions are entered into approvals are obtained from appropriate authority/ies.



The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets. There were no penalties imposed or any strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authority relating to the above.

Code of Conduct:

The Code of Conduct for Directors and Senior Management of the Company has been laid down by the Board and the same is posted on the website of the Company. The CEO / Managing Director declares that the Board Members and Senior Management covered by the Code of Conduct affirmed compliance with the Code of Conduct of the Company.

CEO / CFO Certification:

The CEO / CFO of the Company have certified to the Board as required under Clause 49(v) of the Listing Agreement about compliance by the Company with the requirements of the said sub-clause for the financial year ended 31st March 2012.

8. MEANS OF COMMUNICATION:

The quarterly/annual unaudited provisional financial results are published in the newspapers Free Press Journal and Nav Shakti as per the following indicative schedule.

- For the quarter ending 30th June – second week of August
- For the quarter ending 30th September – second week of November
- For the quarter ending 31st December – second week of February
- For the quarter/year ending 31st March – second week of May.

The audited annual accounts for the year ending on 31st March are dispatched to the shareholders in the last week of August/first week of September.

The provisional as well as audited financial results and official news releases are up loaded on the Company's website viz. <http://www.elderindia.com>

9. GENERAL SHAREHOLDER INFORMATION:

Date, time and venue of the 29th AGM : **28th September 2011**
 at 10.30 a.m. at
 Hotel Blue Waters,
 Opposite Crystal Point,
 Near Tata Power House,
 New Link Road,
 Andheri (West),
 Mumbai 400 053.

Financial Year : April to March

Date of Book Closure : 20th September 2012 to
 28th September 2012
 (Both days inclusive)

Dividend Payment Date : On or before 23rd October 2012

Listing on Stock Exchanges : Equity shares of the Company are listed on the Stock Exchange, Mumbai (BSE) and the National Stock Exchange of India Limited (NSE). The Annual Listing fees as prescribed for both the exchanges have been paid for the year 2012-13.

Stock Code:

The Stock Exchange, Mumbai (BSE) - **532322**

Scrip ID on Bolt - **ELDERPH**

The National Stock Exchange of India (NSE) - **ELDERPHARM**

NSDL/CDSL - ISIN - for fully paid-up Equity Shares is **INE 975A01015**



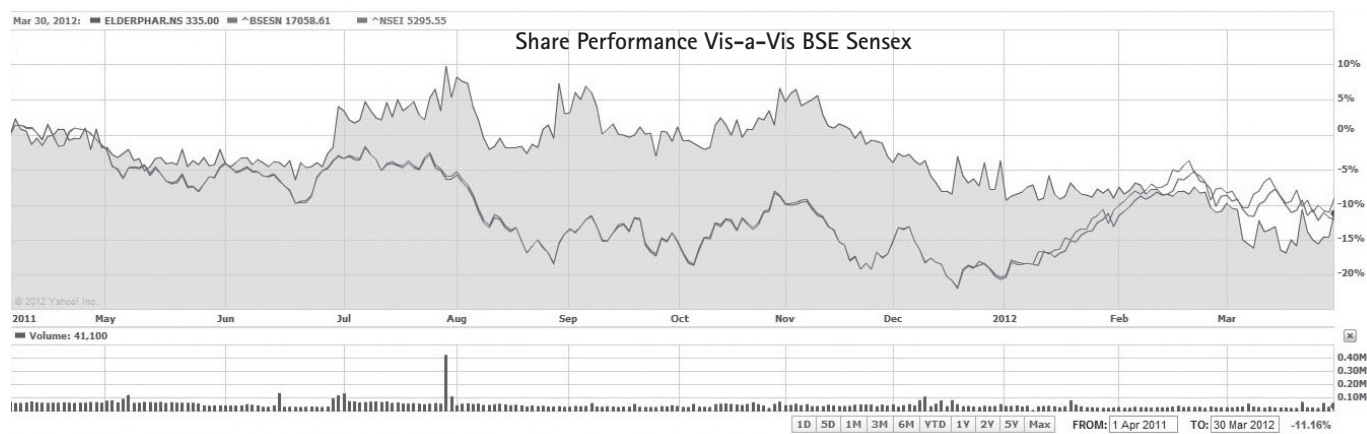
Corporate Identity Number (CIN)

The Company's CIN, allotted by the Ministry of Corporate Affairs, Government of India, is L24239MH1983PLC029714.

STOCK MARKET DATA

The monthly high and low quotations and volume of shares traded during April 2011 to March 2012 on the Bombay Stock Exchange Limited, Mumbai (BSE) and the National Stock Exchange of India Limited (NSE) are as follows:

	The National Stock Exchange Ltd. (NSE)			The Bombay Stock Exchange Ltd. (BSE)		
	High	Low	Volume	High	Low	Volume
April 2011	399.00	360.85	1,149,318	420.00	369.10	831,930
May 2011	379.50	336.80	1,421,452	376.00	357.00	964,962
June 2011	405.00	346.80	1,047,449	389.90	342.55	687,057
July 2011	419.70	375.00	1,787,950	435.00	372.00	1,539,460
August 2011	411.00	331.25	931,270	411.00	365.10	1,060,595
September 2011	412.00	365.55	763,066	411.65	369.05	948,152
October 2011	407.90	364.00	874,312	403.90	364.05	980,460
November 2011	408.00	365.10	868,593	407.00	365.10	1,287,938
December 2011	381.00	329.00	1,052,253	378.70	328.00	1,341,207
January 2012	368.50	339.40	775,186	365.50	338.00	811,193
February 2012	365.00	334.00	595,223	360.00	335.00	608,282
March 2012	344.50	296.00	709,389	344.95	298.00	774,079



REGISTRAR AND SHARE TRANSFER AGENTS:

The Company has appointed Link Intime India Pvt. Ltd. (Link Intime) as its Registrar and Share Transfer Agents for both Demat as well as Physical segment. The Office of Link Intime is situated at C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400 078. They are available on Phone No. (022) 2596 3838 and their Fax No. is (022) 2594 6969. Their e-mail ID is mumbai@linkintime.co.in

SHARE TRANSFER SYSTEM:

Link Intime India Pvt. Ltd., the Registrars and Share Transfer Agents follow the following transfer procedure. All the documents received by them are numbered and inwards. After specimen signatures are checked and tallied with those on record the transfer documents are edited, checked and in case of objections, objection code is marked and communicated to the Transferee. After the objection is cleared all valid cases are allotted transfer numbered. A dummy transfer register is generated for checking and after corrections, if any, final transfer register is prepared. Endorsements stickers are affixed on the share certificates and covering letters are attached to the transferred certificates. A journal for registration is created and the transfer documents checked with the journal are dispatched. Simultaneously shareholders records are updated.



In case of demat transfers the data of transfers is received from the depositories once in a week. The same is downloaded and the shareholder records are updated.

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2012

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	15,930	97.52	897,889	4.37
501 to 1000	190	1.16	149,453	0.73
1001 to 2000	66	0.40	99,849	0.49
2001 to 3000	33	0.20	82,414	0.40
3001 to 4000	21	0.13	74,576	0.36
4001 to 5000	9	0.06	40,648	0.20
5001 to 10000	20	0.12	141,231	0.69
10001 and above	67	0.41	19,050,876	92.76
Total	16,336	100.00	20,536,936	100.00

Out of the above

NUMBER OF SHARES IN PHYSICAL MODE: 398,415 Equity Shares in respect of 4,668 holders as on 31st March 2012.

NUMBER OF SHARES IN DEMAT MODE: 20,138,521 Equity Shares in respect of 11,535 holders as on 31st March 2012.

Category of Shareholders as on 31st March 2012

Category	No. of Shares	% of Shareholding
Promoters Et Promoter Group	8,132,133	39.60
Financial Institutions/Banks/ Insurance companies	1,542,418	7.51
NRI/Foreign Holding	6,192,117	30.14
Private Corporate Bodies	1,942,023	9.46
Indian Public	2,718,245	13.29
Total	20,536,936	100.00

GDRs:

The Global Depository Receipts (GDRs) issued by the Company are listed on the Luxembourg Stock Exchange. The said GDRs were quoted at US\$ 13.31 as on 31st March 2012. As at the end of the accounting year under review no GDRs were outstanding.

Elder ESOP 2004:

At the 21st Annual General Meeting of the Company held on 28th September 2004 the Shareholders of the Company had approved Employees Stock Option Scheme called 'Elder ESOP 2004'. On 28th March 2006 the Compensation Committee allotted 3,99,250 Options to eligible Grantees entitling them to subscribe to one equity share of ₹ 10/- each

per Option granted at an Exercise Price of ₹ 209/- per share inclusive of ₹ 199/- per share as premium. These Options were to be exercised in four equal parts every three months upto 27th March 2008 after initial Vesting Period of one year. Accordingly, Grantees have exercised their Options in respect of 285,748 equity shares of ₹ 10/- each from 28th March 2007 to 27th March 2008. Options that were not exercised within the prescribed period have lapsed. However, Elder ESOP 2004 still has a balance of 1,153,526 shares for which Options can be issued to Employees.

Plant Locations:

The Company's plants are situated at the following locations:

- Plot No. D-219 Et 220
T.T.C. Industrial Area,
Thane-Belapur Road, Navi Mumbai 400 706
- Plot No. C-21/2, T.T.C. Industrial Area, Village – Pawane
Navi Mumbai 400 704
- Plot No. A-36
Patalganga Industrial Area,
Village Khaire, Taluka Khalapur
District Raigad, Maharashtra 410 220
- Plot No. C-11/2
Sela Qui Industrial Area
Near Dehradun
Uttarakhand, PIN : 248 197



5. Plot No. 103,
Paonta Sahib Industrial Area
Village: Gondpur
Tehsil: Paonta Sahib
District: Sirmour
Himachal Pradesh
6. Village Charba
Pargana Pachwa Doon
Tehsil – Vikasnagar
District – Dehradun
Uttarakhand

Address for Correspondence:

The Company has appointed Link Intime India Pvt. Ltd. as its Share Transfer Agents. All communications with regard to transfer, transmission, instructions / enquiries on Electronic Clearing Service (ECS), dividend, dematerialising of shares, etc. should be addressed to the Share Transfer Agents at the following address.

C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai 400 078.
Email: mumbai@linkintime.co.in

The Shareholders are also welcome to communicate directly with the Company at the following address.

Registered Office: Secretarial Department
Elder Pharmaceuticals Limited
'Elder House', Plot No. C-9, Dalia Industrial Estate
Off Veera Desai Road
Andheri (West)
Mumbai 400 053
E-mail: corporate@elderindia.com

Details of directors seeking re-appointment given pursuant to clause 49 of the listing agreement:

As required by Clause 49 of the Listing Agreement given hereunder are the details of Dr. R. Srinivasan, Mr. Michael Bastian and Dr.S. Jayaram, the retiring Directors seeking re-appointment.

Dr. R. Srinivasan:

Dr. Raghavachary Srinivasan having DIN 00003968 was appointed as a Director on the Board on 15th December 1997. As per provisions of Section 262 and Article 134 of the Articles of Association of the Company, Dr. Srinivasan is due to retire at the ensuing annual general meeting of the Company, but being eligible has offered himself for re-appointment.

Dr. Srinivasan, aged 81 years, holds a Doctorate degree in Banking and Finance from University of Mumbai. He is also a Fellow member of the Institute of Banking and Finance apart from being a Certified Associate of the said Institute.

Dr. Srinivasan has over 43 years of experience in banking and was Chairman of three different banks. He retired as Chairman and Managing Director of Bank of India, Mumbai. While in active service Dr. Srinivasan was on the Boards of various institutions such as IDBI, IRBI, New India Assurance Company, Discount and Finance House, ECGC, Agricultural Finance Corporation, etc. and on the governing Boards of Reserve Bank of India, Bankers' Training College and National Institute of Bank Management.

Dr. Srinivasan's other directorships are as under:

1. Nayamode Solutions Pvt. Ltd.
2. Snowcem Paints Pvt. Ltd.
3. Suchirindia Infratech Pvt.Ltd.
4. Shubhalaxmi Polyesters Limited.
5. J.Kumar Infraprojects Limited.
6. McLeod Russel India Limited.
7. Graphite India. Limited.
8. Goldiam International Limited.
9. Shalimar Paints Limited.
10. Williamson Magor & Co. Limited.

Dr. Srinivasan does not hold any shares of the Company either directly or indirectly.

The presence of Dr. Srinivasan on the Board will immensely benefit the Company.

The Board recommends the appointment of Dr. R. Srinivasan as a Director.

Dr. S. Jayaram:

Dr. S. Jayaram, aged 63 years, having DIN 01244431 was appointed as a Director on the Board on 29th August 2003. He is an M. D. in Medicine from the University of Mumbai and is a leading medical practitioner of Mumbai. He is attached to the J. J. Group of Hospitals, Bombay Hospital and Motiben Dalvi Hospital. He is the Dean of Bombay Hospital and an Honorary Professor of Medicine in the Grant Medical College, Mumbai. Dr. Jayaram guides the Company on new product introduction, clinical trials of new products, etc.

Dr. Jayaram does not hold directorships of any other company.

Dr. Jayaram holds 750 shares of the Company.



The presence of Dr. Jayaram will be of great benefit to the Company
The Board recommends appointment of Dr. S. Jayaram as a Director.

Mr. Michael Bastian:

Mr. Michael Bastian, aged 68 years, having DIN 00458062 was appointed as a Director on the Board on 29th September 2006. He is a Commerce graduate and a Fellow Member of the Institute of Chartered Accountants of India. He has more than three decades of banking experience in various capacities and has retired as Chairman nad Managing Director of Syndicate Bank in 2004. Earlier he served as an Executive Director of Vijaya Bank. Mr. Bastian is an ex-Director of Association of Merchant Bankers of India and ex-Vice Chairman of Foreign Exchange Dealers Association of India. Presently, he heads MB Associates, a consultancy firm which specializes in advising on financial restructuring and related matters.

Mr. Bastian is on the Board of following companies as an Independent Director:

1. Indian Oil Corporation Limited
2. Orient Paper Et Industries Limited
3. Artson Engineering Limited
4. Bangalore Stock Exchange Limited.

Mr. Bastian does not hold any shares of the Company either directly or indirectly.

The presence of Mr. Michael Bastian will immensely benefit the Company.
The Board recommends appointment of Mr. Michael Bastian as a Director.

Mr. Yusuf Karim Khan:

The Board of Directors of the Company had appointed Mr. Yusuf Karim Khan having DIN 00612855 as an Additional Director and Executive Director at their meeting held on 28th August 2007 for a period of five years from that date. His appointment was approved by the Shareholders at the 24th Annual General Meeting held on 27th day of September 2007. The Board of Directors has at its meeting held on 9th August 2012, subject to the provisions of sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956 as well as Schedule XIII to the Companies Act, 1956 and further subject to the approval of Shareholders and other authorities in any re-appointed Mr. Yusuf Karim Khan as Executive Director of the Company not liable to retire by rotation for a period of five years w.e.f. 28th August 2012, on the following terms:

Salary ₹ 302,650/- p.m plus monthly allowance of ₹ 233,265/- p.m with such suitable increment as the Board (which includes Remuneration Committee) may decide from time to time. Mr. Yusuf Karim Khan will also be entitled to LTA, Retirement Benefits, Car, Telephone and other allowances, commission etc. which are allowed and are within limit fixed by Section I and II of Schedule XIII to the Companies Act, 1956. The remuneration as above has been approved by the Remuneration Committee.

It is proposed to pay him the same remuneration and perquisites, subject to the approvals as required from the Authorities, in the event of loss or inadequacy of profits

Mr. Yusuf Karim Khan, aged 50 years, an Arts Graduate, has worked with Bank of Oman and Alpic Finance Ltd. He has been working with the Company since 1st July 2003 as Senior Vice President – Finance Et Treasury and thereafter with effect from 28th August 2007 elevated to the post of Executive Director. Mr. Khan has vast knowledge in the field of treasury and banking.

Mr. Khan holds directorship in Fleet Finance (P) Ltd.

Mr. Khan holds 51,730 equity shares of ₹ 10/- each in the Company. He does not have any pecuniary relationship with the Company other than his remuneration as an Executive Director of the Company. Mr. Yusuf Karim Khan was granted 5,600 Options under 'Elder ESOP 2004' entitling him to apply for equal number of equity shares in the capital of the Company for cash at a price of ₹ 209/- per equity share, all of which were subscribed by him. There are no managerial personnel related to Mr. Yusuf Karim Khan.

Unclaimed Dividend:

The unclaimed dividend in respect of the Financial years up to 2003-04 has been transferred to Investor Education and Protection Fund (IEPF) A/C established under the Revenue A/C of Central Government on 14/11/2011.

The following Dividend, if unclaimed for 7 years, will be transferred to IEPF as follows:

Financial year	Unclaimed Dividend* As on 31/03/2012 (₹)	Unclaimed dividend A/C with
2004-05	353,812.00	Standard Chartered Bank
2005-06	583,425.00	Standard Chartered Bank
2006-07	536,121.00	Standard Chartered Bank
2007-08	344,527.50	State Bank of India
2008-09	330,889.50	State Bank of India
2009-10	411,495.00	State Bank of India
2010-11	420,057.00	Axis Bank Ltd.



*The actual amounts transferred to IEPF on due dates may differ from these amounts if any claims made by shareholders in respect of dividends not received by them are paid by the Company before the transfer to IEPF.

10. RISK ASSESSMENT AND MITIGATION:

The Company has formulated an appropriate policy for identification, assessment and mitigation of risks. The policy will be reviewed as and when required depending upon the change in the circumstances affecting the Company and its business.

11. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Adequate well established control procedures for internal control are already in place. The well qualified Internal Audit Team implements these procedures and controls. Risk evaluation procedures have also been introduced. However, in view of growing activities the internal audit team is being strengthened and the scope of internal audit is widened.

12. FINANCIAL AND OPERATIONAL PERFORMANCE:

Sales: Company's operating income for the year ended 31st March 2012 was ₹ 98,468.73 lacs as against ₹ 83,858.56 lacs in the previous year marking an increase of about 17.42% .

Depreciation: Depreciation / Amortisation was at a higher figure of ₹ 2,763.56 lacs which was higher by ₹ 76.21 lacs as compared to previous year. The increase was because of the provision of depreciation on additional fixed assets acquired during the year.

PBT and PAT: Profit before tax for the year under review being ₹ 10,351.12 lacs as against profit before tax of ₹ 8,906.95 lacs in the previous year and profit after tax for the year under review being ₹ 8,415.95 lacs as against profit after tax of ₹ 7,140.12 lacs in the previous year.

Earning per Share/Book Value Per Share: Earning per Share for the year under review was ₹ 40.94 as basic and on diluted basis per share as against ₹ 35.88 as basic and diluted basis per share in the previous year.

Book value Per Share was ₹ 297.41 as on 31st March 2012 as against ₹ 275.65 as on 31st March 2011.

Net Worth: Net Worth of the Company as on 31st March 2012 was ₹ 609.70 crores as against ₹ 566.11 crores as on 31st March 2011 which has increased by ₹ 43.59 crores as compared to that on 31st March 2011.

WEBSITE OF THE COMPANY:

The Company's website address is www.elderindia.com and the annual audited accounts, quarterly un-audited financial statements and shareholding distribution are uploaded on the website on a regular basis. The website has a separate section for the investors through which they can reach the Company for redressing their complaints/grievances, if any.

Declaration

As per Clause 49 of Listing Agreement with Stock Exchanges, this is to confirm that all Board Members and Senior Management personnel have affirmed compliance with Code of Conduct of the Company for the Financial Year 2011-12.

For and on behalf of the Board

Jagdish Saxena
Chairman

Mumbai, 9th August, 2012

Certificate on Corporate Governance

To The Members of

ELDER PHARMACEUTICALS LIMITED

We have examined the compliance of conditions of Corporate Governance by Elder Pharmaceuticals Limited (the Company) for the year ended on 31st March 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to 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 Clause 49 of the Listing Agreement.

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

For S S KHANDELWAL & CO.
Chartered Accountants
(Firm Registration No:105064W)

(S S KHANDELWAL)
(Proprietor)
Membership No.31487

Mumbai, 9th August, 2012



Auditors' Report

To the Members of

Elder Pharmaceuticals Limited.

- 1) We have audited the attached Balance Sheet of **ELDER PHARMACEUTICALS LIMITED** as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India under sub-section (4A) of the section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to above, 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 purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement referred to in this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement, dealt by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of the written representation received from the Directors and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2012 from being appointed as director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with the significant accounting policies and other notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - i) In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2012;
 - ii) In the case of Statement of Profit and Loss of the Profit of the Company for the year ended on that date and;
 - iii) In the case of Cash Flow Statement of the cash flows of the Company for the year ended on that date.

For S S KHANDELWAL & CO.
Chartered Accountants
(Firm Registration No:105064W)

(S S KHANDELWAL)
(Proprietor)
Membership No.31487

Mumbai, 9th August, 2012



Annexure to the Auditors' Report

(Referred to paragraph 3 of our report of even date)

- 1 a) The Company has maintained proper records to show full particulars, including quantitative details and situation of fixed assets.
b) As explained to us, the management during the year has physically verified the Fixed assets in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
c) During the year the Company has not disposed of a substantial part of its fixed assets.
- 2 a) As explained to us, the management at regular intervals during the year has physically verified inventories.
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.
c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory.
- 3 In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956;-
 - a) The Company has granted interest free unsecured loans to a wholly owned subsidiary and a joint venture company covered in the register maintained under section 301 of the Companies Act, 1956. In respect of the said loans the maximum amount outstanding at any time during the year is ₹ 8658.66 lacs and the year- end balance is ₹ 8658.66 lacs.
 - b) As per the information and explanations given to us, the terms and conditions of such interest free loan given to the subsidiary and the joint venture company covered in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
 - c) As per the information and explanations given to us, the principal amounts of the said loans are repayable on demand and there is no repayment schedule. Therefore the question of overdue amount does not arise.
 - d) According to the information and explanations given to us the Company has not taken loans from the parties listed in the register maintained under section 301 of the Companies Act. 1956.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness in internal controls in respect of the above area.
- 5 a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
b) Based on the information and explanations given to us, we are of the opinion that the transactions made in pursuance of the contracts or agreements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5 lakhs in respect of any party during the year have been made at reasonable prices, having regard to the prevailing market price at the relevant time.
- 6 In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 58A and 58AA of the Companies Act and Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- 7 The Company has an internal audit system commensurate with the size and the nature of its business.
- 8 The Central Government has prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in respect of certain manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- 9 a) As per information and explanations given to us the Company generally been regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Sales Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities and there were no undisputed amounts payable in respect of such dues which have remained outstanding as at 31st March 2012 for a period exceeding six months from the date they become payable. In respect of income tax liability the Company was generally regular in depositing the undisputed dues with the authorities.



b) The disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as under.

Name of the statute	Nature of dues	Period to which the amount relates	Forum where the dispute is pending	Amount (₹ in Lacs)
Income Tax	Block assessment dues	Block period 1.4.1995 to 18.9.2001	High Court, Mumbai	216.53
Income Tax	Assessment dues	A. Y 2002 - 03	High Court, Mumbai	23.66
Income Tax	Assessment dues	A. Y 2008 - 09	Commissioner of Income Tax	28.39
Customs Duty	Adjudication officer	August 2002 to April 2008	Customs, Excise & Service Tax Appellate Tribunal	25.00
Sales Tax	Assessment dues	F.Y 2008-09	Asst. Commissioner, Commercial Taxes, Bihar	17.42
Sales Tax	Assessment dues	F.Y 2003-04	Asst. Commissioner, Commercial Taxes, West Bengal	18.79
Service Tax	Reversal ratio of service tax attributable for manufacture of exempted goods under rule 6(5) of CCR	September 2006 to March 2010	Commissioner, Service Tax, Belapur	490.63
Service Tax	Eligibility of S.T on CHA & C&F agent	September 2006 to March 2011	Commissioner, Service Tax, Belapur	1.45
Service Tax	S. T payable on reverse charge method.	October 06 to March 2011	Commissioner, Service Tax, Belapur	0.54

- 10 The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- 11 According to information and explanations given to us and based on the documents and records produced before us, the Company has not defaulted in repayment of dues to banks as at the balance sheet date.
- 12 In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion and according to the information and explanations given to us, the nature of activities of the company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund/ society.
- 14 The Company has maintained proper records of the transactions and contracts in respect of dealing in shares, securities and other investments and timely entries have been made therein. All shares, securities and other investments have been held by the Company in its own name.
- 15 According to the information and explanations given to us and the records examined by us, the terms and conditions of the guarantee given by the Company for loans taken by others from a bank are not prejudicial to the interest of the Company.
- 16 To the best of our knowledge and belief and according to the information and explanation given to us by the management the term loans availed by the Company were, prima facie, applied by the Company during the year for the purpose for which the loans were obtained.
- 17 According to the Cash Flow statement and other records examined by us and the information and explanations given to us, on all overall basis, funds raised on short term basis, have prima facie, not been used during the year for long term investments.
- 18 The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 As per information and explanation given to us and based on records examined by us the Company has created charge in respect of debentures
- 20 To the best of our knowledge and belief and according to the information and explanation given to us, the Company has not raised any money through a public issue during the year.
- 21 In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, which causes the financial statements to be materially misstated.

For S S KHANDELWAL & CO.
Chartered Accountants
(Firm Registration No:105064W)

(S S KHANDELWAL)
(Proprietor)
Membership No.31487



Balance Sheet

as at 31st March, 2012

(₹ in Lacs)

	Note No.	As At 31st March, 2012	As At 31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	2,056.66	2,056.66
Reserves and Surplus	3	67,118.95	59,055.12
Non-current liabilities			
Long-term borrowings	4	42,397.42	37,543.83
Deferred tax Liabilities (net)	5	183.33	348.16
Long-term provisions	6	1,428.04	1,445.30
Current liabilities			
Short-term borrowings	7	35,689.82	30,431.95
Trade payables	8	4,382.64	4,431.18
Other current liabilities	9	16,201.68	13,157.01
Short-term provisions	10	1,975.39	1,510.33
TOTAL		171,433.93	149,979.54
ASSETS			
Non-current assets			
Fixed assets:			
Tangible Assets	11	49,694.14	46,510.12
Intangible Assets	11	1,067.12	1,067.12
Capital Work-in-Progress	11	19,100.83	9,302.72
Non-Current Investments	12	289.31	292.47
Long-Term Loans and Advances	13	29,446.89	22,837.04
Current assets			
Current Investments	14	1,820.00	795.00
Inventories	15	22,125.07	18,489.77
Trade Receivables	16	28,447.28	22,665.74
Cash and Bank Balances	17	12,933.64	25,167.42
Short-term loans and advances	18	4,315.76	2,075.30
Other current assets	19	2,193.89	776.85
TOTAL		171,433.93	149,979.54
Significant Accounting Policies	1		

The accompanying notes 1 to 45 are an integral part of the financial statements.

As per our report of even date
For S S KHANDELWAL & CO.
Chartered Accountants
(Firm Registration No:105064W)

Jagdish Saxena
Managing Director

Alok Saxena
Joint Managing Director

Yusuf Karim Khan
Executive Director

(S S KHANDELWAL)
(Proprietor)
Membership No.31487

Suresh V. Pai
Chief Financial Officer

S. P. Date
Company Secretary

Mumbai, 9th August, 2012



Statement of Profit and Loss

for the year ended 31st March, 2012

(₹ in Lacs)

	Note No.	Year Ended 31st March, 2012	Year Ended 31st March, 2011
INCOME			
Revenue from Operations	20	98,468.73	83,858.56
Other Income	21	2,430.75	804.27
Total Revenue		100,899.48	84,662.83
EXPENSES			
Cost of Materials Consumed	22	11,579.96	11,682.69
Purchases of Stock in Trade	23	39,352.72	28,618.91
Changes (Increase) in Inventories of Finished goods, work-in-progress and stock in trade	24	(3,797.23)	(3,435.21)
Employee Benefits Expenses	25	10,897.74	10,433.08
Finance Costs	26	8,902.34	6,290.15
Depreciation and Amortisation Expense		2,763.56	2,687.35
Other Expenses	27	19,712.14	18,542.81
R & D Expenditure	28	507.81	435.55
Total Expenses		89,919.04	75,255.33
Profit Before Exceptional Item and Tax		10,980.44	9,407.50
Exceptional Item		629.32	500.55
Profit Before Tax		10,351.12	8,906.95
Less : Provision for Tax			
Current		2,100.00	1,800.00
Deferred		(164.83)	(33.17)
Profit after Tax		8,415.95	7,140.12
Less : Tax for earlier years		8.62	61.00
Profit For The Year		8,407.33	7,079.12
Basic and Diluted EPS (Face Value ₹ 10/-)		40.94	35.88

As per our report of even date
For S S KHANDELWAL & CO.
Chartered Accountants
(Firm Registration No:105064W)

Jagdish Saxena
Managing Director

Alok Saxena
Joint Managing Director

Yusuf Karim Khan
Executive Director

(S S KHANDELWAL)
(Proprietor)
Membership No.31487

Suresh V. Pai
Chief Financial Officer

S. P. Date
Company Secretary

Mumbai, 9th August, 2012



Cash Flow Statement

for the year ended 31st March, 2012

(₹ in Lacs)

	2011-2012	2010-2011
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax & extraordinary items	10,351.12	8,906.94
Add : Adjustment for :		
Depreciation	2,763.56	2,687.35
(Profit)/Loss on Sale of Fixed Assets	22.65	2.87
Finance costs	8,902.34	5,929.03
Exchange loss (gain)(net) on loans	629.32	500.55
Dividend received	(254.60)	(115.04)
Interest received	(1,644.19)	(217.39)
Other income	(373.22)	(510.38)
	<u>10,045.86</u>	<u>8,276.99</u>
Operating Profit before Working Capital Changes	20,396.98	17,183.93
Working capital changes		
Adjustments for (Increase)/decrease in operating assets:		
Inventories	(3,635.30)	(4,234.21)
Sundry Debtors	(5,781.54)	(3,341.28)
Short-term Loans & Advances	(2,240.46)	(1,450.60)
Long-term Loans & Advances	(6,609.85)	(6,128.62)
Other Current Assets	(1,417.04)	(431.08)
Adjustments for Increase/(decrease) in operating liabilities:		
Trade payables	(48.54)	1,228.51
Other Current liabilities	3,044.67	3,552.99
Short-term provisions	365.09	1,663.11
Long-term provisions	(17.26)	
	<u>(16,340.23)</u>	<u>(9,141.18)</u>
CASH GENERATED FROM OPERATIONS	4,056.75	8,042.75
Tax Paid	(2,100.00)	(1,800.00)
Income Tax for earlier years	(8.62)	(61.00)
Net Cash Flow from Operating Activities - (A)	1,948.13	6,181.75
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(15,782.55)	(6,466.63)
Sale of Fixed Assets	14.20	1.23
Current Investments	(1,025.00)	880.28
Non-Current Investments	3.16	--
Interest received	1,644.19	217.39
Dividend received	254.60	115.04
Other income	373.22	510.38
Net Cash Used in Investing Activities - (B)	(14,518.18)	(4,742.31)



Cash Flow Statement

for the year ended 31st March, 2012

(₹ in Lacs)

	2011-2012	2010-2011
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Share Capital money received	-	167.94
Share Premium money received	-	6,801.77
Exchange loss (gain)(net) on loans	(629.32)	(500.55)
Proceeds from Long Term Borrowings	4,853.59	6,214.01
Net increase/(decrease) in working capital borrowings	2,882.87	8,315.64
Proceeds from other Short Term Borrowings	2,375.00	1,275.00
Foreign Currency Translation Reserve	667.67	194.41
Hedging	(295.11)	117.48
Finance costs	(8,902.34)	(5,929.03)
Dividend paid	(616.09)	(565.72)
Tax on distributed Dividend	-	(93.96)
Net Cash flow from Financing Activities - (C)	336.27	15,996.99
Net Cash flow after Financing Activities - (A+B+C)	(12,233.78)	17,436.43
Cash and Cash Equivalents		
Opening Cash and Cash Equivalents	25,167.42	7,730.99
Closing Cash and Cash Equivalents	12,933.64	25,167.42

As per our report of even date
For S S KHANDELWAL & CO.
Chartered Accountants
(Firm Registration No:105064W)

Jagdish Saxena
Managing Director

Alok Saxena
Joint Managing Director

Yusuf Karim Khan
Executive Director

(S S KHANDELWAL)
(Proprietor)
Membership No.31487

Suresh V. Pai
Chief Financial Officer

S. P. Date
Company Secretary

Mumbai, 9th August, 2012



Notes Annexed to and forming part of the Financial Statements

for the year ended 31st March, 2012

NOTE 1 :

SIGNIFICANT ACCOUNTING POLICIES:

i. Basis of Accounting Policies:

The financial statements have been prepared under the historical cost convention on accrual basis in accordance with the Companies (Accounting Standards) Rules, 2006 issued under sub-section (3C) of section 211 of the Companies Act, 1956.

ii. Use of Estimates:

The preparation of financial statements requires the Management of the Company to make estimates and assumptions that affect the reported balance of Assets & Liabilities, revenue and expenses and disclosures relating to the contingent liabilities. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future events could differ from these estimates. Any revision of accounting estimates is recognised prospectively in the current and future periods.

iii. Fixed Assets:

Fixed Assets are stated at their original cost of acquisition or construction including incidental expenses related to acquisition and installation of the concerned assets. When an asset is scrapped or otherwise disposed of, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Profit and Loss Account.

iv. Depreciation:

Depreciation on Fixed Assets is provided on straight line method as per Section 205 (2) (b) of the Companies Act, 1956 at the rates and in the manner prescribed under Schedule XIV to the said Act. The softwares are an integral part of hardware and accordingly considered part of computers. Depreciation includes ₹ 35.30 lacs being Amortisation of Leasehold Lands and pertains to earlier years.

v. Impairment of Assets:

The Company identifies impairable fixed assets based on cash generating unit concept at the year-end in terms of Para 5 to 13 of AS-28 issued by Institute of Chartered Accountants of India (ICAI) for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of relevant assets. Impairment loss, when crystallized, is charged against revenue of the year.

vi. Investments:

Long term investments are stated at cost. Diminution in value, if any, which is of a temporary nature, is not provided for.

vii. Intangible Assets:

Intangible Assets are initially measured at cost and amortized so as to reflect the pattern in which the assets' economic benefits are consumed. Expenditure on acquiring trade marks is being amortized over a period of five years.

viii. Inventories:

- Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.
- Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods and Work-in-Progress are valued at lower of cost and net realisable value.
- Cost (net of input tax credit availed) of Raw Materials, Stores & Spare Parts, Packing Materials & Finished Goods is determined on FIFO basis.
- Cost of Finished Goods and Work-in-Progress is determined by taking Raw Material/Packing Material cost (net of input tax credit availed), labour and relevant appropriate overheads.

ix. Foreign currency transactions:

Transactions in foreign currencies are normally recorded at the exchange rate prevailing on the date on which the transactions occur. Outstanding balances of foreign currency monetary items are reported using the year end rates. Non-monetary items carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed when the values were determined. Exchange differences arising as a result of the above are recognised as income or expense, as the case may be, in the profit and loss account. In respect of forward contract, the premium or discount on these contracts is recognized as income or expenditure, as the case may be, over the period of the contracts. Any profit or loss arising on cancellation or renewal of such contracts is recognized as income or expense of the year.

x. Derivatives Instruments and Hedge Accounting:

The Company is exposed to foreign currency fluctuation on foreign currency assets and forecasted cash flows denominated in foreign currency. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into forward exchange and option contracts, where the counter party is a bank. The forward contracts or options are not used for trading or speculation purposes.



In case of forward contract, the difference between the forward rate and the exchange rate, being the premium or discount at the inception of a forward exchange contract is recognised as income/expense over the life of the contract. Exchange differences on such contracts are recognised in the profit and loss account in the reporting period in which the rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the period.

To designate a forward contract or option as an effective hedge, management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows, attributable to the hedged risk. To the extent, hedges are designated effective, neither gain nor loss is recognised in the profit and loss account.

xi. Foreign operations :

The financial statements of integral foreign operations are translated as if the transactions of the foreign operations have been those of the Company itself. In translating the financial statements of a non-integral foreign operation for incorporation in the financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at average exchange rate prevailing during the year and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of the non-integral foreign operation, the cumulative amount of the exchange difference which has been deferred and which relate to the operation are recognised as income or expense in the same period in which the gain or loss on disposal is recognised.

When there is a change in the classification of a foreign operation, the transaction procedures applicable to the revised classification are applied from the date of the change in classification.

xii. Sales:

Revenue from sales of goods is being recognized on accrual basis on transfer of ownership to the customers. The sales are stated net of trade discounts, excise duty, sales returns and sales taxes. Revenue from rendering of services is recognized on completion of service.

xiii. Export Benefits / Incentives :

Benefits on account of entitlement of export incentives are recognized as and when the right to receive the same is established.

xiv. Leases :

Lease rentals are accounted on accrual basis in accordance with the terms of respective lease agreements.

xv. Research and Development :

Revenue expenditure incurred on Research and Development is charged to Profit & Loss Account in the year it is incurred.

Capital expenditure is included in the respective heads under fixed assets.

xvi. Retirement Benefits :

- a) Contributions to the Provident Fund are made at a pre-determined rate and charged to the Profit & Loss Account.
- b) Liability towards Gratuity and Leave Encashment is provided on the basis of actuarial determination. Liability towards Superannuation is provided in accordance with the scheme administered by Life Insurance Corporation of India.

xvii. Borrowing Costs :

Borrowing costs directly attributable to the acquisition or construction of an asset are capitalized as part of the cost of that asset, up to the date such assets are ready for their intended use. Other borrowing/ financing costs are charged to the Profit & Loss Account.

xviii. Taxation:

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of local Income Tax as applicable to the financial year.

Deferred income tax reflect the impact of current year timing differences between taxable income and accounting income of the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date. In case where the tax assessments have been completed but the appeals are pending at various appeal fora, the tax payments have been set-off against the provisions in the Balance Sheet. Appropriate disclosures have been made towards contingent liabilities, if any

xix. Provisions and Contingent Liabilities:

A provision is recognized when the Company has a present obligation as a result of a past event. it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimates can be made. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligation at the Balance Sheet date. 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. Where there is a possible or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is required.



Notes to Balance Sheet

as at 31st March, 2012

NOTE 2 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
1 SHARE CAPITAL :		
i. AUTHORISED :		
3,00,00,000 (Previous Year : 3,00,00,000) Equity Shares of ₹ 10/- each .	3,000.00	3,000.00
	3,000.00	3,000.00
ii. ISSUED		
2,05,96,486 (Previous Year : 2,05,96,486) Equity Shares of ₹ 10/-	2,059.65	2,059.65
iii. SUBSCRIBED AND PAID-UP		
2,05,36,936 (Previous Year : 2,05,36,936) Equity Shares of ₹ 10/- each fully paid up.	2,053.69	2,053.69
Add : Forfeiture of Shares:	2.97	2.97
No. of Shares forfeited are 59,550 and amount forfeited ₹ 5/- per Share.	2,056.66	2,056.66

	31st March 2012		31st March 2011	
	No of Shares	₹ in Lacs	No of Shares	₹ in Lacs
a Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.				
At the beginning of the period	20,536,936	2,053.69	20,536,936	2,053.69
Outstanding at the end of the period	20,536,936	2,053.69	20,536,936	2,053.69

b Rights, preferences, and restrictions attached to Equity shares				
The Company has only one class of Equity Shares having par value of ₹ 10/- each. Each holder of Equity share is entitled to one vote per share. The Company pays dividend to Equity Shareholders in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.				
In the event of the liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.				

	As at 31.3.2012		As at 31.3.2011	
	No. of shares	% holding	No. of shares	% holding
c The details of shareholders holding more than 5% shares:				
Name of Shareholder				
1 Indart Exports Private Limited	2,610,647	12.72	2,381,495	11.60
2 Semit Pharmaceuticals & Chemicals Private Limited	2,205,690	10.74	2,201,808	10.72
3 Acraf S.P.A.	2,619,000	12.75	2,619,000	12.75
4 Citicorp International Financial Corporation	1,730,000	8.42	1,730,000	8.42
5 IL&FS Trust Company	1,108,778	5.40	1,108,778	5.40
As per records of the Company, including its Register of Shareholders / Members and other declarations received from Shareholders regarding beneficial interest the above shareholding represent both legal and beneficial ownerships of the Shares.				



Notes to Balance Sheet

as at 31st March, 2012

NOTE 3 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
RESERVES AND SURPLUS :		
SHARE PREMIUM:		
Opening Balance	25,074.56	18,272.79
Add :Addition/Adjustment during the year	-	6,801.77
Closing balance (A)	25,074.56	25,074.56
HEDGING RESERVE		
Opening Balance	501.29	383.82
Add :Addition/Adjustment during the year	(295.11)	117.47
Closing balance (B)	206.18	501.29
DEBENTURE REDEMPTION RESERVE		
Opening Balance	4,000.00	-
Add :Transfer from surplus balance in the statement of Profit & Loss	4,000.00	4,000.00
Closing balance (C)	8,000.00	4,000.00
FOREIGN CURRENCY TRANSLATION RESERVE		
Opening Balance	(1,236.10)	(1,430.51)
Add :Addition/Adjustment during the year	667.67	194.41
Closing balance (D)	(568.43)	(1,236.10)
GENERAL RESERVE :		
Opening Balance	12,118.51	9,118.51
Add :Transfer from surplus balance in the statement of Profit & Loss	3,000.00	3,000.00
Closing balance (E)	15,118.51	12,118.51
SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
Opening Balance	18,596.86	19,233.78
Add : Profit for the year	8,407.33	7,079.12
	27,004.19	26,312.90
Less: Appropriations :		
i) Proposed Dividend	616.11	616.09
ii) Tax on Dividend	99.95	99.95
iii) Transfer to General Reserve	3,000.00	3,000.00
iv) Transfer to Debenture Redemption Reserve	4,000.00	4,000.00
Total Appropriations	7,716.06	7,716.04
Closing balance (F)	19,288.13	18,596.86
Total Reserve and Surplus (A+B+C+D+E+F)	67,118.95	59,055.12



Notes to Balance Sheet as at 31st March, 2012

NOTE 4 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
LONG TERM BORROWINGS:		
I SECURED BORROWINGS		
(A) Non-convertible Debentures (A)	19,180.00	19,180.00
a) Loans against (a) 10.75% Non-convertible debentures & (b) 11.25% Non-convertible debentures aggregating to ₹ 11880 lacs & 7300 lacs respectively are secured by by first pari-passu charge on all fixed assets of the Company along with all the existing charge holders against term loans.		
b) The non-convertible debentures are to be redeemed as follows:- Financial year 2012-13 - ₹ 990 lacs, Financial year 2013-14 - ₹ 5420 lacs, Financial year 2014-15 - ₹ 5420 lacs, Financial year 2015-16 - ₹ 4430 lacs, Financial year 2016-17 - ₹ 1460 lacs, Financial year 2017-18 - ₹ 1460 lacs,		
(B) Term Loans		
1 From Banks	15,951.03	12,273.25
2 From others	1,968.75	2,843.75
	(B) 17,919.78	15,117.00
(C) Foreign currency loans (C)	1,397.63	3,593.42
a) Term loans & Foreign Currency loans are secured by first mortgage and charge on all the immovable and movable fixed assets both present and future ranking pari-pasu with the existing charge holders for their term loans and non convertible debenture holders and also secured by second pari-passu charge on all the current assets of the Company.		
b) Term loans and Foreign Currency loans are repayable as follows:- Financial year 2012-13 - ₹ 9333.40 lacs, Financial year 2013-14 - ₹ 7877.52 lacs, Financial year 2014-15 - ₹ 2106.49 lacs,		
c) The rates of interest on secured loans vary between 12.50 % par annum to 15.25 % per annum		
d) The term loans have also been guaranteed personally by two of the directors of the Company.		
(D) Others (D)	4.96	6.28
Vehicle loan is secured against vehicle acquired under the scheme repayable as follows:- Financial year 2012-13 ₹ 1.46 lacs, Financial year 2013-14 ₹ 1.60 lacs, Financial year 2014-15 ₹ 1.90 lacs,		
TOTAL (A + B + C + D) (E)	38,502.37	37,896.70
Less: CURRENT LIABILITIES (F)	10,324.86	6,893.01
TOTAL (E - F)	28,177.51	31,003.69
II UNSECURED BORROWINGS :		
Fixed Deposits	12,855.31	5,205.54
Trade Deposits	1,364.60	1,334.60
TOTAL	42,397.42	37,543.83



Notes to Balance Sheet

as at 31st March, 2012

NOTE 5 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
DEFERRED TAX LIABILITY (NET) :		
A Deferred Tax Liability		
i) Depreciation	1,396.45	1,435.84
B Less : Deferred Tax Asset		
i) Leave encashment	180.88	142.47
ii) Others	1,032.24	945.21
	1,213.12	1,087.68
DEFERRED TAX LIABILITY (NET) (A - B)	183.33	348.16

NOTE 6 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
LONG TERM PROVISIONS :		
Provision for leave benefits	286.46	412.44
Provision for Gratuity	1,141.58	1,032.86
TOTAL	1,428.04	1,445.30

NOTE 7 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
SHORT TERM BORROWINGS		
A) SECURED BORROWINGS		
Working capital loans from banks repayable on demand	22,139.82	19,256.95
(Working capital loans are secured by first pari-passu charge by way of hypothecation of Raw & Packing Materials, Finished Goods, stocks-in-trade and Book Debts and second pari-passu charge over entire Fixed Assets of the company and also personally guaranteed by two of the Directors.)		
B) UNSECURED BORROWINGS		
From Banks	11,500.00	9,000.00
From others	2,050.00	2,175.00
	13,550.00	11,175.00
TOTAL (A+B)	35,689.82	30,431.95



Notes to Balance Sheet as at 31st March, 2012

NOTE 8 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
TRADE PAYABLES :		
Dues to Micro, Small & Medium enterprises #	565.50	490.18
Others	3,817.14	3,941.00
TOTAL	4,382.64	4,431.18

Details have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

NOTE 9 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
OTHER CURRENT LIABILITIES :		
Current maturities of long term debts	10,324.86	6,893.01
Interest accrued and due on borrowings	833.95	485.78
Unclaimed dividends	29.82	30.27
Statutory remittances	1,094.46	1,239.39
Creditors for capital items	659.31	583.99
Interest accrued on others	351.23	345.14
Advances from customers	275.70	247.35
Temporary overdrawn from banks	654.92	329.92
Others	1,977.43	3,002.16
TOTAL	16,201.68	13,157.01

NOTE 10 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
SHORT TERM PROVISIONS :		
Provision for Taxation	914.99	794.29
Provision for Leave benefits	244.39	0.00
Other provisions		
Proposed Dividend	616.11	616.09
Tax on proposed Dividend	199.90	99.95
TOTAL	1,975.39	1,510.33



Notes to Balance Sheet

as at 31st March, 2012

NOTE 11:

FIXED ASSETS :

(₹ in Lacs)

Description of Assets	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	Cost as at 01.04.2011	Additions	Adjustment	Cost as at 31.03.2012	Upto 31.03.2011	Adjustment	For the year	Upto 31.03.2012	As At 31.03.2012	As At 31.03.2011
A TANGIBLE										
LAND-FREEHOLD	2,377.96	-	-	2,377.96	-	-	-	-	2,377.96	2,377.96
LAND-LEASEHOLD	256.18	-	-	256.18	-	-	38.63*	38.63	217.55	256.18
BUILDINGS	15,226.59	4,496.43	-	19,723.02	1,841.07	-	512.24	2,353.31	17,369.71	13,385.52
R&D-BUILDING	77.94	1.46	-	79.40	8.02	-	2.63	10.65	68.75	69.93
PLANT & MACHINERY	34,688.75	1,282.16	(0.37)	35,970.54	6,001.65	(0.12)	2,001.37	8,002.90	27,967.64	28,687.10
R&D-PLANT & MACHINERY	499.55	4.16	-	503.71	129.40	-	25.36	154.76	348.95	370.15
FURNITURE & FIXTURES	2,165.32	61.62	-	2,226.94	1,029.08	-	138.36	1,167.44	1,059.50	1,136.24
R&D-FURNITURE & FIXTURES	107.37	-	-	107.37	29.97	-	6.80	36.77	70.60	77.40
MOTOR VEHICLES	401.26	138.61	(71.21)	468.66	251.62	(34.61)	38.17	255.18	213.48	149.64
TOTAL	55,800.92	5,984.44	(71.58)	61,713.78	9,290.81	(34.73)	2,763.56	12,019.64	49,694.14	46,510.12
B INTANGIBLE										
TECHNICAL KNOW-HOW **	1,293.17	-	-	1,293.17	226.05	-	-	226.05	1,067.12	1,067.12
TOTAL	57,094.09	5,984.44	(71.58)	63,006.95	9,516.86	(34.73)	2,763.56	12,245.69	50,761.26	47,577.24
Previous Year	53,367.85	3,737.98	(11.74)	57,094.09	6,837.17	(7.66)	2,687.35	9,516.86	47,577.23	46,530.68
C CAPITAL WORK -IN-PROGRESS ***									19,100.83	9,302.72

*Including depreciation of ₹ 35.30 Lacs for previous years

**Technical Know-how has not been amortised this year (previous year ₹ 226.05 Lacs).

*** Includes ₹ 4,515.04 Lacs being advance given for setting up a Plant on Turn-key basis.



Notes to Balance Sheet

as at 31st March, 2012

**NOTE 12:
NON CURRENT INVESTMENTS :**

(₹ in Lacs)

	Nature of Investment	Face Value ₹	Numbers		Value		
			AS AT 31st MARCH,2012	AS AT 31st MARCH,2011	AS AT 31st MARCH,2012	AS AT 31st MARCH,2011	
LONG TERM INVESTMENTS							
(At Cost, Fully paid, Other than Trade)							
(A) INVESTMENT IN SUBSIDIARY COMPANIES							
	Elder International FZCO, Dubai, U.A.E.	Equity Shares	100000 DHS	5	5	62.41	62.41
	Somerta Holdings Co. Limited, Cyprus	Equity Shares	1 Euro	--	5000	--	3.16
(B) INVESTMENT IN JOINT VENTURE							
	Elder Universal Pharmaceuticals (Nepal) P Ltd	Equity Shares	NRs. 10	500,000	500,000	50.00	50.00
(C) UNQUOTED							
	Maharashtra Apex Corp.Limited	Non-Conv. Debentures	1000	25	25	0.21	0.21
	Bombay Mercantile Co-op.Bank Limited	Equity Shares	30	533	533	0.16	0.16
	Elder Instruments Private Limited	Equity Shares	10	765,000	765,000	76.50	76.50
	The Saraswat Co-operative Bank Limited	Equity Shares	10	2,500	2,500	0.25	0.25
	VTC Industries Limited	Equity Shares	10	10,000	10,000	2.10	2.10
	The Kalyan Janata Sahakari Bank Limited	Equity Shares	25	20,000	20,000	5.00	5.00
(D) QUOTED							
	Elder Projects Limited	Equity Shares	10	300,200	300,200	22.52	22.52
	Elder Health Care Limited	Equity Shares	10	321,200	321,200	32.12	32.12
	The Karnataka Bank Limited	Equity Shares	10	63,400	63,400	38.04	38.04
	TOTAL					289.31	292.47

Aggregate Value of Investment :	As At 31st March, 2012		As At 31st March, 2011	
	Market Value	Book Value (₹ in Lacs)	Book Value Market Value	Book Value (₹ in Lacs)
Quoted	480.31	92.68	412.77	92.68
Unquoted	-	196.63	-	199.79

NOTE 13 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
LONG- TERM LOANS AND ADVANCES :		
(Unsecured, Considered Good)		
Capital Advances	52.47	108.47
Security Deposits	374.41	356.73
Loans and Advances to related parties	202.54	38.10
Advances to Subsidiary	8,536.50	7,055.33
Others	20,280.97	15,278.41
TOTAL	29,446.89	22,837.04



Notes to Balance Sheet

as at 31st March, 2012

NOTE 14:

CURRENT INVESTMENTS :

In Mutual Funds (Other than Trade) :

(₹ in Lacs)

NAME OF MUTUAL FUND	UNITS AS AT 1st APRIL, 2011	UNITS PURCHASED 2011-2012	UNITS REDEEMED 2011-2012	UNITS AS AT 31st MARCH, 2012	VALUE AS AT 31st MARCH, 2012	VALUE AS AT 31st MARCH, 2011
UTI Liquid Cash Plan Inst. - DIO Reinvestment	-	14,507.04	14,507.04	-	-	-
UTI Treasury Advantage Fund-Inst Plan-DDO Reinvestment	-	1,81,280.33	1,81,280.33	-	-	-
UTI Infrastructure Growth Fund	50,925.37	--	--	50,925.37	5.00	5.00
UTI Infrastructure -DDP Fund	22,353.25	--	--	22,353.25	20.00	20.00
HDFC AMC-PMS-REAL ESTATE PORTFOLIO-I	-	--	--	-	100.00	100.00
SBI Magnum Inst. Cash Fund-Daily Dividend Option	-	1,69,01,501.75	1,69,01,501.75	-	-	-
SBI Premier Liquid Fund-IDD	-	7,90,65,744.57	7,90,65,744.57	-	-	-
SBI Infrastructure Fund-I Growth	2,50,000.00	--	--	2,50,000.00	25.00	25.00
Canara Bank Robeco	2,44,498.78	--	--	2,44,498.78	25.00	25.00
AXIS EF-DIV	2,00,000.00	--	--	2,00,000.00	20.00	20.00
AXIS Liquid Institutional-DD Reinvestment	-	15,04,486.71	15,04,486.71	-	-	-
Birla Sun Life savings Fund-Inst - DD - Investment	-	15,00,208.81	15,00,208.81	-	-	-
Birla Sun Life Cash Plus-Inst-DD - Reinvestment	-	1,71,66,034.45	1,71,66,034.45	-	-	-
Reliance Liquid Fund-Cash Plan Daily D- Option	-	1,80,02,095.04	1,80,02,095.04	-	-	-
Reliance Money Manager Fund-Inst Option DDP	-	3,00,640.16	3,00,640.16	-	-	-
SBI PSU Fund Dividend Plan	10,00,000.00	--	--	10,00,000.00	100.00	100.00
SBI Premier Liquid Fund IP DDR	49,84,816.04	1,73,894.70	50,09,129.99	1,49,580.75	1,500.00	500.00
SBI Gold Fund	--	2,50,000.00	--	2,50,000.00	25.00	-
TOTAL					1,820.00	795.00

NOTE 15 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
INVENTORIES :		
(At cost, as taken, valued and certified by the Management)		
i) Raw Materials	1,878.94	1,757.83
ii) Packing Materials	183.93	485.99
iii) Work-in-Process	2,984.62	2,055.93
iv) Finished Goods	10,131.33	8,822.47
v) Stocks-in-trade	6,891.69	5,332.01
vi) Stores and Spares	54.56	35.54
TOTAL	22,125.07	18,489.77



Notes to Balance Sheet

as at 31st March, 2012

NOTE 16 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
TRADE RECEIVABLES		
(Unsecured, Considered Good unless stated otherwise)		
More than six months	758.80	1,390.86
Doubtful	118.67	180.34
	<u>877.47</u>	<u>1,571.20</u>
Less: Provision For Doubtful Debts	118.67	180.34
	758.80	1,390.86
Others Receivables	27,688.48	21,274.88
TOTAL	<u><u>28,447.28</u></u>	<u><u>22,665.74</u></u>

NOTE 17 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
CASH AND CASH EQUIVALENTS :		
1 In Current Accounts	9,680.97	23,213.74
2 Cash in hand	16.49	19.36
3 Cheques in transit	10.29	0.00
4 Bank Deposits with original maturity for less then 12 months	1,818.05	1,029.25
5 Unpaid Dividend	29.80	30.27
6 Other Bank Balances :		
a. Bank Deposits with original maturity for more then 12 months in Fixed Deposits	500.00	0.00
b. Margin money Deposits	878.04	874.80
TOTAL	<u><u>12,933.64</u></u>	<u><u>25,167.42</u></u>

NOTE 18

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
SHORT TERM LOANS AND ADVANCES :		
(Unsecured, Considered Good)		
Loans and Advances to related parties	-	81.00
Loans and Advances to employees	518.38	420.81
Prepaid Expenses	95.48	155.52
Balance with Government Authorities:		
i) CENVAT credit receivable	455.88	433.66
ii) Service Tax credit receivable	218.66	-
iii) Advances to Sundry Creditors	3,027.36	984.31
TOTAL	<u><u>4,315.76</u></u>	<u><u>2,075.30</u></u>



Notes to Balance Sheet

as at 31st March, 2012

NOTE 19 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
OTHER CURRENT ASSETS :		
(Unsecured, Considered Good)		
Interest Accrued on Deposits	1,298.73	43.08
Duty Drawback Receivable	30.88	688.44
Licence and Other Recoverables	864.28	45.33
TOTAL	2,193.89	776.85

Notes to Profit & Loss

for the year ended 31st March, 2012

NOTE 20

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
REVENUE FROM OPERATIONS :		
Sale of products (Refer note 20.(i) below)	99,249.38	84,695.33
Less: Excise Duty	1,025.69	98,223.69
		975.97
Sale of Services (Refer note 20.(ii) below)	245.04	139.20
TOTAL	98,468.73	83,858.56
20. (i) Details of products sold :		
Formulation & Bulk Drugs	96,626.90	80,628.02
Others	2,622.48	4,067.31
TOTAL	99,249.38	84,695.33
(ii) Sale of Services consists of export incentives and services arising from other ancillary activities.		

NOTE 21 :

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
OTHER INCOME :		
Interest :		
From Banks on Deposits	231.39	217.39
From Others	1,412.80	1644.19
Dividend :		
From Current Investments	247.89	115.04
From Long Term Investments	6.71	254.60
Sundry Balances Written back	158.74	0.00
Miscellaneous Income	373.22	471.84
TOTAL	2,430.75	804.27



Notes to Profit & Loss for the year ended 31st March, 2012

NOTE 22 :

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
COST OF MATERIALS :		
Inventory at the beginning of the year	2,073.97	1,308.46
Add: Purchases	11,384.93	12,448.20
	<u>13,458.90</u>	<u>13,756.66</u>
Less: Inventory at the end of the year	1,878.94	2073.97
Cost of Materials consumed	<u>11,579.96</u>	<u>11,682.69</u>

NOTE 23 :

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
PURCHASES OF STOCKS-IN-TRADE :		
Purchases of Stocks-in-Trade	39,352.72	28,618.91
TOTAL	<u>39,352.72</u>	<u>28,618.91</u>

NOTE 24 :

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
CHANGE IN INVENTORIES :		
(A) Inventory at the end of the year		
Work-in-process	2,984.62	2,055.93
Finished Goods	10,131.33	8,822.47
Stock-in-trade	6,891.69	5,332.01
Total (A)	<u>20,007.64</u>	<u>16,210.41</u>
(B) Inventory at the beginning of the year		
Work-in-process	2,055.93	1,153.63
Finished Goods	8,822.47	6,506.24
Stock-in-trade	5,332.01	5,115.33
Total (B)	<u>16,210.41</u>	<u>12,775.20</u>
Change in Inventory (A - B)	<u>(3,797.23)</u>	<u>(3,435.21)</u>

NOTE 25 :

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
EMPLOYEE BENEFITS EXPENSES :		
Salaries and Wages	9,919.55	9,488.92
Contribution To Provident and Other Funds	655.39	592.71
Staff Welfare Expenses	322.80	351.45
TOTAL	<u>10,897.74</u>	<u>10,433.08</u>



Notes to Profit & Loss

for the year ended 31st March, 2012

NOTE 26 :

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
FINANCE COSTS :		
Interest Expenses	6,556.49	4,315.61
Borrowing Costs	2,345.85	1,974.54
Total	8,902.34	6,290.15

NOTE 27 :

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
OTHER EXPENSES :		
Rent	424.86	426.49
Rates and Taxes	324.23	652.17
Power and Fuel	837.13	854.86
Spares & Tools	203.66	176.94
Packing materials	817.27	757.45
Manufacturing charges	1014.63	840.98
Repairs and Maintenance :		
To Building	33.94	3.85
To Machinery	115.78	123.06
To Others	296.59	210.21
Insurance	124.98	114.88
Travelling and Conveyance	4,357.79	4,347.73
Printing and Stationery	191.21	246.86
Selling Expenses	6,307.84	5,100.66
Discount on Sales	581.28	576.40
Communication	424.19	431.87
Packing, Freight and Forwarding	675.89	781.19
Vehicles Maintenance	171.23	135.46
Payment to Auditors:		
Audit Fees	16.50	16.55
Certification , Quarterly review & other services	11.52	14.97
Taxation matters	4.69	2.21
Reimbursement of Exps	0.75	0.64
Legal and Professional charges	745.34	699.25
Donation	82.47	42.26
Directors' Sitting Fees	8.15	13.41
Loss on Sale of Assets	22.65	2.87
Provision for Doubtful Debts	64.58	180.34
Miscellaneous	1,852.99	1,789.25
TOTAL	19,712.14	18,542.81



Notes to Profit & Loss for the year ended 31st March, 2012

NOTE 28 :

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
R & D EXPENDITURE :		
R & D Chemicals & Expenses	72.18	66.35
Power & Fuel	16.41	11.21
Salaries, Wages and Allowances	376.69	320.02
Contribution to Provident and other funds	16.84	14.03
Staff Welfare	18.06	17.86
Miscellaneous Expenses	7.63	6.08
TOTAL	507.81	435.55

NOTE 29 :

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
EARNINGS PER SHARE :		
Profit attributed to equity shareholders	8,407.33	7,079.12
Weighted average number of equity shares	2,05,36,936	1,97,31,720
Diluted Weighted average number of equity shares	2,05,36,936	1,97,31,720
Nominal value of equity share	(₹) 10/-	10/-
Basic and Diluted EPS (Face Value ₹ 10/-)	(₹) 40.94	35.88

NOTE 30 :

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
CONTINGENT LIABILITIES :		
a) Letters of Credit	3,308.91	3,242.89
b) Bank Guarantees	9,689.04	342.55
c) Corporate Guarantees to Subsidiary	16,034.65	8,673.47
d) Disputed liability in respect of :		
i) Income tax *	268.58	268.58
ii) Sales tax	36.21	17.56
iii) Customs Duty	25.00	25.00
iv) Service Tax	492.62	--
* Includes demand of ₹ 216.53/- lacs decided in favour of the Company but disputed by Income-tax Department.		
e) Estimated amount of contracts remaining to be executed on Capital Account and not provided for.	230.70	1869.96

31. The balance in respect of trade receivables and loans & advances are subject to confirmations by the respective parties. The balances of trade payables were confirmed at random and reconciliations / adjustments have been made in such accounts, wherever necessary.



Notes to Profit & Loss for the year ended 31st March, 2012

32. Disclosures as per Accounting Standard 15 (Revised) "Employee Benefits" as notified by the Companies (Accounting Standard) Rules 2006.

a) Defined contribution plan

Contribution to defined contribution plans are recognised as an expense for the year are as under:-

(₹ in Lacs)

	2011 - 12	2010 - 11
Employer's contribution to Provident Fund and Pension Fund	556.43	541.25
The Company makes contribution towards Provident Fund and Pension Fund for qualifying employees to the Regional Provident Fund Commissioner		

b) Defined benefit plan

The Company provides gratuity benefits to its employees which is defined benefit plan. The present value of obligation is determined based on the actuarial valuation which recognises each period of service as giving rise to additional unit employee benefit entitlement and measures each unit separately to build up final obligations.

Change in the benefit obligation	31.03.2012 ₹ In Lacs	31.03.2011 ₹ In Lacs
Projected Benefit Obligation (PBO) at the beginning of the year	1,032.87	856.68
Service cost	104.12	82.20
Interest cost	82.63	68.53
Benefits paid	(107.86)	(91.79)
Actuarial loss/(gain)	29.82	117.25
PBO at the end of the year	1,141.58	1,032.87
Change in plan assets		
Fair value of plan assets at the beginning of the year	850.39	760.55
Expected return on plan assets	80.56	71.07
Employer contributions	125.54	110.56
Benefits paid	(107.86)	(91.79)
Actual gain/(loss)	-	-
Fair value of plan assets at the end of year	948.63	850.39
Present value of unfunded obligation	192.95	182.48
Recognised liability	192.95	182.48
Net Gratuity cost for the year ended is as follows:		
Service cost	104.12	82.20
Interest cost	82.63	68.53
Expected return on plan assets	(80.56)	(71.07)
Actual loss/(gain)	29.82	117.25
Net Gratuity cost	136.01	196.91

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions which if changed, would affect the defined benefit commitment's size and funding requirements.

Particulars	Gratuity 31st March 2012	Gratuity 31st March 2011
Discount Rate	8.00%	8.00%
Salary Increase for different categories of employees	5.00%	5.00%

The Company has funded its gratuity obligation under group gratuity policy managed by the Life Insurance Corporation of India. The disclosures stated above have been obtained from an independent actuary.



Notes to Profit & Loss for the year ended 31st March, 2012

33. DUES TO MICRO, SMALL & MEDIUM ENTERPRISES :

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below :-

(₹ in Lacs)

	2011 - 12	2010 - 11
a) Dues remaining unpaid as at 31st March		
Principal	565.50	490.18
Interest	--	1.40
b) Interest paid in terms of section 16 of the Act	--	--
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year.	--	23.34
d) Amount of interest accrued and remaining unpaid as at 31st March	--	--
e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises.	--	--

34. HEDGING AND DERIVATIVES

Pursuant to ICAI Announcement "Accounting for Derivatives" on the early adoption of Accounting Standard 30 - "Financial Instruments : "Recognition and Measurement" ("AS 30"), the company has early adopted AS 30 with effect from October 1, 2008, to the extent that the adoption does not conflict existing mandatory accounting standards and other authoritative pronouncements, Company Law and other regulatory requirements. Pursuant to the adoption :-

- Transitional Gain representing the Gain on fair valuation of foreign currency options, determined to be ineffective cash flow hedges on the date of adoption, amounting to ₹ 667.67 Lacs has been adjusted against the opening balance of General Reserve Account in the Balance Sheet.
- Gain on the fair valuation of forward covers, which qualify as effective cash flow hedge amounting to ₹ 206.18 Lacs, on the date of adoption, has been recognised in the hedging reserve account.

Following are the outstanding forward exchange contracts and currency options entered into by the Company.

Category	Currency	Cross Currency	Amount IN JPY(Million)	Currency Option Type	Purpose
Structured Currency Option	JPY	USD	221.77	USD Put/JPYCall	Hedging

35. SEGMENT INFORMATION

The company is primarily engaged and deals in pharmaceuticals & related products, which in the context of Accounting Standard -17, is the only business segment and has been identified as the primary reporting segment. Accordingly, the information appearing in these financial statements relate to the aforesaid primary reporting segment.

Secondary segmental reporting is performed on the basis of the geographical locations of customers. The geographical segments considered for disclosure are based on the revenue within India (including sales to customers located in India and service income accrued in India) and revenues outside India (sales to customers located outside India).

Segment	Domestic		Exports		Total	
	Year ended		Year ended		Year ended	
	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11
Segment Revenue	96,434.51	82,345.73	2,814.87	2,349.60	99,249.38	84,695.33
Segment Assets	27,638.63	21,752.78	808.65	912.96	28,447.28	22,665.74

- 36 Long term loans and advances include ₹ 3434.20 Lacs advances against acquisition of trade mark.



Notes to Profit & Loss

for the year ended 31st March, 2012

37 (I) Related Party Disclosures :

Related party disclosures, as required by AS-18, "Related Party Disclosures" are given below :

A) Names of the related parties and description of relationship :	
Related parties where control exists	
Subsidiary	Elder International FZCO, Dubai, UAE
B) Enterprises over which key management personnel and their relatives are able to exercise significant influence	Elder Health Care Limited Elder Projects Limited Elder Instruments Private Limited Maveer Prints Private Limited E W F Pharmaceuticals Private Limited Redle Pharmaceuticals Private Limited Akshaya Holdings Private Limited Anjay Prints Anshul Printers
C) Key Management Personnel and their Relatives	Mr Jagdish Saxena Mr Alok Saxena Mr Yusuf Karim Khan Mrs Shalini Kumar

Note: Related party relationship is as identified by the Company and relied upon by the Auditors

(II) (1) The following transactions were carried out with the related parties in the ordinary course of business. Details relating to parties referred to (B) above :

(₹ in Lacs)		
Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
1 Purchase of materials / finished goods	13,834.53	7,931.99
2 Purchase of Assets	--	3.51
3 Sale of materials / finished goods	339.98	95.06
4 Expenses charged to other companies	103.34	39.88
5 Expenses charged by other companies	834.46	716.28
6 Outstanding receivables, net of payables*	1,530.84	1,351.51
7 Advances to subsidiary	8,536.50	7,055.33

* Transactions with the above parties are accounted in the respective current accounts.

(2) Details relating to persons referred to in item (C) above:

(₹ in Lacs)		
Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Remuneration /Others	532.13	615.23



Notes to Profit & Loss for the year ended 31st March, 2012

38. BREAK UP OF MATERIALS & CONSUMABLE STORES CONSUMED :

(₹ in Lacs)

	2011 -12		2010 -11	
	AMOUNT	%	AMOUNT	%
a) Materials				
Imported	3,377.19	29.16	3,012.85	31.80
Indigenous	8,202.77	70.84	6,462.86	68.20
	11,579.96	100.00	9,475.71	100.00
b) Consumable stores & spares				
Imported	-	-	-	-
Indigenous	203.66	100.00	176.94	100.00
TOTAL	11,783.62	100.00	9,652.65	100.00

38. LOANS & ADVANCES IN THE NATURE OF LOANS GIVEN TO SUBSIDIARY & ASSOCIATES

(₹ in Lacs)

Particulars	2011-12	Maximum balance during the year
a) Elder International FZCO	8,536.50	8,536.50
b) Elder Universal Pharmaceuticals (Nepal) Private Limited.	22.16	22.16

Notes :

- Loans & advances shown above are in the nature of loans which are repayable on demand and do not have any repayment schedule.
- The above loans are interest free.

40. VALUE OF IMPORT ON CIF BASIS:

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
a) Raw Materials	2,914.96	3,109.24
b) Finished goods	148.75	397.11
TOTAL	3,063.71	3,506.35

41. EXPENDITURE IN FOREIGN CURRENCY:

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
- Travelling	39.84	31.46
- Interest	137.63	282.63
- Others	100.31	59.53

42. EARNING IN FOREIGN EXCHANGE:

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Export of Goods on FOB basis	2,799.59	2,277.64

43. During the year under review, the Income Tax authorities had carried out search operations in the office and factory premises of the Company. The liability, if arises, on completion of block assessment proceedings under the provisions of the Income Tax Act, 1961, will be provided as and when ascertained.



Notes to Profit & Loss for the year ended 31st March, 2012

44. The Board of Directors of the Company has at its meeting held on 2nd August 2012 approved Scheme of Arrangement for merger of Elder Health Care Ltd. with the Company under sections 391 to 394 of the Companies Act, 1956, subject to the approvals of shareholders and other appropriate authorities.

The Scheme of Arrangement will become effective from 1st April 2012. On the approval of the Scheme of Arrangement, it is proposed to allot 100 equity shares of Rs.10/- each of the Company for every 358 equity shares of Rs.10/- each held by the shareholders of Elder Health Care Ltd.

45. The revised schedule VI notified under Companies Act 1956 has become applicable to the Company during the current year. The previous years figures have been re-grouped, re-arranged, re-worked & reclassified, wherever necessary, to conform to revised schedule VI classification and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date
For S S KHANDELWAL & CO.
Chartered Accountants
(Firm Registration No:105064W)

Jagdish Saxena
Managing Director

Alok Saxena
Joint Managing Director

Yusuf Karim Khan
Executive Director

(S S KHANDELWAL)
(Proprietor)
Membership No.31487

Suresh V. Pai
Chief Financial Officer

S. P. Date
Company Secretary

Mumbai, 9th August, 2012



Details of Subsidiaries

(₹ In Lacs)

Name of the Subsidiary	Reporting Currency	Capital (including Preference Capital if any)	Reserve & Surplus	Total Assets	Total Liabilities	Details of investments (excluding investments In subsidiaries)	Gross Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed dividend and Tax thereon
Direct Subsidiary :											
Elder International FZCO	AED	70.55	-433.20	24174.86	24537.51	42.05	85.96	-713.59	-	-713.59	-
Indirect Subsidiary :											
1) NeutraHealth Limited	GBP	14596.94	2821.96	29776.64	12357.74	-	30231.31	363.38	(8.40)	371.78	-
2) Elder Biomeda EAD	BGN	4233.00	-2838.23	5087.71	3692.94	-	4692.28	(788.07)	-	(788.07)	-

*The financial statements of the Foreign Subsidiaries have been converted into Indian Rupees at the 31st March, 2012 exchange rate.



Auditors' Report

on Consolidated Financial Statements

TO THE MEMBERS OF ELDER PHARMACEUTICALS LTD.

1. We have audited the attached consolidated Balance Sheet of ELDER PHARMACEUTICALS LIMITED as at March 31, 2012, and also the consolidated statement of Profit and Loss and the consolidated Cash Flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management, and have been prepared by the management on the basis of separate audited financial statements and other financial information regarding the subsidiaries. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries whose financial statements reflect net assets of ₹ 4660.69 lacs as at March 31, 2012, total revenues of ₹ 35233.20 lacs and net cash inflows amounting to ₹ 924.74 lacs for the year ended on that date.
4. We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements, issued by the Institute of Chartered Accountant of India.
 - a) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with the other notes and schedules give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India; in case of:
 - i) the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2012.
 - ii) the Consolidated Statement of Profit and loss, of the profit for the year ended on that date; and
 - iii) the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **S S KHANDELWAL & CO.**
Chartered Accountants
(Firm Registration No:105064W)

(S S KHANDELWAL)
(Proprietor)
Membership No.31487

Mumbai, 9th August, 2012



Consolidated Balance Sheet as at 31st March, 2012

(₹ in Lacs)

	Note No.	As At 31st March, 2012	As At 31st March, 2011
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	2,056.66	2,056.66
Reserves and Surplus	3	68,002.68	61,009.62
Minority Interest		--	305.60
Non-current liabilities			
Long-term borrowings	4	58,252.97	50,953.15
Deferred tax Liabilities (net)	5	663.25	348.16
Long-term provisions	6	1,428.04	1,445.30
Current liabilities			
Short Term borrowings	7	39,481.36	32,258.68
Trade payables	8	8,797.10	4,796.91
Other current liabilities	9	19,320.49	19,461.86
Short-term provisions	10	1,975.39	1,510.33
TOTAL		199,977.94	174,146.27
ASSETS			
Non-current assets			
Fixed assets:			
Tangible Assets	11	52,994.75	49,059.01
Intangible Assets	11	17,638.32	15,693.32
Capital Work-in-Progress	11	19,100.81	9,497.90
Non-Current Investments	12	226.90	226.90
Long-Term Loans and Advances	13	22,196.02	16,890.12
Current assets			
Current Investments	14	1,820.00	795.00
Inventories	15	29,292.77	24,174.49
Trade Receivables	16	34,130.49	28,248.26
Cash and Bank Balnces	17	15,400.08	26,709.13
Short-term loans and advances	18	4,983.91	2,075.30
Other current assets	19	2,193.89	776.85
TOTAL		199,977.94	174,146.27
Singnificant Accounting Policies	1		

The accompanying notes 1 to 37 are an integral part of the financial statements.

As per our Report of even date
For **S S KHANDELWAL & CO.**
Chartered Accountants
(Firm Registration No:105064W)

Jagdish Saxena
Managing Director

Alok Saxena
Joint Managing Director

Yusuf Karim Khan
Executive Director

(S S KHANDELWAL)
(Proprietor)
Membership No.31487

Suresh V. Pai
Chief Financial Officer

S. P. Date
Company Secretary

Mumbai, 9th August, 2012



Consolidated Statement of Profit and Loss

for the year ended 31st March, 2012

(₹ in Lacs)

	Note No.	Year Ended 31ST March, 2012	Year Ended 31ST March, 2011
INCOME			
Revenue from Operations	20	133,478.27	96,528.41
Other Income	21	2,654.41	865.53
Total Revenue		136,132.68	97,393.94
EXPENSES			
Cost of Materials Consumed	22	12,353.92	11,924.22
Purchases of Stock-in-Trade	23	56,966.19	42,294.86
Changes (Increase) in Inventories of Finished goods, work-in-progress and stock-in-trade	24	(467.08)	(8,215.74)
Employee Benefits Expenses	25	17,989.22	11,905.92
Finance Costs	26	10,157.20	6,551.11
Depreciation and Amortisation Expense		3,398.04	2,873.37
Other Expenses	27	26,226.23	21,131.51
R & D Expenditure	28	507.82	435.55
Total Expenses		127,131.55	88,900.80
Profit Before Exceptional Item and Tax		9,001.14	8,493.14
Exceptional Item		(149.39)	452.36
Profit Before Tax		9,150.53	8,040.78
Less : Provision for Tax			
Current Tax		2,204.11	1,800.00
Deferred Tax		(277.34)	(33.17)
Profit after Tax		7,223.76	6,273.95
Less : Tax for earlier years		(2.05)	(80.71)
Profit Before Minority Interest		7,225.81	6,354.66
Minority Interest		0.00	67.56
Profit For The Year		7,225.81	6,422.22
Basic and Diluted EPS (Face Value ₹ 10/-)		35.18	32.55

As per our Report of even date
For **S S KHANDELWAL & CO.**
Chartered Accountants
(Firm Registration No:105064W)

Jagdish Saxena
Managing Director

Alok Saxena
Joint Managing Director

Yusuf Karim Khan
Executive Director

(S S KHANDELWAL)
(Proprietor)
Membership No.31487

Suresh V. Pai
Chief Financial Officer

S. P. Date
Company Secretary

Mumbai, 9th August, 2012



Consolidated Cash Flow Statement for the year ended 31st March, 2012

(₹ in Lacs)

	2011 - 2012	2010 - 2011
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax & extraordinary items	9,150.53	8,108.34
Add : Adjustment for		
Depreciation	3,398.04	2,873.37
(Profit)/Loss on Sale of Fixed Assets	22.65	2.87
Finance costs	10,157.20	6,551.11
Exchange loss (gain) (net) on loans	(149.39)	452.36
Dividend received	(254.60)	(115.04)
Interest received	(1,867.85)	(217.39)
Other income	(373.21)	(533.10)
	<u>10,932.84</u>	<u>9,014.18</u>
Operating Profit before Working Capital Changes	20,083.37	17,122.52
Working capital changes		
Adjustments for (Increase) / decrease in operating assets:		
Inventories	(5,118.28)	(9,836.92)
Sundry Debtors	(5,882.23)	(8,713.50)
Short-term Loans & Advances	(2,908.61)	(1,450.60)
Long-term Loans & Advances	(5,305.90)	(2,370.19)
Other Current Assets	(1,417.04)	(431.08)
Adjustments for Increase/(decrease) in operating liabilities:		
Trade payables	4,000.19	1,010.25
Other current liabilities	(141.37)	11,440.92
Short-term provisions	383.97	1,663.11
Long-term provisions	(17.26)	
	<u>(16,406.53)</u>	<u>(8,688.01)</u>
CASH GENERATED FROM OPERATIONS	3,676.84	8,434.51
Tax Paid	(2,204.11)	(1,800.00)
Income Tax for earlier years	2.05	(61.00)
	<u>1,474.78</u>	<u>6,573.51</u>
Net Cash Flow from Operating Activities - (A)	1,474.78	6,573.51
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(18,594.74)	(21,517.65)
Sale of Fixed Assets	14.19	11.74
Current Investments	(1,025.00)	5,573.72
Interest received	1,867.85	217.39
Dividend received	254.60	115.04
Other income	373.21	533.10
	<u>(17,109.89)</u>	<u>(15,066.66)</u>
Net Cash Used in Investing Activities - (B)	(17,109.89)	(15,066.66)



Consolidated Cash Flow Statement

for the year ended 31st March, 2012

(₹ in Lacs)

	2011 - 2012	2010 - 2011
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Share Capital money received	-	167.94
Share Premium money received	-	6,801.77
Minority Interest	(305.60)	(733.56)
Exchange loss (gain) (net) on loans	149.39	452.36
Proceeds from Long Term Borrowings	7,299.82	17,950.52
Net increase/(decrease) in working capital borrowings	6,674.41	8,315.64
Proceeds from other Short Term Borrowings	548.27	1,283.55
Foreign Currency Translation Reserve	1,028.17	194.41
Hedging	(295.11)	117.48
Finance costs	(10,157.20)	(6,551.11)
Dividend paid	(616.09)	(565.72)
Tax on distributed Dividend	-	(93.96)
Net Cash flow from Financing Activities - (C)	4,326.06	27,339.32
Net Cash flow after Financing Activities - (A+B+C)	(11,309.05)	18,846.17
Cash and Cash Equivalents		
Opening Cash and Cash Equivalents	26,709.13	7,862.96
Closing Cash and Cash Equivalents	15,400.08	26,709.13

As per our Report of even date
For S S KHANDELWAL & CO.
 Chartered Accountants
 (Firm Registration No:105064W)

Jagdish Saxena
 Managing Director

Alok Saxena
 Joint Managing Director

Yusuf Karim Khan
 Executive Director

(S S KHANDELWAL)
 (Proprietor)
 Membership No.31487

Suresh V. Pai
 Chief Financial Officer

S. P. Date
 Company Secretary

Mumbai, 9th August, 2012



Notes Annexed to and Forming Part of the Consolidated Financial Statements

for the year ended 31st March, 2012

NOTE 1 :

1 PRINCIPLES OF CONSOLIDATION.

- a) The financial statements of the Company and its subsidiary companies are combined on line - by - line basis by adding together the book values of like items of asstes, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with the Accounting Standards - AS (21) 'Cosolidated financial statements' as notified by the Companies (Accounting Standards) Rules 2006.
- b) The difference between the cost of investments in subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill.
- c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statement.

2 Investments other than in subsidiaries have been accounted as per Accounting Standard - AS (13) 'Accounting of Investments

CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES:

i. Basis of Accounting Policies:

The financial statements have been prepared under the historical cost convention on accrual basis in accordance with the Companies (Accounting standards) Rules, 2006 issued under sub-section (3C) of section 211 of the Companies Act, 1956.

ii. Use of Estimates:

The preparation of financial statements requires the management of the company to make estimates and assumptions that affect the reported balance of Assets Et Liabilities, revenue and expenses and disclosures relating to the contingent liabilities. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future events could differ from these estimates. Any revision of accounting estimates is recognised prospectively in the current and future periods.

iii. Fixed Assets:

Fixed Assets are stated at their original cost of acquisition or construction including incidental expenses related to acquisition and installation of the concerned assets. When an asset is scrapped or otherwise disposed of, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Profit and Loss Account.

iv. Depreciation:

Depreciation on fixed assets is provided on straight line method as per Section 205 (2) (b) of the Companies Act, 1956 at the rates and in the manner prescribed under Schedule XIV to the said Act. The softwares are an integral part of hardware and accordingly considered part of computers.

v. Impairment of Assets:

The Company identifies impairable fixed assets based on cash generating unit concept at the year-end in terms of Para 5 to 13 of AS-28 issued by Institute of Chartered Accountants of India (ICAI) for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of relevant assets. Impairment loss, when crystallized, is charged against revenue of the year.

vi. Investments:

Long term investments are stated at cost. Diminution in value, if any, which is of a temporary nature, is not provided for.

vii. Intangible Assets:

Intangible Assets are initially measured at cost and amortized so as to reflect the pattern in which the assets' economic benefits are consumed. Expenditure on acquiring trade marks is being amortized over a period of five years.



Notes Annexed to and Forming Part of the Consolidated Financial Statements

for the year ended 31st March, 2012

viii. Inventories:

- a) Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.
- b) Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods and Work-in-Progress are valued at lower of cost and net realisable value.
- c) Cost (net of input tax credit availed) of Raw Materials, Stores & Spare Parts, Packing Materials & Finished Goods is determined on FIFO basis. Schedules Forming Part of the Consolidated Financial Statements For the year ended 31st March 2012
- d) Cost of Finished Goods and Work-in-Progress is determined by taking raw material/packing material cost (net of input tax credit availed), labour and relevant appropriate overheads.

ix. Foreign currency transactions:

Transactions in foreign currencies are normally recorded at the exchange rate prevailing on the date on which the transactions occur. Outstanding balances of foreign currency monetary items are reported using the period end rates. Non-monetary items carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed when the values were determined.

Exchange differences arising as a result of the above are recognised as income or expense, as the case may be, in the profit and loss account. In respect of forward contract, the premium or discount on these contracts is recognized as income or expenditure, as the case may be, over the period of the contracts. Any profit or loss arising on cancellation or renewal of such contracts is recognized as income or expense of the year.

x. Derivatives Instruments and Hedge Accounting:

The Company is exposed to foreign currency fluctuation on foreign currency assets and forecasted cash flows denominated in foreign currency. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into forward exchange and option contracts, where the counter party is a bank. The forward contracts or options are not used for trading or speculation purposes.

In case of forward contract, the difference between the forward rate and the exchange rate, being the premium or discount at the inception of a forward exchange contract is recognised as income/expense over the life of the contract. Exchange differences on such contracts are recognised in the profit and loss account in the reporting period in which the rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the period.

To designate a forward contract or option as an effective hedge, management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows, attributable to the hedged risk. To the extent, hedges are designated effective, neither gain nor loss is recognised in the profit and loss account.

xi. Foreign operations :

The financial statements of integral foreign operations are translated as if the transactions of the foreign operations have been those of the Company itself. In translating the financial statements of a non-integral foreign operation for incorporation in the financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at average exchange rate prevailing during the year and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment. On the disposal of the non-integral foreign operation, the cumulative amount of the exchange difference which has been deferred and which relate to the operation are recognised as income or expense in the same period in which the gain or loss on disposal is recognised. When there is a change in the classification of a foreign operation, the transaction procedures applicable to the revised classification are applied from the date of the change in classification.



Notes Annexed to and Forming Part of the Consolidated Financial Statements

for the year ended 31st March, 2012

xii. Sales:

Revenue from sales of goods is being recognized on accrual basis on transfer of ownership to the customers. The sales are stated net of trade discounts, excise duty, sales returns and sales taxes. Revenue from rendering of services is recognized on completion of service.

xiii. Export Benefits / Incentives :

Benefits on account of entitlement of export incentives are recognized as and when the right to receive the same is established.

xiv. Leases :

Lease rentals are accounted on accrual basis in accordance with the terms of respective lease agreements.

xv. Research and Development :

Revenue expenditure incurred on Research and Development is charged to Profit & Loss Account in the year it is incurred. Capital expenditure is included in the respective heads under fixed assets.

xvi. Retirement Benefits :

- a) Contributions to the Provident Fund are made at a pre-determined rate and charged to the Profit & Loss Account.
- b) Liability towards Gratuity and Leave Encashment is provided on the basis of actuarial determination. Liability towards Superannuation is provided in accordance with the scheme administered by Life Insurance Corporation of India.

xvii. Borrowing Costs :

Borrowing costs directly attributable to the acquisition or construction of an asset are capitalized as part of the cost of that asset, up to the date such assets are ready for their intended use. Other borrowing/ financing costs are charged to the Profit & Loss Account.

xviii. Taxation:

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of local Income tax as applicable to the financial year. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income of the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date. In case where the tax assessments have been completed but the appeals are pending at various appeal fora, the tax payments have been set-off against the provisions in the Balance Sheet. Appropriate disclosures have been made towards contingent liabilities, if any

xix. Provisions and Contingent Liabilities:

A provision is recognized when the Company has a present obligation as a result of a past event. it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimates can be made. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligation at the Balance Sheet date. 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. Where there is a possible or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is required.



Notes to Consolidated Balance Sheet

as at 31st March, 2012

NOTE 2 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
1 SHARE CAPITAL :		
i. AUTHORISED :		
3,00,00,000 (Previous Year : 3,00,00,000) Equity Shares of ₹ 10/- each .	3,000.00	3,000.00
	<u>3,000.00</u>	<u>3,000.00</u>
ii. ISSUED		
2,05,96,486 (Previous Year : 2,05,96,486) Equity Shares of ₹ 10/-	2,059.65	2,059.65
iii. SUBSCRIBED AND PAID-UP		
2,05,36,936 (Previous Year : 2,05,36,936) Equity Shares of ₹ 10/- each fully paid up.	2,053.69	2,053.69
Add : Forfeiture of Shares:	2.97	2.97
No. of Shares forfeited are 59,550 and amount forfeited ₹ 5/- per Share.	<u>2,056.66</u>	<u>2,056.66</u>

	31st March 2012		31st March 2011	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
a Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.				
At the beginning of the period	20,536,936	2,053.69	20,536,936	2,053.69
Outstanding at the end of the period	<u>20,536,936</u>	<u>2,053.69</u>	<u>20,536,936</u>	<u>2,053.69</u>

b Rights, preferences, and restrictions attached to Equity shares

The Company has only one class of Equity shares having par value of ₹ 10/- each. Each holder of Equity Share is entitled to one vote per Share. The Company pays dividend to Equity Shareholders in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of the liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

c The details of shareholders holding more than 5% shares:

	As at 31.3.2012		As at 31.3.2011	
	No. of Shares	% holding	No. of Shares	% holding
Name of Shareholder				
1 Indart Exports Private Limited	2,610,647	12.72	2,381,495	11.60
2 Semit Pharmaceuticals & Chemicals Private Limited	2,205,690	10.74	2,201,808	10.72
3 Acraf S.P.A.	2,619,000	12.75	2,619,000	12.75
4 Citicorp International Financial Corporation	1,730,000	8.42	1,730,000	8.42
5 IL&FS Trust Company	1,108,778	5.40	1,108,778	5.40
As per records of the Company, including its Register of Shareholders / Members and other declarations received from Shareholders regarding beneficial interest the above shareholding represent both legal and beneficial ownerships of the Shares.				



Notes to Consolidated Balance Sheet as at 31st March, 2012

NOTE 3 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
RESERVES AND SURPLUS :		
CAPITAL RESERVE		
Opening Balance	2,145.78	--
Less: Addition/Adjustment during the year	249.75	2,145.78
Closing balance (A)	1,896.03	2,145.78
SHARE PREMIUM:		
Opening Balance	25,074.57	18,272.80
Add :Addition/Adjustment during the year	--	6,801.77
Closing balance (B)	25,074.57	25,074.57
HEDGING RESERVE		
Opening Balance	501.29	383.82
Add :Addition/Adjustment during the year	(295.11)	117.47
Closing balance (C)	206.18	501.29
DEBENTURE REDEMPTION RESERVE		
Opening Balance	4,000.00	--
Add :Transfer from surplus balance in the statement of Profit & Loss	4,000.00	4,000.00
Closing balance (D)	8,000.00	4,000.00
FOREIGN CURRENCY TRANSLATION RESERVE		
Opening Balance	(1,351.49)	(1,430.51)
Add :Addition/Adjustment during the year	1,028.17	79.02
Closing balance (E)	(323.32)	(1,351.49)
GENERAL RESERVE :		
Opening Balance	12,118.53	9,118.53
Add :Transfer from surplus balance in the statement of Profit & Loss	3,000.00	3,000.00
Closing balance (F)	15,118.53	12,118.53
SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
Opening Balance	18,520.94	19,814.76
Add : Profit for the year	7,225.81	6,422.22
	25,746.75	26,236.98
Less: Appropriations		
i) Proposed Dividend	616.11	616.09
ii) Tax on Dividend	99.95	99.95
iii) Transfer to General Reserve	3,000.00	3,000.00
iv) Transfer to Debenture Redemption Reserve	4,000.00	4,000.00
Total Appropriations	7,716.06	7,716.04
Closing balance (G)	18,030.69	18,520.94
Total (A+B+C+D+E+F+G)	68,002.68	61,009.62



Notes to Consolidated Balance Sheet

as at 31st March, 2012

NOTE 4 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
LONG TERM BORROWINGS:		
I SECURED BORROWINGS :		
(A) Non-convertible Debentures (A)	19,180.00	19,180.00
a) Loans against (a) 10.75% Non-convertible debentures & (b) 11.25% Non-convertible debentures aggregating to ₹ 11880 lacs & 7300 lacs respectively are secured by first pari-passu charge on all fixed assets of the Company along with all the existing charge holders against term loans.		
b) The non-convertible debentures are to be redeemed as follows:-		
Financial year 2012-13 - ₹ 990 lacs,		
Financial year 2013-14 - ₹ 5420 lacs,		
Financial year 2014-15 - ₹ 5420 lacs,		
Financial year 2015-16 - ₹ 4430 lacs,		
Financial year 2016-17 - ₹ 1460 lacs,		
Financial year 2017-18 - ₹ 1460 lacs,		
(B) Term Loans		
1 From Banks	31,798.82	28,526.32
2 From others	1,968.75	0.00
(B) 33,767.57	33,767.57	28,526.32
(C) Foreign currency loans (C)	1,397.63	3,593.42
a) Term loans & Foreign Currency loans are secured by first mortgage and charge on all the immovable and movable fixed assets both present and future ranking pari-passu with the existing charge holders for their term loans and non convertible debenture holders and also secured by second pari-passu charge on all the current assets of the Company.		
b) Term Loans of the Company's Subsidiary are secured by (a) the Subsidiary's investment in the step down subsidiary in the U.K., Company's investment in the step down subsidiary and Corporate Guarantee of the Company. (b) the Subsidiary's investment in the step down subsidiary in Bulgaria, hypothecation / mortgage of movable & immovable assets and receivables of the subsidiaries of Subsidiary in Bulgaria and Corporate Guarantees of the Company and Bulgarian subsidiaries. (c) Working Capital of the Company's U.K. step down subsidiary/ies are secured by their assets.		
Term loans and Foreign Currency loans are repayable as follows:-		
Financial year 2012-13 Rs.9483.43 lacs,		
Financial year 2013-14 Rs.10704.72 lacs,		
Financial year 2014-15 Rs.5275.97 lacs,		
Financial year 2015-16 Rs.3169.48 lacs,		
Financial year 2016-17 Rs.3169.48 lacs,		
Financial year 2017-18 Rs.3019.83 lacs,		
Financial year 2018-19 Rs.342.29 lacs,		
c) The rates of interest on secured loans vary between 12.50 % per annum to 15.25 % per annum		
d) The term loans have also been guaranteed personally by two of the directors of the Company.		
(D) Others (D)	4.96	6.28
Vehicle loan is secured against vehicle acquired under the scheme repayable as follows:-		
Financial year 2012-13 - ₹ 1.46 lacs,		
Financial year 2013-14 - ₹ 1.60 lacs,		
Financial year 2014-15 - ₹ 1.90 lacs,		
TOTAL (A + B + C + D) (E)	54,350.16	51,306.02
Less: CURRENT LIABILITIES (F)	10,324.86	6,893.01
TOTAL (E - F)	44,025.30	44,413.01
II UNSECURED BORROWINGS :		
Fixed Deposits	12,855.31	5,205.54
Trade Deposits	1,372.36	1,334.60
TOTAL	58,252.97	50,953.15



Notes to Consolidated Balance Sheet as at 31st March, 2012

NOTE 5 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
DEFERRED TAX LIABILITY (NET) :		
A Deferred Tax Liability		
i) Depreciation	1,905.21	1,435.84
B Less : Deferred Tax Asset		
i) Leave encashment	209.72	142.47
ii) Others	1,032.24	945.21
	1,241.96	1,087.68
DEFERRED TAX LIABILITY (NET) (A - B)	663.25	348.16

NOTE 6 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
LONG TERM PROVISIONS :		
Provision for leave benefits	286.46	412.44
Provision for Gratuity	1,141.58	1,032.86
TOTAL	1,428.04	1,445.30

NOTE 7 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
SHORT TERM BORROWINGS :		
A) SECURED BORROWINGS		
Working capital loans from banks repayable on demand	25,931.36	19,256.95
(Working capital loans are secured by first pari passu charge by way of hypothecation of Raw & Packing Materials, Finished Goods, stocks-in-trade and Book Debts and second pari passu charge over entire Fixed Assets of the company and also personally guaranteed by two of the Directors.)		
B) UNSECURED BORROWINGS		
From Banks	11,500.00	9,000.00
From others	2,050.00	4,001.73
	13,550.00	13,001.73
TOTAL (A + B)	39,481.36	32,258.68



Notes to Consolidated Balance Sheet

as at 31st March, 2012

NOTE 8 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
TRADE PAYABLES :		
Dues to Micro, Small & Medium enterprises #	565.50	490.18
Others	8,231.60	4,306.73
TOTAL	8,797.10	4,796.91
# Details have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.		

NOTE 9 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
OTHER CURRENT LIABILITIES :		
Current maturities of long term debts	10,324.86	6,893.01
Interest accrued and due on borrowings	858.38	485.78
Unclaimed dividends	29.82	30.27
Statutory remittances	1,094.46	1,239.39
Creditors for capital items	659.31	583.99
Interest accrued on others	351.23	345.14
Advances from customers	275.70	247.35
Temporary overdrawn from banks	654.92	329.92
Others	5,071.81	9,307.01
TOTAL	19,320.49	19,461.86

NOTE 10 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
SHORT TERM PROVISIONS :		
Provision for Taxation	914.99	794.29
Provision for Leave benefits	244.39	0.00
Other Provisions		
Proposed Dividend	616.11	616.09
Tax on proposed Dividend	199.90	99.95
TOTAL	1,975.39	1,510.33



Notes to Consolidated Balance Sheet as at 31st March, 2012

NOTE 11:

CONSOLIDATED FIXED ASSETS :

(₹ in Lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	Cost as at 01.04.2011	Additions	Adjustment	Cost as at 31.03.2012	Upto 31.03.2011	Adjustment	For the PERIOD	Upto 31.03.2012	As At 31.03.2012	As At 31.03.2011
TANGIBLE										
LAND-FREEHOLD	2,377.96	0.71	9.31	2,387.98	-	-	-	-	2,387.98	2,377.96
LAND-LEASEHOLD	256.18	-	-	256.18	-	-	38.63*	38.63	217.55	256.18
BUILDINGS	16,297.67	4,768.47	286.53	21,352.67	2,545.55	104.36	714.76	3,364.67	17,988.00	13,752.12
R&D-BUILDING	77.94	1.46	-	79.40	8.02	-	2.63	10.65	68.75	69.93
PLANT & MACHINERY	43,132.43	1,862.72	1,032.08	46,027.23	12,075.06	761.94	2,399.63	15,236.63	30,790.60	31,057.37
R&D-PLANT & MACHINERY	499.55	4.16	-	503.71	129.40	-	25.36	154.76	348.95	370.15
FURNITURE & FIXTURES	2,668.11	123.77	80.25	2,872.13	1,530.61	74.39	171.00	1,776.00	1,096.13	1,137.50
R&D-FURNITURE & FIXTURES	107.37	-	-	107.37	29.97	-	6.80	36.77	70.60	77.40
MOTOR VEHICLES	409.07	139.32	(40.33)	508.06	448.67	(6.01)	39.21	481.87	26.19	(39.60)
TOTAL	65,826.28	6,900.61	1,367.84	74,094.73	16,767.28	934.68	3,398.02	21,099.98	52,994.75	49,059.01
INTANGIBLE										
TECHNICAL KNOW-HOW **	1,293.17	-	-	1,293.17	226.05	-	-	226.05	1,067.12	1,067.12
GOODWILL	13,147.85	2,091.23	-	15,239.08	-	-	-	-	15,239.08	13,147.85
SOFTWARE/LICENCES/ CONTRACTS	1,571.35	-	-	1,571.35	93.00	146.23	-	239.23	1,332.12	1,478.35
TOTAL	16,012.37	2,091.23	-	18,103.60	319.05	146.23	-	465.28	17,638.32	15,693.32
GRAND TOTAL	81,838.65	8,991.84	1,367.84	92,198.33	17,086.33	1,080.91	3,398.02	21,565.26	70,633.07	64,752.33
Previous Year	55,922.63	25,927.76	(11.74)	81,838.65	6,879.04	7,333.92	2,873.37	17,086.33	64,752.32	49,043.59
CAPITAL WORK -IN-PROGRESS ***									19,100.81	9,497.91

*Including depreciation of ₹ 35.30 Lacs for previous years.

**Technical Know-how has not been amortised this year (previous year ₹ 226.05 Lacs).

*** Includes ₹ 4,515.04 Lacs being advance given for setting up a Plant on Turn-key basis.



Notes to Consolidated Balance Sheet

as at 31st March, 2012

NOTE 12:

CONSOLIDATED NON CURRENT INVESTMENTS

(₹ in Lacs)

	Nature of Investment	Face Value ₹	Numbers		Value	
			AS AT 31st MARCH,2012	AS AT 31st MARCH,2011	AS AT 31st MARCH,2012	AS AT 31st MARCH,2011
LONG TERM INVESTMENTS						
(At Cost, Fully paid, Other than Trade)						
(A) INVESTMENT IN JOINT VENTURE						
Elder Universal Pharmaceuticals (Nepal) P Ltd	Equity Shares	10	500,000	500,000	50.00	50.00
(B) UNQUOTED						
Maharashtra Apex Corp.Limited	Non-Convnt. Debenture	1000	25	25	0.21	0.21
Bombay Mercantile Co-op.Bank Limited	Equity Shares	30	533	533	0.16	0.16
Elder Instruments Private Limited	Equity Shares	10	765,000	765,000	76.50	76.50
The Saraswat Co-operative Bank Limited	Equity Shares	10	2,500	2,500	0.25	0.25
VTC Industries Limited	Equity Shares	10	10,000	10,000	2.10	2.10
The Kalyan Janata Sahakari Bank Limited	Equity Shares	25	20,000	20,000	5.00	5.00
(C) QUOTED						
Elder Projects Limited	Equity Shares	10	300,200	300,200	22.52	22.52
Elder Health Care Limited	Equity Shares	10	321,200	321,200	32.12	32.12
The Karnataka Bank Limited	Equity Shares	10	63,400	63,400	38.04	38.04
TOTAL					226.90	226.90

Aggregate Value of Investment :	As At 31st March,2012		As At 31st March,2011	
	Market Value	Book Value	Market Value	Book Value
Quoted	480.31	92.68	412.77	92.68
Unquoted	-	134.22	-	134.22

NOTE 13

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
LONG- TERM LOANS AND ADVANCES :		
(Unsecured, Considered Good)		
Capital Advances	52.47	108.47
Security Deposits	374.41	356.73
Loans and Advances to related parties	202.54	38.10
Others	21,566.60	16,386.82
TOTAL	22,196.02	16,890.12



Notes to Consolidated Balance Sheet as at 31st March, 2012

NOTE 14 :

CONSOLIDATED CURRENT INVESTMENTS :

In Mutual Funds (Other than Trade)

(₹ in Lacs)

NAME OF MUTUAL FUND	UNIT	UNIT	UNIT	UNIT	VALUE	VALUE
	AS AT 1st APRIL,2011	PURCHASE 2011-2012	REDEEMED 2011-2012	AS AT 31st MARCH,2012	AS AT 31st MARCH,2012	AS AT 31st MARCH,2011
UTI Liquid Cash Plan Inst. - DIO Reinvestment	-	14,507.04	14507.04	-	-	-
UTI Treasury Advantage Fund-Inst Plan-DDO Reinvestment	-	1,81,280.33	181280.33	-	-	-
UTI Infrastructure Growth Fund	50,925.37	--	--	50,925.37	5.00	5.00
UTI Infrastructure -DDP Fund	22,353.25	--	--	22,353.25	20.00	20.00
HDFC AMC-PMS-REAL ESTATE PORTFOLIO-I	-	--	--	-	100.00	100.00
SBI Magnum Inst. Cash Fund-Daily Dividend Option	-	1,69,01,501.75	16901501.75	-	-	-
SBI Premier Liquid Fund-IDD	-	7,90,65,744.57	79065744.57	-	-	-
SBI Infrastructure Fund-I Growth	2,50,000.00	--	--	2,50,000.00	25.00	25.00
Canara Bank Robeco	2,44,498.78	--	--	2,44,498.78	25.00	25.00
AXIS EF-DIV	2,00,000.00	--	--	2,00,000.00	20.00	20.00
AXIS Liquid Institutional-DD Reinvestment	-	15,04,486.71	1504486.71	-	-	-
Birla Sun Life savings Fund-Inst-DD-Investment.	-	15,00,208.81	1500208.81	-	-	-
Birla Sun Life Cash Plus-Inst-DD-Reinvestment	-	1,71,66,034.45	17166034.45	-	-	-
Reliance Liquid Fund-Cash Plan Daily D-Option	-	1,80,02,095.04	18002095.04	-	-	-
Reliance Money Manager Fund-Inst Option DDP	-	3,00,640.16	300640.16	-	-	-
SBI PSU Fund Dividend Plan	10,00,000.00	--	--	10,00,000.00	100.00	100.00
SBI Premier Liquid Fund ip DDR	49,84,816.04	1,73,894.70	5,009,129.99	1,49,580.75	1,500.00	500.00
SBI Gold Fund	--	2,50,000.00	--	2,50,000.00	25.00	-
TOTAL					1,820.00	795.00

NOTE 15 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
INVENTORIES :		
(At cost, as taken, valued and certified by the management)		
Raw Materials	3,056.34	2,655.66
Packing Materials	183.93	492.52
Work-in-Process	2,984.62	3,042.26
Finished Goods	10,131.33	8,822.47
Stocks-in-traded	11,559.21	9,126.04
Stores and Spares	1,377.34	35.54
TOTAL	29,292.77	24,174.49

NOTE 16 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
TRADE RECEIVABLES :		
(Unsecured, Considered Good unless stated otherwise)		
More than six months	1,109.86	1,390.86
Doubtful	118.67	180.34
	1,228.53	1,571.20
Less: Provision For Doubtful Debts	118.67	180.34
	1,109.86	1,390.86
Others Receivables	33,020.63	26,857.40
TOTAL	34,130.49	28,248.26



Notes to Consolidated Balance Sheet

as at 31st March, 2012

NOTE 17 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
CASH AND CASH EQUIVALENTS :		
1 In Current Accounts	12,112.42	24,755.45
2 Cash in hand	51.48	19.36
3 Cheques in transit	10.29	0.00
4 Bank Deposits with original maturity for less than 12 months	1,818.05	1,029.25
5 Unpaid Dividend	29.80	30.27
Other Bank Balances :		
a. Bank Deposits with original maturity for more than 12 months in Fixed Deposits	500.00	0.00
b. Margin money Deposits	878.04	874.80
TOTAL	15,400.08	26,709.13

NOTE 18 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
SHORT TERM LOANS AND ADVANCES :		
(Unsecured, Considered Good)		
Loans and Advances to related parties	-	81.00
Loans and Advances to employees	1,178.77	420.81
Prepaid Expenses	103.24	155.52
Balance with Government Authorities:		
i) CENVAT credit receivable	455.88	433.66
ii) Service Tax credit receivable	218.66	-
iii) Advances to Sundry Creditors	3,027.36	984.31
TOTAL	4,983.91	2,075.30

NOTE 19 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
OTHER CURRENT ASSETS :		
(Unsecured, Considered Good)		
Interest Accrued on Deposits	1,298.73	43.08
Duty Drawback Receivable	30.88	688.44
Licence and Other Recoverables	864.28	45.33
TOTAL	2,193.89	776.85



Notes to Consolidated Profit & Loss for the year ended 31st March, 2012

NOTE 20 :

(₹ in Lacs)

	Year Ended 31st March, 2012		Year Ended 31st March, 2011	
REVENUE FROM OPERATIONS :				
Sale of products (Refer note 20. (i))	1,34,258.92		97,403.72	
Less: Excise Duty	1,025.69	1,33,233.23	975.97	96,427.75
Sale of Services (Refer note 20. (ii))		245.04		100.66
TOTAL		1,33,478.27		96,528.41
20. (i) Details of products sold :				
Formulations Et Bulk Drugs		1,19,172.26		88,946.75
Others		15,086.66		8,456.97
TOTAL		1,34,258.92		97,403.72
20. (ii) Sale of Services consists of export incentives and services arising from other ancillary activities.				

NOTE 21

(₹ in Lacs)

	Year Ended 31st March, 2012		Year Ended 31st March, 2011	
OTHER INCOME :				
Interest :				
From Banks on Deposits	241.15		217.39	
From Others	1,626.70	1,867.85		217.39
Dividend :				
From Current Investments	247.89		115.04	
From Long Term Investments	6.71	254.60		115.04
Sundry Balances Written back		158.74		0.00
Miscellaneous Income		373.22		533.10
TOTAL		2,654.41		865.53

NOTE 22 :

(₹ in Lacs)

	Year Ended 31st March, 2012		Year Ended 31st March, 2011	
COST OF MATERIALS :				
Inventory at the beginning of the year	3,062.19		1,308.46	
Add: Purchases	11,832.05		13,763.94	
	14,894.24		15,072.40	
Less: Inventory at the end of the year	2,540.32		3,148.18	
Cost of Materials consumed		12,353.92		11,924.22



Notes to Consolidated Profit & Loss

for the year ended 31st March, 2012

NOTE 23 :

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
PURCHASES OF STOCKS-IN-TRADE :		
Purchases of Stocks-in-Trade	56,966.19	42,294.86
TOTAL	<u>56,966.19</u>	<u>42,294.86</u>

NOTE 24 :

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
CHANGE IN INVENTORIES :		
(A) Inventory at the end of the year		
Work-in-process	3,094.88	3,042.27
Finished Goods	10,131.33	8,822.47
Stock-in-trade	8,231.81	9,126.20
TOTAL (A)	<u>21,458.02</u>	<u>20,990.94</u>
(B) Inventory at the beginning of the year		
Work-in-process	3,042.27	1,153.63
Finished Goods	8,822.47	6,506.24
Stock-in-trade	9,126.20	5,115.33
TOTAL (B)	<u>20,990.94</u>	<u>12,775.20</u>
CHANGE IN INVENTORY (A-B)	<u>(467.08)</u>	<u>(8,215.74)</u>

NOTE 25 :

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
EMPLOYEE BENEFITS EXPENSES :		
Salaries and Wages	16,838.98	10,864.77
Contribution To Provident and Other Funds	783.53	597.87
Staff Welfare Expenses	366.71	443.28
TOTAL	<u>17,989.22</u>	<u>11,905.92</u>

NOTE 26 :

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
FINANCE COSTS :		
Interest Expenses	7,709.30	2,806.92
Borrowing Costs	2,447.90	3,744.19
Total	<u>10,157.20</u>	<u>6,551.11</u>



Notes to Consolidated Profit & Loss for the year ended 31st March, 2012

NOTE 27 :

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
OTHER EXPENSES :		
Rent	1,278.88	426.49
Rates and Taxes	606.58	652.17
Power and Fuel	1,557.65	854.86
Spares & Tools	313.15	176.94
Packing materials	882.95	757.45
Manufacturing charges	1,123.11	840.98
Repairs and Maintenance :		
To Building	33.94	3.85
To Machinery	115.78	123.06
To Others	760.39	210.21
Insurance	352.50	114.88
Travelling and Conveyance	4,563.70	4,347.73
Printing and Stationery	239.18	246.86
Selling Expenses	7,476.61	5,100.66
Discount on Sales	581.28	576.58
Communication	550.73	431.87
Packing, Freight and Forwarding	852.13	781.19
Vehicles Maintenance	232.57	135.46
Payment to Auditors:		
Audit Fees	81.83	16.55
Certification , Quarterly review , & other services	11.52	14.97
Taxation matters	19.92	2.21
Reimbursement of Expenses	0.75	0.64
	114.02	34.37
Legal and Professional charges	1,132.85	699.25
Donation	82.47	42.26
Directors' Sitting Fees	8.15	13.41
Loss on Sale of Assets	19.04	2.87
Provision for Doubtful Debts	64.58	180.34
Miscellaneous	3,283.99	4,377.77
TOTAL	26,226.23	21,131.51

NOTE 28 :

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
R & D EXPENDITURE:		
R & D Chemicals & Expenses	72.18	66.35
Power & Fuel	16.41	11.21
Salaries, Wages and Allowances	376.69	320.02
Contribution to Provident and other funds	16.84	14.03
Staff Welfare	18.06	17.86
Miscellaneous Expenses	7.64	6.08
TOTAL	507.82	435.55



Notes to Consolidated Profit & Loss

for the year ended 31st March, 2012

Note 29 :

(₹ in Lacs)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
EARNINGS PER SHARE :		
Profit attributed to equity shareholders	7,225.81	6,422.22
Weighted average number of equity shares	2,05,36,936	1,97,31,720
Diluted Weighted average number of equity shares	2,05,36,936	1,97,31,720
Nominal value of equity share	₹ 10/-	₹ 10/-
Basic and Diluted EPS (Face Value ₹ 10/-)	₹ 35.18	₹ 32.55

Note 30 :

(₹ in Lacs)

	As At 31st March, 2012	As At 31st March, 2011
CONTINGENT LIABILITIES :		
a) Letters of Credit	3,308.91	3,242.89
b) Bank Guarantees	9,689.04	342.55
c) Corporate Guarantees to Subsidiary	16,034.65	8,673.47
d) Disputed liability in respect of :		
i) Income tax *	268.58	268.58
ii) Sales tax	36.21	17.56
iii) Customs Duty	25.00	25.00
iv) Service Tax	492.62	--
* Includes demand of ₹ 216.53/- lacs decided in favour of the Company but disputed by Income-tax Department.		
e) Estimated amount of contracts remaining to be executed or Capital Account and not provided for.	230.70	1,869.96

31. The balance in respect of trade receivables and loans & advances are subject to confirmations by the respective parties. The balances of trade payable were confirmed at random and reconciliations / adjustments have been made in such accounts, wherever necessary.

32 Hedging and Derivatives

Pursuant to ICAI Announcement "Accounting for Derivatives" on the early adoption of Accounting Standard 30 - "Financial Instruments: Recognition and Measurement" ("AS 30"), the company has early adopted AS 30 with effect from October 1, 2008, to the extent that the adoption does not conflict existing mandatory accounting standards and other authoritative pronouncements, company law and other regulatory requirements. Pursuant to the adoption :-

- Transitional Gain representing the Gain on fair valuation of foreign currency options, determined to be ineffective cash flow hedges on the date of adoption, amounting to ₹ 667.67 Lacs has been adjusted against the opening balance of General Reserve Account in the Balance Sheet.
- Gain on the fair valuation of forward covers, which qualify as effective cash flow hedge amounting to ₹ 206.18 Lacs, on the date of adoption, has been recognised in the hedging reserve account.

Following are the outstanding forward exchange contracts and currency options entered into the Company.

Category	Currency	Cross Currency	Amount IN JPY(Million)	Currency Option Type	Purpose
Structured Currency Option	JPY	USD	221.77	USD Put/JPYCall	Hedging



Notes to Consolidated Profit & Loss for the year ended 31st March, 2012

33 Segment Information

The company is primarily engaged and deals in pharmaceuticals & related products, which in the context of Accounting Standard-17, is the only business segment and has been identified as the primary reporting segment. Accordingly, the information appearing in these financial statements relate to the aforesaid primary reporting segment.

Secondary segmental reporting is performed on the basis of the geographical locations of customers. The geographical segments considered for disclosure are based on the revenue within India (including sales to customers located in India and service income accrued in India) and revenues outside India (sales to customers located outside India).

Segment	Domestic		Exports		Total	
	Year ended		Year ended		Year ended	
	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11
Segment Revenue	1,31,444.05	95,054.12	2,814.87	2,349.60	1,34,258.92	97,403.72
Segment Assets	33,321.84	27,335.30	808.65	912.96	34,130.49	28,248.26

34. (I) Related Party Disclosures

Related party disclosures, as required by AS-18, "Related Party Disclosures" are given below :

A) Names of the related parties and description of relationship :

Related parties where control exists

Subsidiary

Elder International FZCO, Dubai, UAE

B) Enterprises over which key management personnel and their relatives are able to exercise significant influence

Elder Health Care Limited

Elder Projects Limited

Elder Instruments Private Limited

Maveer Prints Private Limited

E W F Pharmaceuticals Private Limited

Redle Pharmaceuticals Private Limited

Akshaya Holdings Private Limited

Anjay Prints

Anshul Printers

C) Key Management Personnel and their Relatives

Mr Jagdish Saxena

Mr Alok Saxena

Mr Yusuf Karim Khan

Mrs Shalini Kumar

Note: Related party relationship is as identified by the Company and relied upon by the Auditors



Notes to Consolidated Profit & Loss

for the year ended 31st March, 2012

34. II (1) The following transactions were carried out with the related parties in the ordinary course of business. Details relating to parties referred to (B) above :

(₹ in Lacs)

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
1. Purchase of materials / finished goods	13,834.53	7,931.99
2. Purchase of Assets	-	3.51
3. Sale of materials / finished goods	339.98	95.06
4. Expenses charged to other companies	103.34	39.88
5. Expenses charged by other companies	834.46	716.28
6. Outstanding receivables, net of payables*	1,530.84	1,351.51
7. Advances to subsidiary	8,536.50	7,055.33

* Transactions with the above parties are accounted in the respective current accounts.

- (2) Details relating to persons referred to in item (C) above:

(₹ in Lacs)

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Remuneration /Others	532.13	615.23

35. During the year under review, the Income Tax authorities had carried out search operations in the office and factory premises of the Company. The liability, if arises, on completion of block assessment proceedings under the provisions of the Income Tax Act, 1961, will be provided as and when ascertained.
36. The Board of Directors of the Company has at its meeting held on 2nd August 2012 approved Scheme of Arrangement for merger of Elder Health Care Ltd. with the Company under sections 391 to 394 of the Companies Act, 1956, subject to the approvals of shareholders and other appropriate authorities.
The Scheme of Arrangement will become effective from 1st April 2012. On the approval of the Scheme of Arrangement, it is proposed to allot 100 equity shares of Rs.10/- each of the Company for every 358 equity shares of Rs.10/- each held by the shareholders of Elder Health Care Ltd.
37. The revised schedule VI notified under Companies Act, 1956 has become applicable to the Company during the current year. The previous years figures have been re-grouped, re-arranged, re-worked & reclassified, where ever necessary, to confirm to revised schedule VI classification and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date
For S S KHANDELWAL & CO.
Chartered Accountants
(Firm Registration No:105064W)

Jagdish Saxena
Managing Director

Alok Saxena
Joint Managing Director

Yusuf Karim Khan
Executive Director

(S S KHANDELWAL)
(Proprietor)
Membership No.31487

Suresh V. Pai
Chief Financial Officer

S. P. Date
Company Secretary

Mumbai, 9th August, 2012



Notice

Notice is hereby given that the 29th Annual General Meeting of the Shareholders of Elder Pharmaceuticals Limited will be held at Hotel Blue Waters, Opposite Crystal Point, Near Tata Power House, New Link Road, Andheri (West), Mumbai 400 053, on Friday the 28th day of September 2012 at 10.30 a.m. to transact the following business:

As Ordinary Business:

1. To receive and adopt the audited Balance Sheet as at 31st March 2012 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint Auditors and to fix their remuneration.
4. To appoint a Director in place of Dr. R. Srinivasan who retires by rotation but being eligible offers himself for re-appointment.
5. To appoint a Director in place of Dr. S. Jayaram who retires by rotation but being eligible offers himself for re-appointment.
6. To appoint a Director in place of Mr. Michael Bastian who retires by rotation but being eligible offers himself for re-appointment.

As Special Business:

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

"RESOLVED THAT subject to the provisions of sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification or re-enactment thereof, and further subject to any other statutory approvals, if any, that may be required, Mr. Yusuf Karim Khan be and is hereby re-appointed as Executive Director for a period of five years effective from -28th August 2012 on the terms and conditions set out in the Explanatory Statement and which are within the limits fixed by Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof for the time being in force."

Salary ₹ 302,650/- p.m plus monthly allowance of ₹ 233,265/- p.m with such suitable increment as the Board may decide from time to time. Mr. Yusuf Karim Khan will also be entitled to LTA, Retirement Benefits, Car, Telephone and other allowances, commission etc. which are allowed and are within limit fixed by Section I and II of Schedule XIII to the Companies Act, 1956.

'RESOLVED FURTHER THAT notwithstanding loss or inadequacy of profits Mr. Yusuf Karim Khan be paid the same remuneration and or perquisites subject to approvals, if any."

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

RESOLVED THAT –

- (a) in supersession of all the resolutions passed earlier in this regard and pursuant to the provisions of Sections 81 and/or 81(1A), as applicable and other applicable provisions, if any, of the Companies Act, 1956, ("**the Act**") (including any statutory amendments thereto or modifications or re-enactments thereof for the time being in force);
- (b) subject to the relevant provisions of the Memorandum and Articles of Association of the Company;
- (c) subject to the Listing Agreement entered into by the Company with the Stock Exchanges on which the Company's Equity Shares [and / or securities] are presently listed;
- (d) subject to the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA**") as amended and all applicable regulations framed, notifications and circulars issued thereunder;
- (e) subject to the provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 as amended and all applicable regulations framed, notifications and circulars issued thereunder;
- (f) subject to the provisions of the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulation, 2004, as amended, and all applicable regulations framed, notifications and circulars issued thereunder;
- (g) subject to the provisions of the Foreign Exchange (Borrowing and Lending in Rupees) Regulations, 2000, as amended, and all applicable regulations framed, notifications and circulars issued thereunder;
- (h) subject to the provisions of the Foreign Exchange (Borrowing and Lending in Foreign Currency) Regulations, 2000, as amended, and all applicable regulations framed, notifications and circulars issued thereunder;
- (i) subject to the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, ("**ICDR Regulations**") as amended as applicable, including regulations for Qualified Institutions Placement prescribed in Chapter VIII thereof;
- (j) subject to the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 ("**FCCB Scheme**") as amended and all other applicable circulars, notifications, guidelines issued by the Ministry of Finance



(Department of Economic Affairs), the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI") and all other governmental or regulatory bodies in India;

- (k) subject to the Issue of Foreign Currency Exchangeable Bonds Scheme, 2008 ("FCEB Scheme") as amended and all other applicable circulars, notifications, guidelines issued by the Ministry of Finance (Department of Economic Affairs), the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI") and all other governmental or regulatory bodies in India;
- (l) subject to all other applicable laws, rules, regulations, notifications, circulars and guidelines, if any including those issued by the Ministry of Finance, Ministry of Commerce and Industry, Ministry of Health and Family Welfare, the RBI, SEBI, Competition Commission of India ("CCI") and all other relevant governmental or regulatory bodies in India and/or in any other relevant jurisdiction;
- (m) subject to obtaining and compliance with all necessary approvals, consents, permissions and/or sanctions, as applicable including that of the SEBI, Government of India ("GOI"), Ministry of Commerce and Industry, the Foreign Investment Promotion Board ("FIPB"), Secretariat for Industrial Assistance ("SIA"), Department of Industrial Policy and Promotion ("DIPP"), CCI, RBI, all other appropriate governmental authorities, all other relevant stock exchanges whether in India or overseas, all other regulatory and governmental authorities whether in India or overseas; subject to such conditions and modifications as may be prescribed or imposed by any of them whilst granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include any Committee(s) to be constituted by the Board in that regard for the purpose of any offering(s) to be made by the Company in pursuance of this Resolution); and
- (n) subject to obtaining the consents, if required, of any institutions, lenders and any other third parties, if any, the consent and approval of the Company be and is hereby accorded to the Board in its absolute discretion to create, offer, issue and allot:
 - (i) in the course of one or more domestic offering(s); and/or
 - (ii) in the course of one or more international offering(s) in one or more foreign markets,

such number of Equity Shares (including those to be issued pursuant to a Qualified Institutions Placement ("QIP"), a Rights Issue, Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), or any other form of Depository Receipts or by way of Bonds or Debentures convertible into Equity Shares including Foreign Currency Convertible Bonds ("FCCBs"), and/or Foreign Currency Exchange Bonds ("FCEBs") and/or convertible bonds, convertible debentures, fully or partly paid, and/or other

securities, fully or partly paid, convertible into or exchangeable with Equity Shares and/or other securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities, and/or securities linked to Equity Shares, and/ or securities with or without detachable/ non-detachable warrants and/or warrants with a right exercisable by the warrant holders to subscribe to Equity Shares and/or any instruments which would be converted into or exchanged with Equity Shares at a later date, whether Indian Rupees denominated or denominated in any foreign currency (naked or otherwise), either in registered or bearer forms or any combination of the Equity Shares and the securities with or without premium, as the Board at its sole discretion decides, whether secured by way of creating charge on the assets of the Company or unsecured or any other permitted securities / instruments, convertible into Equity Shares, at the option of the Company and/or the holder(s) of the securities, and/or securities linked to Equity Shares, (hereinafter collectively referred to as the "Securities"), in one or more offering(s) and/or in one or more tranches, with or without green shoe option, whether Indian Rupee denominated or denominated in foreign currency, to such investors (including but not limited to foreign, resident (whether institutions, incorporated bodies, banks, insurance companies and/ or individuals or otherwise), Qualified Institutional Buyers ("QIBs"), Foreign Institutional Investors ("FIIs"), Promoters, Indian and/or Multilateral Financial Institutions and/or Mutual Funds and/or Non Resident Indians and/or employees of the Company and/or other categories of investors whether they be holders of Equity Shares in the Company or not or whether or not such investors are members of the Company (collectively called as "Investors") who are eligible to acquire the Securities in accordance with all applicable laws, rules, regulations, circulars, notifications, guidelines and approvals including without limitation the Act, the ICDR Regulations, FEMA, the Competition Act, 2002 ("CA"), the Foreign Exchange (Borrowing and Lending in Rupees) Regulations, 2000, the Foreign Exchange (Borrowing and Lending in Foreign Currency) Regulations, 2000, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004, the FCCB Scheme and FCEB Scheme, and all other applicable laws, regulations, circulars, notifications, guidelines including those issued by the Ministry of Finance, Ministry of Commerce and Industry, Ministry of Health and Family Welfare, RBI, CCI SEBI and all other relevant governmental or regulatory bodies in India and/or of any other relevant jurisdictions, through public issue(s), rights issue(s), preferential issue(s), private placement(s) or any combination thereof, through a prospectus, offer document, offer letter, offering circular, placement document, information memorandum, private placement memorandum, offer memorandum or otherwise, at such time or times and at such price or prices subject to compliance with all applicable laws, rules, regulations, circulars, notifications, guidelines and approvals, at a discount or premium to market price or prices in such manner and



on such terms and conditions including as regards security, rate of interest, etc., as may be deemed appropriate by the Board in its discretion, subject to compliance with all applicable laws, rules, regulations, circulars, notifications, guidelines and approvals, for an aggregate amount, in one or more offering(s) and/or in one or more tranches, not exceeding [U.S. \$ 50 million] (United States Dollars Fifty Million) (inclusive of any premium, green shoe or over allotment option subject to compliance with all applicable laws, rules, regulations, circulars, notifications, guidelines and approvals) or an equivalent amount in Indian Rupees as may be approved by the Board, who (subject to compliance with all applicable laws, rules, regulations, circulars, notifications, guidelines and approvals) shall have the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors at the time of such offer, issue and allotment including after considering the prevailing market conditions and all other relevant factors and wherever necessary, in consultation with Advisor(s), Lead Manager(s) and Underwriter(s). Provided however, the aggregate face value of the new Equity Shares so issued or issued upon conversion of other Securities shall not exceed [30%] of the share capital of the Company on a fully diluted basis as on 31st March, 2012 the directors of the Company (hereinafter referred to as the "Directors") whether acting at a meeting including through any Committee constituted by the Board in that regard, be and are hereby authorized subject to compliance with applicable laws and regulations to issue and allot the aforesaid Securities to such Investors.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue(s) or offering(s) of the Securities may, subject to compliance with all applicable domestic and international laws, rules, regulations, circulars, notifications, guidelines and approvals, have all or any terms, or combination of terms, in accordance with prevalent market practices (whether domestic and/or international) and applicable laws and regulations including but not limited to the terms and conditions relating to payment of interest, additional interest, dividend, premium/ premia on redemption, prepayment and any other debt service payments whatsoever and all such terms as are provided in domestic/ international Issues or offering(s) of this nature, including terms for issue of additional equity shares or variation of the conversion price of the Securities during the duration of the Securities or period of conversion of Securities into Equity Shares or terms pertaining to voting rights or options for redemption of Securities, and that the Company is also entitled to appoint, enter into and execute all such agreements with any Advisor(s), Lead Manager(s), Underwriter(s), Broker(s), Banker(s) including Merchant Banker(s), Guarantor(s), Depository(ies), Trustee(s), Custodian(s), Legal Counsel(s) and all such other relevant agencies as may be involved or concerned in such Issues or offerings of Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or the like, and also to seek the listing of the Securities in one or more

domestic and/or one or more international stock exchanges ("the Stock Exchanges").

RESOLVED FURTHER THAT the Company and/or any agencies, persons or bodies as are authorized by the Board may, subject to compliance with all applicable laws, rules, regulations, circulars, notifications, guidelines and approvals, as amended, issue Depository Receipts (including by way of GDRs or ADRs) represented by underlying Shares in the capital of the Company or such other Securities with such features and attributes as are prevalent in international and/or domestic capital markets for instruments of such nature as may be required to provide for the tradability and free transferability thereof in accordance with market practices, domestic and/or international practices and regulations, and in the forms and practices prevalent in such international and/or domestic markets and subject to applicable laws and regulations and the Articles of Association of the Company and subject to compliance with all applicable laws, rules, regulations, circulars, notifications, guidelines and approvals, as amended, issue certificates including share certificates and/or other certificates of title representing the Securities with such features and attributes as are prevalent in international and/or domestic capital markets for instruments of such nature and to provide for the tradability or transferability thereof as per the international and/or domestic practices and regulations, and under the forms and practices prevalent in such international and/or domestic markets, subject to compliance with all applicable laws, rules, regulations, circulars, notifications, guidelines and approvals.

RESOLVED FURTHER THAT the Securities issued in pursuance of this Resolution shall be deemed to have been issued in the relevant domestic and/or foreign markets and shall be governed by the applicable laws, rules, regulations, circulars, notifications, guidelines and approvals).

RESOLVED FURTHER THAT the Securities may be redeemed and/or converted, subject to compliance with all applicable laws, rules, regulations, circulars, notifications, guidelines and approvals, in a manner as may be provided in the terms of their issue.

RESOLVED FURTHER THAT the Board be and is hereby authorized to apply for listing of the securities, as may be issued pursuant to this Resolution, on domestic Stock Exchanges and/or one or more international Stock Exchanges, as may be necessary, and to apply for admission thereof to domestic and/or international Depositories.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any of the Securities or as may be necessary in accordance with the terms of the offering(s), subject to the provisions of the Memorandum and Articles of Association of the Company and further subject to compliance with all applicable laws, rules, regulations, circulars, notifications, guidelines and approvals,



all such shares will rank *pari passu* with the existing Equity Shares of the Company in all respects, except such rights as to dividend and voting will be as may be provided under the terms of the issue and in the offer document, if any.

RESOLVED FURTHER THAT the pricing of the Securities shall be made subject to compliance with all applicable laws, rules, regulations, circulars, notifications, guidelines and approvals and, further that the pricing of any Equity Shares pursuant to a Preferential Issue shall be made in accordance with Chapter VII of the ICDR Regulations and the pricing of any Securities pursuant to a QIP that may be issued, shall be made in accordance with Chapter VIII of the ICDR Regulations.

RESOLVED FURTHER THAT in the event of an issue of Securities by way of a Preferential Issue under Chapter VII of the ICDR Regulations, the **"relevant date"** shall have the meaning as given in sub-clause (a) and sub-clause (b) of Clause 71 of the said Chapter VII of the ICDR Regulations, which, *inter alia* states as under:

- (i) in the case of preferential issue of equity shares shall mean, the thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue;
- (ii) in case of preferential issue of convertible securities, either the relevant date referred to in clause (i) herein above or a date thirty days prior to the date on which the holders of the convertible securities become entitled to apply for the equity shares.

and where the relevant date falls on a weekend / holiday, the date preceding the weekend / holiday will be reckoned to be the relevant date.

RESOLVED FURTHER THAT in the event of issue of Securities by way of a QIP under Chapter VIII of the ICDR Regulations, the **"relevant date"** shall have the meaning given in sub-para (c) of Regulation 81 of the said Chapter VIII of the ICDR Regulations, which *inter alia* states as under:

- (i) in the case of allotment of equity shares, the date of meeting in which the Board or the Committee decides to open the proposed issue;
- (ii) in case of allotment of eligible convertible securities, either the date of meeting in which the Board or the Committee decides to open the issue of such convertible securities or the date on which holders of such convertible securities become entitled to apply for the equity shares.

RESOLVED FURTHER THAT in the event of issue of Securities by way of FCCBs, ADRs or GDRs in accordance with the FCCB Scheme, the **"relevant date"** means the date of the meeting in which the Board decides to open the proposed issue; as may be altered or amended from time to time in accordance with applicable laws, rules, regulations, guidelines, circulars, notifications and approvals.

RESOLVED FURTHER THAT in the event of issue of Securities by way of FCEBs in accordance with the Issue of Foreign Currency Exchangeable Bonds Scheme, 2008 (**"FCEB Scheme"**), the **"relevant date"** means the date on when the Board passes the Resolution authorizing the issue of Foreign Currency Exchangeable Bond; as may be altered or amended from time to time in accordance with applicable laws, rules, regulations, guidelines, circulars, notifications and approvals

RESOLVED FURTHER THAT in the event of an issue of any other type of Securities, pricing of such Securities and the **"relevant date"** shall have the meaning as may be stipulated in any applicable law, rule, regulation, guideline, circular, notification or approval, as the case may be.

RESOLVED FURTHER THAT the issue to the holders of the Securities underlying the Securities shall be, *inter alia*, subject to the following terms and conditions:

- a. In the event of the Company making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall subject to compliance with applicable laws and regulations stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced *pro tanto*;
- b. In the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand subject to compliance with applicable laws and regulations increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders; and
- c. In the event of a merger, amalgamation, takeover or any other re-organisation or restructuring or any such corporate action, the number of shares, the price and the time period as aforesaid shall subject to compliance with applicable laws and regulations be suitably adjusted.



RESOLVED FURTHER THAT for the purpose of giving effect to any Issue or allotment of Securities as described in above paragraphs, the Board or any authorized person so designated by the Board be and is hereby authorized, on behalf of the Company, subject to compliance with all applicable laws, rules, regulations, circulars, notifications, guidelines and approvals, to do all such acts, deeds, matters and things as it may in its discretion deem necessary or desirable for such purpose, as regards inter alia the issue of declarations, affidavits, certificates, consents and authorities as may be required from time to time and the issue and/or allotment of Securities, the utilization of issue proceeds and the appointment of and entering into of Agreements with Underwriter(s), Lead Manager(s), Broker(s), Banker(s) including Merchant Bankers, Trustee(s), Custodian(s) and Depository(ies), Advisor(s), Guarantor(s), Legal Counsel(s) and all such other relevant agencies including without limitation, entering into arrangements for managing, underwriting, marketing, listing, trading, and appointing depositories, custodians, registrars, and trustees and to issue any prospectuses or offering documents and sign the same and all other required applications, filings, deeds, documents, execution of various transaction documents, creation of mortgage / charge in accordance with Section 293(1)(a) of the Act in respect of any Securities as may be required either on pari passu basis or otherwise and writings and to pay any fees, commissions, remuneration and expenses relating to the Issue(s) and with power, on behalf of the Company, to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its discretion deem fit.

RESOLVED FURTHER THAT the Board and other authorized designated officers of the Company be and are hereby authorized to make all filings including as regards the requisite listing application / prospectus / offer document / offer letter / offer circular / placement document / information memorandum / private placement memorandum or otherwise, or any draft(s) thereof, or any amendments or supplements thereof, and of any other relevant documents with the Stock Exchanges, the RBI, SEBI and such other authorities or institutions in India and/or abroad for this purpose, as may be required.

RESOLVED FURTHER THAT in addition to compliance with all applicable Indian laws, rules, regulations, circulars, notifications, guidelines and approvals, the Securities issued in pursuance of this Resolution shall also, if applicable, be governed by and comply with all applicable laws, rules, regulations, guidelines, circulars, notifications and approvals of any relevant jurisdiction outside India where they are listed or that may in any other manner apply to such Securities.

RESOLVED FURTHER THAT all acts, deeds and things already done or undertaken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions be and are hereby confirmed, approved and ratified in all respects.

RESOLVED LASTLY THAT the Board be and is hereby authorized to delegate all or any of its powers herein conferred to a Committee(s) of the Board which shall include at least one independent Director along with the authority to the said Committee(s) to further delegate specific powers to any one or more Director/ Directors or any officers of the Company, in order to give effect to the aforesaid Resolutions.

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

"RESOLVED THAT pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 and in supercession of the earlier resolution(s) the Board of Directors of the Company be and is hereby authorized to borrow money from time to time up to a limit not exceeding in the aggregate ₹ 20,000,000,000/- (Rupees Two Thousand Crores Only) notwithstanding that the monies already borrowed and the monies to be borrowed by the Company (apart from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital and its free reserves, that is to say the reserves not set apart for any specific purpose".

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

"RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 for mortgaging and / or charging all the movable and immovable assets and properties of the Company wheresoever situate, both present and future whether tangible or not and of every nature and kind whatsoever and / or creating a floating charge on all or any of the immovable assets / properties of the Company for the purpose of securing any loans, advances, credit facilities, debt instruments, etc. taken and / or issued by the Company from time to time".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby further authorized to take such necessary action for giving effect to the above Resolution".

Registered Office:
Elder House, Plot No. C-9,
Dalia Industrial Estate,
Off Veera Desai Road,
Andheri (West)
Mumbai 400 053.

By Order of the Board

S. P. Date
Company Secretary

Dated: 9th August 2012



Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The instrument appointing a Proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
4. Transfer Books of the Company shall remain closed from Thursday the 20th day of September 2012 to Friday 28th day of September 2012 (both days inclusive).
5. Any queries on accounts must reach the Registered Office at least seven days before the date of the Meeting.
6. The Members are requested to bring their copy of Annual Report with them.
7. Any change of address should be notified to the Company immediately.
8. The dividend for the year ended 31st March 2012 as recommended by the Board, if sanctioned at the Meeting, will be paid on or before 23rd October 2012 to those shareholders whose names appear in the Company's Register of Members as at the close of business hours of 19th September 2012.
9. The unclaimed dividend for the year 2004-05 will become due for transfer to Investor Education and Protection Fund (IEPF) on 3rd December 2012. The members who have not encashed their dividend warrants are requested to approach the Company before the unclaimed amount of dividend is transferred to the IEPF. After transfer of unclaimed dividend to IEPF the same shall stand forfeited and no claim shall lie in respect thereof against the Company or IEPF.
10. Members holding shares in dematerialised mode are requested to note that bank details furnished by them to their respective Depository Participant will be used for the purpose of distribution of dividend through National Electronic Clearing Service (NECS). In the absence of NECS service the bank account details, if available, will be printed on dividend warrants. Members holding shares in dematerialized mode must give instructions regarding bank accounts in which they wish to receive dividend only to their Depository Participants.
11. Members may note that Securities and Exchange Board of India (SEBI) has made Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market. SEBI has also made it mandatory that for securities

market transactions and off market / private transactions involving transfer of shares in physical form, it shall be necessary for the transferee/s to furnish copy of PAN card to the Company / Share Transfer Agents for registration of such transfers. SEBI has also made it mandatory for submission of PAN in following cases, viz. (i) Deletion of name of deceased shareholders(s), where the shares are held in the name of two or more shareholders (ii) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares and (iii) Transposition of shares.

12. In line with the 'Green Initiative' suggested by Ministry of Corporate Affairs vide their circular nos 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011, your Company proposes to send all future correspondence, reports, notices etc. by e-mail. Page no.104 of this Annual Report may please be referred for necessary further action from your end for receiving Company communication by e-mail or otherwise.

Registered Office:
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Dalia Industrial Estate,
Off Veera Desai Road,
Andheri (West)
Mumbai 400 053.

By Order of the Board

S. P. Date
Company Secretary

Dated: 9th August 2012

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No.7

The Board of Directors of the Company had appointed Mr. Yusuf Karim Khan as an Additional Director and Executive Director at their meeting held on 28th August 2007 for a period of five years from that date. His appointment was approved by the Shareholders at the 24th Annual General Meeting held on 27th day of September 2007. The Board of Directors has, at its meeting held on 9th August 2012, subject to the provisions of sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956 as well as Schedule XIII to the Companies Act, 1956 and further subject to the approval of Shareholders and other authorities, if any, re-appointed Mr. Yusuf Karim Khan as Executive Director of the Company not liable to retire by rotation for period of five years w.e.f. 28th August, 2012 on the following terms:

Salary ₹ 302,650/- p.m plus monthly allowance of ₹ 233,265/- p.m with such suitable increment as the Board (which includes Remuneration Committee) may decide from time to time. Mr. Yusuf Karim Khan will also be entitled to LTA, Retirement Benefits, Car, Telephone and other allowances, commission etc. which are allowed and are within limit fixed by Schedule XIII to the Companies Act, 1956. The remuneration as above has been approved by the Remuneration Committee.



It is proposed to pay him the same remuneration and perquisites, subject to the approvals as required from the Authorities, in the event of loss or inadequacy of profits

Mr. Yusuf Karim Khan, aged 50 years, an Arts Graduate, has worked with Bank of Oman and Alpica Finance Ltd. He has been working with the Company since 1st July 2003 as Senior Vice President – Finance & Treasury and thereafter with effect from 28th August 2007 he was elevated to the post of Executive Director. Mr. Khan has vast knowledge in the field of treasury and banking.

Mr. Khan holds directorship in Fleet Finance (P) Ltd.

Mr. Khan holds 51,730 equity shares of ₹ 10/- each in the Company. He does not have any pecuniary relationship with the Company other than his remuneration as an Executive Director of the Company. Mr. Yusuf Karim Khan was granted 5,600 Options under 'Elder ESOP 2004' entitling him to apply for equal number of equity shares in the capital of the Company for cash at a price of ₹ 209/- per equity share, all of which were subscribed by him. There are no managerial personnel related to Mr. Yusuf Karim Khan.

The presence of Mr. Yusuf Karim Khan shall immensely benefit the Company. The Board recommends the appointment of Mr. Yusuf Karim Khan.

No Director other than Mr. Yusuf Karim Khan himself is concerned or interested in the resolution.

Item No. 8

The Company is one of the fast growing pharmaceutical companies in India. It has through its Wholly Owned Subsidiary in Dubai completed 100% acquisition of NeutraHealth Limited, one of the neutraceuticals majors in the UK and has increased its stake from 92.2% to 100% in Bulgaria. For the ever growing Indian activities and for consolidation and expansion activities abroad both in terms of manufacturing and marketing, large amount of funding will be required. In order to improve Company's performance in the domestic as well as in international markets it would be advisable for the Company to restrict and reduce its reliance on borrowed funds as the means of financing to augment internal generation. To remain competitive, the Company would be required to put to use latest technology both in terms of processes as well as machines and to look at new projects which have synergies and which can be beneficially implemented. The Company has proposed to merge with it Elder Health Care Limited which has been engaged in the FMCG and personal care space as well as into pharmaceuticals. Increase in sales turnover requires additional long term working capital and investment in launching and building brands. For growing inorganically the Company will have to keep options open for a suitable acquisition or joint venture opportunity both in India and abroad.

- a) Whereas, options like loans, ECBs, debt instruments in India and abroad are available to the Company for the purposes mentioned above it would be in the interest of the shareholder value to

avoid too much reliance on the same. It is therefore proposed to raise additional funding for the below mentioned purposes by resorting to a fund raising programme most beneficial and cost effective to the Company. It is therefore proposed to raise funds by issuance of Securities such as QIP, equity shares and GDRs or debt instruments such as FCCBs / ECBs or a combination of debt and equity instruments as mentioned in the proposed resolution, as are permissible to the extent of USD 50 million i.e. approximately ₹ 275-280 crores for the following purposes

- a) Reduction of Debt
- b) Capital Expenditure including for new project(s) in India and abroad
- c) Brand building
- d) Augmenting long term working capital
- e) Acquisitions and joint ventures
- f) Meeting issue expenses

The Board recommends the resolution for passing.

None of the Directors are concerned or interested in the resolution.

Item No. 9:

The Company is one of the fast growing pharmaceutical companies in India. The Company's total revenues have reached more than ₹ 1000.00 crores on standalone basis and more than ₹ 1300.00 crores on consolidated basis during the year ended 31st March 2012. In the recent past the Company has through its Wholly Owned Subsidiary in Dubai, completed 100% acquisition of NeutraHealth Ltd., U.K., one of the neutraceuticals majors in the U. K., and has increased the stake in Bulgarian venture to 100%. While these acquisitions are promising and have vast growth potential, they will require direct / indirect financial support from Indian parent for CAPEX activities for new facilities, upgradation and capacity expansion.

Apart from the Company's global appetite for acquisition it has taken initiatives for registrations and marketing / distribution of its products in many countries and a sizable organic growth is planned in the domestic and export markets through own and in-license products. Existing manufacturing units both in India and abroad need continual expansion and upgradation and at the same time new facilities may be required to be set up to meet domestic demand as well as global regulated and semi-regulated export market requirements. For the above mentioned purposes the Company directly and / or through its subsidiaries / step down subsidiaries will be required to borrow from banks / financial institutions both in India and abroad by way of funding arrangements or through debt instruments like debentures / bonds, ECBs, foreign currency bonds and loans and the like which may also require security by way of corporate guarantee of the Company.

As per the provisions of Section 293(1)(d) of the Companies Act, 1956 the Directors of the Company shall not, except with the consent of the



Company in General Meeting, borrow moneys where the moneys to be borrowed, together with moneys already borrowed by the Company (apart from temporary loans obtained from 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 aside for any specific purpose. It is therefore proposed to seek authority to the Board for borrowing to the extent of ₹ 2,000.00 (Rupees two thousand crores) which amount exceeds the aggregate of paid-up capital and free reserves of the Company. Hence this resolution.

The Directors recommend the resolution for passing.

None of the Directors is concerned or interested in this resolution.

Item No. 10:

For its business activities the Company either directly or through its subsidiaries / step down subsidiaries is required to borrow from time to time from banks, financial institutions, finance companies either by way of working capital, term loans, projects loans, corporate loans, debt instruments, etc. either in India and or abroad. These borrowings are required to be secured by creation of charge / mortgage in different forms

such as hypothecation, pledge, registered or equitable mortgage, English mortgage, etc. on the movable and immovable assets of the Company in favour of the lender(s) / their agents as trustees / custodians / security trustees / debenture trustees, etc. including in respect of intangible assets of the Company. Since the resolution for authority to Directors to borrow up to ₹ 2,000.00 (Rupees two thousand crores) is proposed under Section 293(1)(d) of the Companies Act, 1956 it is also proposed to seek from shareholders their authority for the higher amount of up to ₹ 2,000.00 (Rupees two thousand crores) under Section 293(1)(a) of the Companies Act, 1956. Hence this resolution.

The Directors recommend the resolution for passing.

None of the Directors is concerned or interested in this resolution.

Registered Office:
Elder House, Plot No. C-9,
Dalia Industrial Estate,
Off Veera Desai Road,
Andheri (West)
Mumbai 400 053.

Dated: 9th August 2012

By Order of the Board

S. P. Date
Company Secretary



Green Initiative

To,
The Members,

Re: Intimation of email address for receipt of documents electronically

Your Company, being a responsible corporate citizen, welcomes and support the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India (MCA) vide its circular nos 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011. The above initiative will help in conserving paper which is a natural resource as also result in substantial savings on printing and posting of annual reports and other documents of your Company. In terms of the enabling provisions of these Circulars, the Company will henceforth effect electronic delivery of Annual reports and other corporate communications to the members at their email address registered for the said purpose.

For supporting this initiative, if you hold shares in:

Electronic Form, please intimate your email address to your Depository Participant (DP). The same will be deemed to be your registered email address for serving notices/annual report/other corporate documents etc.

Physical Form, please send a letter duly signed by the first/sole holder as per the specimen signature recorded with Company's Registrar & Transfer Agents(RTA) quoting the full name and folio number at the following address:

Link Intime India Pvt Ltd

C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400 078.

(A format for registering your email id is given below)

Kindly note that if you do not register your email address, a physical copy of the annual report and other corporate documents will be sent to you free of cost as per current practice. Such documents will shall also be displayed on the Company's website www.elderindia.com

We strongly recommend to you to opt for electronic mode of communication which will go a long way in supporting this 'Green Initiative' and contribute towards making the world cleaner and greener as our contribution to Corporate Social Responsibility.

For **Elder Pharmaceuticals Ltd.**

S.P. Date
Company Secretary.

Format for registering email id:

I/We, _____ holding shares of Elder Pharmaceuticals Ltd. wish to receive all documents/ notices etc. from the Company through e-mail and the Company is hereby advised to record my/our below mentioned e-mail id for this purpose.

Folio No. : _____

Client ID : _____

DP ID : _____

E-mail ID : _____

Thanking You,

Signature of First Holder
(as per specimen signature registered)

Signature of Joint Holder(s)
(as per specimen signature registered)

PROXY FORM



Regd. Office : ELDER HOUSE, Plot No. C-9, Dalia Industrial Estate, Off Veera Desai Road, Andheri (West), Mumbai - 400 053

Reg. Folio No. _____ DP ID No. * _____ Client ID No.* _____

*Applicable for Member holding Shares in electronic form.

I/We _____ of _____

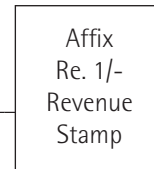
being a Member/Members of the abovenamed Company, hereby appoint _____

of _____ or failing him _____

of _____ as my/our proxy to vote for me/us on my/our behalf at the **29th ANNUAL GENERAL MEETING** of the Company, to be held on **on Friday, 28th September, 2012 at 10.30 a.m.** or at any adjournment thereof.

Signed this _____ day of _____ 2012.

Signature _____



Note: This form in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

(Tear Here)

ATTENDANCE SLIP



Regd. Office : ELDER HOUSE, Plot No. C-9, Dalia Industrial Estate, Off Veera Desai Road, Andheri (West), Mumbai - 400 053

Reg. Folio No. _____ DP ID No. * _____ Client ID No.* _____

*Applicable for Member holding Shares in electronic form.

I certify that I am a registered Member/Proxy for registered member of the Company.

I hereby record my presence at the **29th ANNUAL GENERAL MEETING** of the Company held on **Friday, 28th September, 2012 at 10.30 a.m.** at Hotel Blue Waters, Opposite Crystal Point, Near Tata Power House, New Link Road, Andheri (West), Mumbai 400 053.

Member's/Proxy's name in BLOCK Letters

Member's/Proxy's Signature

Note:

Please fill in this attendance slip and hand it over at the entrance of the hall.

Notes

A series of horizontal dotted lines for writing notes.

Forward looking statement

In this annual report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make contain forward looking statements that set out anticipated results based on the management's plan and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'project', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Investors should bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future information or otherwise.

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. JAGDISH SAXENA

Chairman & Managing Director

MR. ALOK SAXENA

Jt. Managing Director

MR. YUSUF KARIM KHAN

Executive Director

DR. R. SRINIVASAN

Director

DR. JOGINDER SINGH JUNEJA

Director

DR. SAILENDRA NARAIN

Director

MR. MICHAEL BASTIAN

Director

MR. SALEEM SHERVANI

Director

DR. S. JAYARAM

Director

MR. EDOARDO CARLO RICHTER

Director

MRS. URVASHI SAXENA

Director

Company Secretary / Compliance Officer

Mr. S. P. Date

Chief Financial Officer

Mr. Suresh V. Pai

Audit Committee

Mr. Michael Bastian,
Chairman

Dr. Joginder Singh Juneja

Dr. R. Srinivasan

Dr. Sailendra Narain

Shareholders' / Investors' Grievances Committee

Dr. R. Srinivasan
Chairman

Dr. S. Jayaram

Mr. Alok Saxena

Remuneration Committee

Dr. R. Srinivasan
Chairman

Dr. S. Jayaram

Mr. Jagdish Saxena

Compensation Committee

Dr. Joginder Singh Juneja
Chairman

Mr. Saleem Shervani

Mr. Jagdish Saxena

Auditors

M/s. S. S. Khandelwal & Co.
Chartered Accountants,
Fountain Chambers,
Nanabhai Lane,
Mumbai - 400 023.

Cost Auditors

M/s. Sevekari, Khare & Associates
A-4, Hari Nivas, 1st Floor (Rear Side),
L.J. Road, Mumbai - 400 028.

Bankers

State Bank of India

Bank of Baroda

Bank of India

Canara Bank

Development Credit Bank Limited

Axis Bank Limited

DBS Bank Limited

REGISTERED OFFICE

Elder House

Plot No. C-9, Dalia Industrial Estate,
Off Veera Desai Road, Andheri (West)
Mumbai 400 053.

Tel.(022) 26730058 Fax : (022)

26730051

Email : corporate@elderindia.com

Website : www.elderindia.com

REGISTRAR &

SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (W),
Mumbai - 400 078.

Tel. (022) 25963838 / 25946970

Fax : (022) 25946979.

Email : mumbai@linkintime.co.in

ZONAL SALES OFFICES

Mumbai

Pipewala Bldg., 4th Floor, 'A' Wing,
Shahid Bhagat Singh Rd,
Mumbai - 400 005. Tel. (022)
22021878.

Kolkata

12-A, Rani Bhawani Road,
Taki House, Kolkata - 700 026.
Tel. (033) 24668875 / 6757.

Chennai

158, Arcot Road, II Floor, Eastern
Wing, Chennai - 600 026. Tel. (044)
28256336

New Delhi

11-B/8, Pusa Road, Northern Extn.
Scheme, New Delhi - 110060.
Tel. (011) 25825601 / 05.

FACTORIES

1. Plot No. D-219 & D-220, T.T.C.
Industrial Area, Thane- Belapur
Road, Navi Mumbai - 400 706.
Tel. (022) 27672343 / 27685830.
2. Plot No. C-21/2 T.T.C. Industrial
Area, Village Pawne,
Navi Mumbai - 400 704.
Tel. (022) 27682656.
3. Plot No. A-36, Patalganga Indus-
trial Area, Village - Khaire, Ta-
luka - Khalapur, District - Raigad,
Maharashtra 410 220.
Tel. (02192) 254395 / 6.
4. Plot No. C-11/1 Sela Qui Industrial
Area, Near Dehradun, Uttarakhand
Pin 248 197.
5. Plot No. 103, Paonta Sahib Indus-
trial Area, Village Gondpur, Dist.
Sirmour, Himachal Pradesh.
6. Village Charba, Tehsil - Vikasnagar,
Dist.: Dehradun, Uttarakhand

