Parabolic Drugs Ltd.

Re-energizing Business

Parabolic Drugs Limited | Annual Report, 2012-13

DISCLAIMER

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 plans and assumptions.

We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', '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.

We undertake no obligation to publicly update any forwardlooking statements, whether as a result of new information, future events or otherwise.

Contents:

Corporate Information

Board of Directors:
Mr. Pranav Gupta – Chairman & Managing Director
Mr. Vineet Gupta – Whole- Time Director
Mr. Balbir Singh Bhasin – Nominee Director (SBI)
Mr. Arun Mathur – Director
Mr. Nikhil Goel – Director
Mr. Balwan Bansal – Director

President (Technical)
Mr. Yatish Kumar Bansal

Senior Vice- President (Finance)
Mr. R.C. Goyal

Vice President & Company Secretary
Mr. Vipin Gupta

Bankers:
State Bank of India (Specialised Commercial Branch)
S.C.O. 103-106, Bank Square, Sector 17 B, Chandigarh
ICICI Bank Limited
S.C.O. 129-130, Madhya Marg, Sector 9, Chandigarh
UCO Bank
S.C.O. 55-57, Bank Square, Sector 17 B, Chandigarh
State Bank of Patiala
S.C.O. 103-107, Sector 8 C, Chandigarh
Union Bank of India
4/14- A, Asaf Ali Road, New Delhi
Central Bank of India
S.C.O. 58-59, Bank Square, Sector 17 B, Chandigarh
Bank of Baroda
S.C.O. 62-63, Bank Square, Sector 17 B, Chandigarh
IDBI Bank Limited
S.C.O. 72-73, Bank Square, Sector 17 B, Chandigarh
Canara Bank
S.C.O. 117-119, Sector 17 C, Chandigarh
Export-Import Bank of India
First Floor, PHD House, Sector 31 A Dakshin Marg, Chandigarh
State Bank of Hyderabad
S.C.O. 62-63, Sector 34 A, Chandigarh
Small Industries Development Bank of India (SIDBI)
S.C.O. 145-146, Sector 17 C, Chandigarh

Auditors :
M/s. S.K. Bansal & Co.
Chartered Accountants
Kothi No. 3193, Sector 28 D, Chandigarh

Registered Office:
S.C.O 99-100, Top Floor, Sector 17 B, Chandigarh

Corporate Office:
S.C.O 99-100, 3rd Floor, Sector 17 B, Chandigarh

Website:
www.parabolicdrugs.com

Works:
Village : Sundhran, P.O: Mubarakpur
Tehsil : Derabassi, Distt : Mohali, Punjab

Plot No. 45, Industrial Area,
Phase – II, Panchkula, Haryana

Village : Chachrauli,
Tehsil : Derabassi, Distt : Mohali, Punjab

R&D Centre:
Plot No. 280-281, Phase - 1
Block - 1, Alipur, Industrial Estates, HSIIDC,
Tehsil : Barwala
Distt : Panchkula, Haryana

Sales Depot :
Parabolic Drugs Ltd.
Godown No. 11, Baldev Estate
Opp. M.P. Pandya High School
Jetpur (Aslali)
Ahmedabad, Gujarat

Parabolic Drugs Ltd.
Unit No. B-116, Shri Raj Lakshmi Commercial Complex
Agra Road, Kalher Village Bhiwandi
Distt: Thane, Maharashtra

Parabolic Drugs Ltd.
Safex Cargo Complex, Village: Kishanpura
Nalagarh Road, Baddi, Distt: Solan (H.P)

Parabolic Drugs Ltd. (Formulations Warehouse)
35 Feet Road, Near Cipla Warehouse,
Zirakpur, Distt : Mohali (Punjab)

RE-ENERGIZING BUSINESS

Parabolic Drugs, an integrated pharmaceutical enterprise, has scaled to reach the different parts of world. The company spans across 4 manufacturing hubs and has a basket of products catering to the needs of businesses and consumers.

The company has evolved into a leading pharmaceutical company over the last 15 years is led by its research capabilities, chemistry skills, world class quality, IPR, large scale infrastructure, and a strong marketing setup.

With the unattractive monetary policy leading to high interest cost, the eroding of both export and domestic market prices and the weakened Indian comparative advantage in the commodity molecules, the company went into short term liquidity issues and had therefore applied for Corporate Debt Restructuring. Now, with its approval in the place, the company is looking beyond the problems. It is reorganizing its business, setting up priorities and reenergizing its potential to deliver what has been promised.

At Parabolic, we look to promising a viable future, seeking new initiatives, consolidating the system, optimizing the resources and therefore nurturing the best practices.

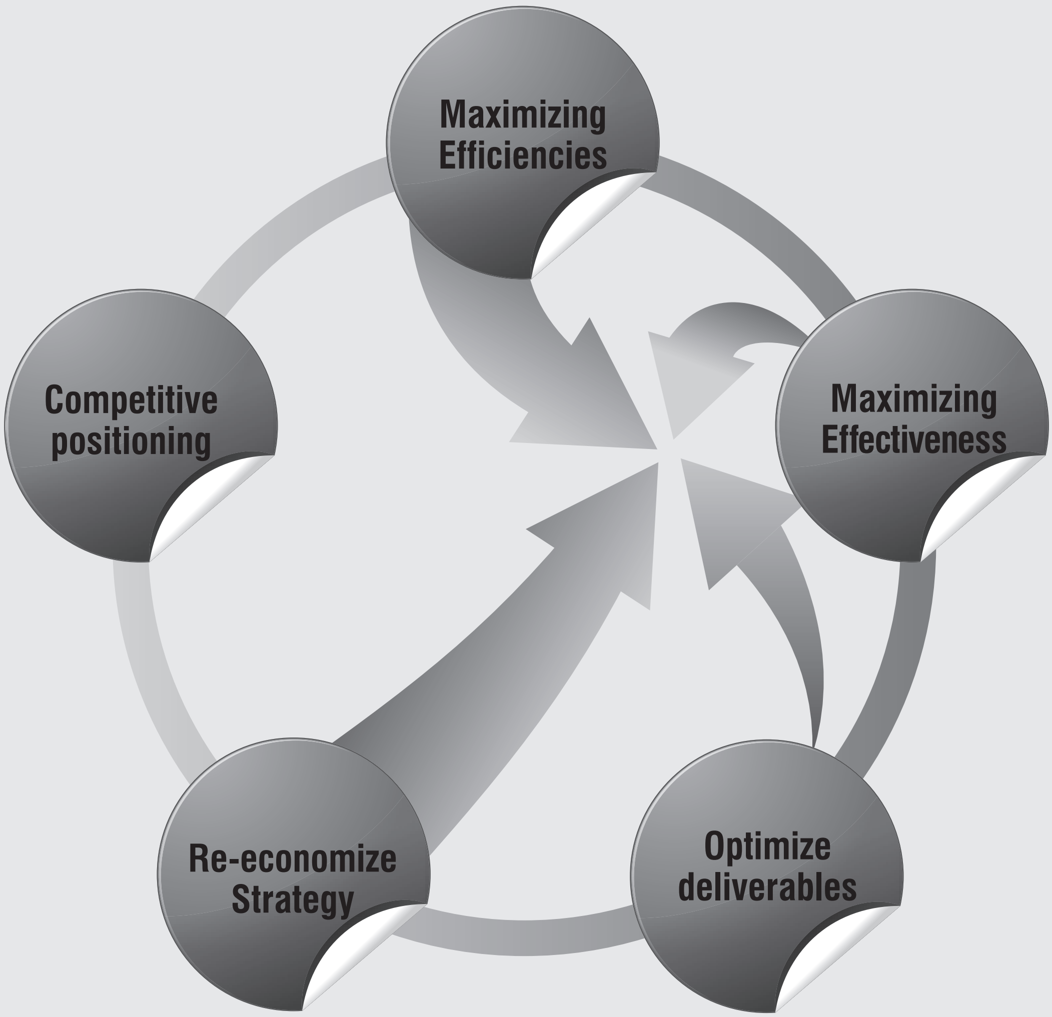
VISION

To become a globally acceptable API and pharmaceutical manufacturing company by providing quality products that exceed customer expectation and are produced in a safe working environment

PDL AT A GLANCE

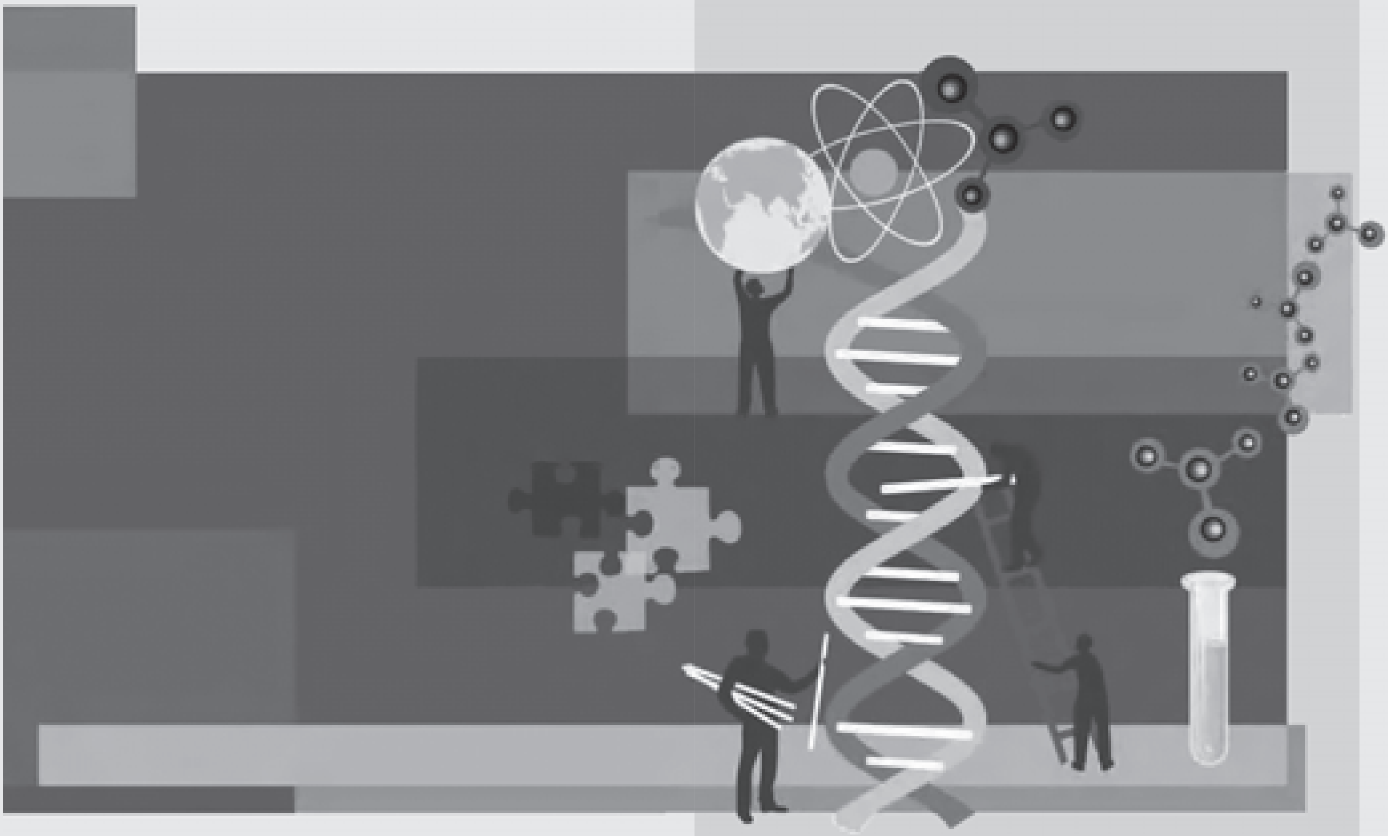
Established: 1996
Facilities: 4
Head Office: Chandigarh
Geographic Spread: 55 countries
Employs 800+ people
Services 750+ customer

CONSOLIDATING BUSINESS AND VALUE



The financial year 2012-13 has been a tough year for the company. The company, owing to various uncontainable factors, incurred a bottom line loss of INR 1397.62 million. The company strategized its plan for restoration to normalcy and has devised its synergy ideals:

- MAXIMIZING EFFICIENCIES
- MAXIMIZING EFFECTIVENESS
- OPTIMIZE QUALITY AND DELIVERABLES
- RE-ECONOMIZE STRATEGY AND POSITIONING



MAXIMIZING EFFICIENCIES

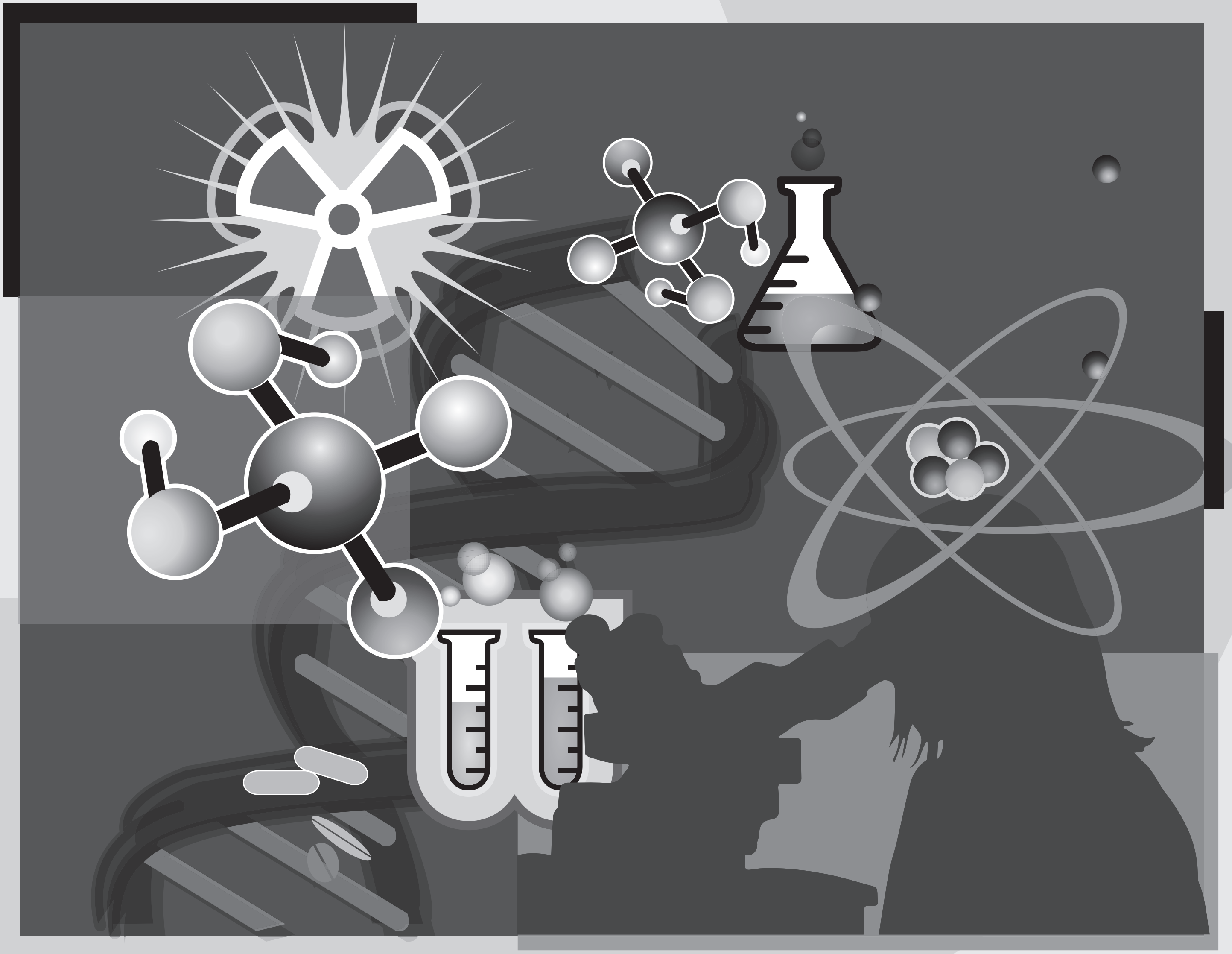
- Parabolic stands elevated with its excellent infrastructure and systems in place. The key strategy towards reorganization and consolidation is to “maximize” the efficiencies from the resources in place.
- At parabolic, we identify the maximization of efficiencies with:

Re-economize the scale in manufacturing

With the unanticipated cut down in the global R&D spending and thus the deferment of many of its key scale up projects, the company could not capitalize on the investments it had made in setting up new facilities. The Company over the last couple of years has doubled its capacity in the Cephalosporin space, and has invested in its green field site committed to the production of non-antibiotics. All the expansion projects initiated in the API space have now come up live and the company, going forward, looks to build upon its infrastructural strength. Per se, we will focus in bringing economies of scale within our facilities.

Translating IPR to Commercials

The research and development activity at Parabolic is essential at Parabolic. Over the last couple of years, the company, with the invested resources, has been able to develop new molecules and build databases for its future regulatory filings. In the coming years, the company is positive to yield the benefits from the IP already created. The company has identified the key products that are to be scaled in its non-antibiotic facility, the rationale is to translate IP wealth into commercial success.



MAXIMIZING EFFECTIVENESS

The company, as to bring in robust effectiveness, in the business has made some strategic alterations in the way it runs business. The company is working further towards the effectiveness of its human resource and organizational systems. Comprehensive efforts being made in resourcing intellect, knowledge management and intelligence. At Parabolic, we are also reworking on the contractual arrangements across the supply chain for credible commitments.

OPTIMIZE QUALITY AND DELIVERABLES

The company in its stimulating efforts looks to intensify its focus on quality and deliverables. In the pharmaceutical space, the imporatance of quality cannot be undermined, also the customers across the globe have exaggerated their requirements of quality, cost, and delivery performance. At Parabolic, the Quality standards and deliverables are believed to have the mainstay in competitiveness. The company is committed to all compliance standards and the Quality Function has responsibility for ensuring that all activities in the system are conformed with.

Quality Control Department

- A fully equipped QC department ensures that all the inputs are in accordance as per defined specifications and standards.
- Ensures that every material entering the premises is sampled and tested before use.
- Ensures that product is meeting the required quality specifications.

Quality Assurance Department

Quality Assurance Unit is responsible for formation, implementation and maintenance of the quality system across all units of PDL. Quality assurance follows global guideline of API, ICH Q7A for the implementation of the system. Quality Assurance activities are broadly classified in following sections:

- Documentation
- Validation and Qualification
- Product release
- Regulatory compliance

RE-ECONOMIZE STRATEGY AND POSITIONING

The company predicts further attractiveness in the pharmaceutical space and as to consolidate its position, it looks to bring economies through a shift in its strategy. In the longer run, the company will drive its business through:

- Reorganization of the product mix with emphasis on the high realization business and less reliance on the commodity molecules wherein there has been steep fall in the prices. The company will emphasize more on the profitable transactions and will deliberately forego some of the commodity products from its pipeline
- The Derabassi facility will endeavor towards becoming a specialized export oriented site. The company intends to commercialize and upscale latest generation molecules and further expects to de-risk its dependence on the 1st and 2nd generation Cephalosporins. As the company's prospects will also be determined by the recent supply agreements signed with Japanese and European companies, even while operating at lower sales, the company anticipates better realizations.
- Integration into finished dosage is almost rationalized with the Derabassi facility initiating its production. It is projected that the formulations facility at Derabassi and upcoming dosage facility at Lalru will contribute both in the margins and topline of the company. The reduction of the domestic commodity molecule sales, going forward, will set off with the formulations sale. The formulations business will also spearhead the margins for the company
- The company is likely to yield the benefits from the R&D efforts already made. For the coming years, the business and project selection in R&D is specific and will not be highly capital intensive.
- The non-antibiotic facility which commercialized in the previous financial year. Owing to the slowdown in certain projects, the plant so far has not been used to its installed capacity. With the new projects kicking in, the company believes to strengthen its competitive positioning with the comprehensive utilization at its Lalru facility.

FROM THE MD'S DESK

My dear Co-share owners,

At first, I thank you for endlessly supporting your company and reposing trust in its management. The year 2012-13 has been a challenging year for your company and your company witnessed a tough mix of uncontrollable economic variables that affected the business normalcy and caused financial stress in the short term.

During the financial year 2012-13, the company registered a top line of INR 761 Cr while incurring a bottom line loss of INR 140 Cr. Knowing the fundamental strengths of your company, and with the hard work put in by the entire management, this result was definitely not on the expected terms. However, the past two fiscals have not been easy for the industry. During the same period, the company also encountered quite a number of macro factors like sharp rupee depreciation; eroding selling prices of APIs, slowdown in the domestic & world economy at large. Amongst the micro factors, your company witnessed a mismatch in the short term cash flows as a result of delay in stabilization of the business expansion projects and investments in research which has its inherent gestation period. Your company also undertook a financial restructuring with its lenders through CDR mechanism. The restructuring scheme was approved by CDR-EG in March 2013.

In spite of these odds, your company could manage to stand resolute and concurrently has acknowledged the changing environment and needs for business sustain-ability. Your company will explore and dedicate its energies in reorganizing its business, in setting up new priorities and re-energizing potential. I am pleased to apprise that the competent specialists have recently assessed the business potential of your company and have successfully restored the confidence of lenders in company's strengths and prospects.

During the period under discussion, regardless of the constrained economic scenario, there have also been some significant business developments during the year. The company signed a MOU for large scale contract manufacturing contract for supplies to Japan. This is first of its kind deal for us and I will be happy to comment that strategically we are very well positioned to guarantee our commitments. This innovator deal will not only add revenues to the business, but will also boost our competitive position. We have been very keen on the Japanese markets and this certainly paves the way forward. Besides this, the company has also been able to forge agreements with leading generic companies of India. These associations will make the company's way to the USA. I understand that you have been waiting to hear this from long, but the road to the USFDA is certainly not a distant dream for the company now. The company could also succeed in over 20 customer audits from the innovator and generic companies. With the non antibiotic facility ready to cater the demand, the company has a strong positioning for a multiple offering to the key customers. Another feat for your Company is the multi dollar contract sourced from the largest pharmaceutical company of the world. This contract will be the first multi tonne contract from the new antibiotic facility at Lalru. Amongst the developments in the finished dosage space, the company's domestic arm division Nucleus has added multiple products and has its operations spread across the entire country. This division has not only sustained a business for itself, but going forward, it has created an IP for driving margins for the company. In the International formulations space, the company has progressed by receiving its maiden business contract from the APAC region. It has also filed over 100 dossiers with regulators and there are about 50 brands which the company has registered internationally.

Now, I take the opportunity to inform the shareholders about the strategic efforts that we are putting as to combat the challenges:

- **Maximizing Efficiencies by re-economizing the scale in manufacturing**
  The key strategy towards stability and reorganization is to "maximize" the efficiencies from the resources already in place. Per se, your company will yield the maximum output from the infrastructure and set aggressive targets on the capacity utilization and fixed asset turnover.
  Translating IPR to Commercials
  Over the last couple of years, the company, with the invested resources, has been able to develop new molecules and build databanks for its future regulatory filings. In the coming years, the company will be making moves as to yield the benefits from the IP already created.

- **Maximizing Effectiveness**
  The company, as to bring in robust effectiveness, in the business has made some strategic alterations in the way it runs business. The company is working further towards the effectiveness of its human resource and organizational systems. Comprehensive efforts being made in resourcing intellect, knowledge management and intelligence.

- **Optimize Quality and Deliverables**
  The company in its stimulating efforts looks to intensify its focus on quality and deliverables.

- **Re-Economize Strategy and Positioning**
  We foresee economies through a shift in our strategy. In the longer run, your company will drive its business through Reorganization of the product mix with emphasis on the high realization business and less reliance on the commodity molecules wherein there has been steep fall in the prices. The company will emphasize more on the profitable transactions and will deliberately forego some of the commodity products from its pipeline

Where are we heading?

Our business reorganization will not only spearhead viability but will also be pivotal in improving the financials. Whatever that has been promised is assured to be delivered. The Company still believes that the pharmaceutical industry is attractive and there is a potential for future growth and sustainability. The road to the future value will be driven by:

I. Consolidation of Antibiotic business

The Company is making an exit from the less profitable and low margin business in a phased manner and will primarily focus on exports. Some of the steps already taken includes the signing of MOU for long term supplies abroad. The company has already set in place the resources for seeking approvals from EUGMP in Sterile and the USFDA.

II. Scale up of Non antibiotics & Formulations

In the lifestyle drugs, the validation and development activities have already been initiated with various companies around the world; these are likely to add revenues to the export markets. Since the launch of the CRAMS vertical, the Company has been providing integrated solutions to leading innovator and generic companies ranging from route selection, process development, and optimization to manufacturing. Its expertise also involves providing engineering solutions for manufacturing at multi-ton scale. The developments in the CRAMS space will scale up at the Lalru facility.

Further, Nucleus, the domestic formulations arm of Parabolic is gaining momentum in terms of adding revenue and margins to the Company. Going forward, the division looks to build on the successful launch of products, market penetration, and reception. In the International Formulations, the Company has filed over 50 brands across different countries, submitted over 100 dossiers and finalized distribution agreements with different companies in APAC.

I will reiterate that the company's future strategy is broadly the consolidation of its existing businesses and making leverage of the capital expansions already set in place.

In the end, I would once again thank my shareholders for standing by the company time and again. I would also like to reaffirm our commitment to make our company a responsible enterprise that, in addition to becoming a premium Pharma company, delivers value to its shareholders.

With your support, I look forward to a reenergized beginning, towards the success of our reorganized business

Regards

Pranav Gupta

Board of Directors' Report

Dear members

The Board of Directors of your Company has pleasure in presenting the Seventeenth Annual Report on the affairs of the Company, together with the Audited Accounts of the Company for the year ended 31st March, 2013.

1. Financial Results:

The Financial Results for the year under review vis-à-vis the financial results for the previous year are as under:

(₹ in million)

Particulars	2012-2013	2011-2012
Gross Sales	8280.69	10123.08
Profit before Depreciation, Interest & Tax (PBDIT)	(1084.49)	1406.32
Financial Expenses	697.77	641.37
Depreciation	167.90	100.54
Profit before Tax (PBT)	(1950.16)	664.41
Provision for Taxation:		
-Current Tax	-	132.88
-Deferred Tax	552.54	19.41
Profit after Tax (PAT)	**(1397.62)**	**512.12**
Profits available for equity shareholders		**512.12**
Appropriation:		
Proposed Dividend on Equity Shares	-	15.47
Corporate Dividend Tax	-	2.51
Balance carried to Balance Sheet	(1397.62)	494.14
Earning per Share(Basic)	**(22.58)**	**8.27**
Earning per Share (Diluted)	**(22.58)**	**8.27**

Financial Analysis and Review of Operations:

Your directors are pleased to report performance of the business operations as follows:-

- Sales and Export:

  During the year under review, your Company has registered a turnover of ₹ 8280.69 million as compared to ₹ 10123.08 million in the previous year showing thereby a decrease of 18.20%. The Export turnover has also been lower at ₹ 1182.94 million as compared to ₹ 1478.17 million in the previous year showing thereby a decrease of 19.97%.

  The Sales have reduced largely on account of rapid selling price volatility and unviability of sales of few products due to high cost of import on account of rupee depreciation.

- Profitability:

  The Company incurred loss before depreciation, interest and tax (EBDIT) of ₹ (1084.49) million as compared to a profit of ₹ 1406.32 million in the previous year. The Company incurred loss before tax (PBT) of ₹ (1950.16) million as compared to a profit of ₹ 664.41 million in the previous year. After tax adjustment of ₹ 552.54 million (previous year ₹ 152.29 million), the net loss worked out to ₹ (1397.62) million as compared to a net profit of ₹ 512.12 million in the previous year owing to the high interest rates, revaluation of semi finished stock because of the quality and eroded market prices.

- Fixed Assets:

  The net fixed assets (including work-in-progress) as at 31st March, 2013 were ₹ 4058.29 million as compared to ₹ 3751.81 million in the previous year.

2. Directors:

During the period under review, Mr. Manmohan Lal Sarin, Mr. Inder Bir Singh Passi, Mr. Koppisetty Srinivas and Mr. Gurpreet Singh Sandhu had resigned from the Directorship of the Company. Dr. Ram Kumar has also resigned from the Board w.e.f 6.08.2013. The Board places on record its appreciation for the valuable services rendered by them during their tenure as Directors of the Company.

The Board had appointed Mr. Balwan Bansal, an eminent practising Chartered Accountant as Additional Director w.e.f 28.11.2012 pursuant to Articles of Association of the company and Section 260 of the Companies Act, 1956, and he holds office upto the date of ensuing Annual General Meeting. The company has received a notice from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Mr. Balwan Bansal for the office of Director of the Company at the ensuing Annual General Meeting.

The state Bank of India (SBI), had nominated Mr. Balbir Singh Bhasin, a retired Banker on the Board of Directors of the Company. Accordingly, he has been appointed as a Nominee Director of SBI on the Board of Directors of the Company w.e.f 10.08.2013.

Pursuant to the provisions of Companies Act, 1956 and Article of Associations of the Company, Mr. Arun Mathur and Mr. Vineet Gupta , the Directors of your Company, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The present term of appointment of Mr. Pranav Gupta as Managing Director and Mr. Vineet Gupta as Whole Time Director is expiring on 31.08.2013. The Board of Directors has approved their appointment for a further period of three years, subject to the approval of members in ensuing Annual General Meeting and approval of Central Government/ or any other authority, as may be required under the provisions of Companies Act,1956.

3. Subsidiaries

The Company has two subsidiary Companies namely M/s. Parabolic Research Labs Limited and M/s. Ziven Lifesciences Limited and your Company holds 98.99% and 92% share holding of the said companies, respectively. A statement under Section 212 of the Companies Act, 1956 of the subsidiary companies is annexed hereto with the Annual Report of the Company.

The Ministry of Corporate Affairs vide its circular dated 8th February, 2011 has, subject to the compliance with certain conditions, granted general exemption to the companies from applicability of Section 212 of the Companies Act, 1956 for attachment of Balance Sheet, P&L A/c, Directors' Report and Auditors' Report of the subsidiary companies with the Balance Sheet of the Company. The Board of Directors of the Company has decided not to attach the aforesaid documents of the subsidiary companies with the Balance Sheet of the Company and complied with the provisions of the said circular.

4. Financial Restructuring Under CDR System

During the year under review, the Company had given a Proposal for financial restructuring under the Corporate Debt Restructuring Scheme of Reserve Bank of India (CDR). The said Restructuring Proposal has been approved by the CDR Empowered Group and Master Restructuring Agreement (MRA) has been executed on 28th March, 2013. The principal terms of Restructuring Package as envisaged in the MRA, inter-alia, include the following:

- The cut off date is September 30th, 2012.

- Moratorium period is 2 years from the cut off date.
- Reschedulement of term loans which has been made payable in 32 structured Quarterly instalments.
- Rate of interest on all term loans /working capital loans reduced to 10.5% payable monthly.
- Conversion of entire working capital irregularity into WCTL.
- Sanction of Funded Interest Term Loan (FITL) of ₹ 137.70 crore payable in 32 structured quarterly instalments.
- The promoters to infuse funds by way of instruments (Equity and Convertible debt).
- Pledge of 100% of promoters' shares in favour of the Monitoring Institution.

5. Share Capital:

During the year under review, there is no change in the Share Capital of the Company. However, in order to comply with the terms of restructuring package as sanctioned to the Company under CDR Scheme which inter-alia requires the promoters to infuse funds by way of instruments (Equity and Convertible debt), the Board of Directors has approved the increase of the Authorised Share Capital of the Company from ₹ 62 Crore (divided into 6,20,00,000 equity shares of ₹ 10 each) to ₹ 72 Crore (divided into 7,20,00,000 equity shares of ₹ 10 each), subject to the approval of members in the forthcoming Annual General Meeting of the Company.

6. Management Discussion and Analysis Report:

Management Discussion and Analysis of financial conditions and result of operations of the Company for the financial year 2012-13, as required under Clause 49 of the Listing Agreement, are annexed hereto as a separate statement in the Annual Report.

7. Corporate Governance Report:

The Company aimed to conduct its affairs in ethical manner and has in place a system of Corporate Governance. A separate report on Corporate Governance forming a part of the Annual Report is annexed hereto. A certificate from the Statutory Auditors of the Company regarding the compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to the report on Corporate Governance.

8. Auditors:

M/s. S.K. Bansal & Company, Chartered Accountants, Chandigarh, the Statutory Auditors, retire, at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. They have also given their eligibility in terms of Section 224 (1B) of the Companies Act, 1956. The Board of Directors has recommended their appointment to the members for their approval in the ensuing Annual General Meeting.

9. Auditors' Report

The Auditors' Report on the Accounts of the Company for the year under review is self-explanatory and requires no comments.

10. Appointment of Cost Auditor:

The Board of Directors has approved the appointment of M/s. Anil Sharma & Co., Cost Accountants, Chandigarh, as the Cost Auditors of the Company for the financial year 2013-14. The cost audit report for the financial year 2012-13 will be forwarded to the Central Government as required under Law.

11. Internal Control System:

The Company has well defined internal control system. The Company takes abundant care to design, review and monitor the working of internal control system. Internal Audit in the organization is an independent appraisal activity and it measures the efficiency, adequacy and effectiveness of other controls in the organization. All significant issues are brought to the attention of the Audit Committee of the Board.

12. Fixed Deposits:

During the year 2012-13, the Company has not accepted any deposits from the public in terms of the provisions of Sections 58 A and 58 AA of the Companies Act, 1956.

13. Dividend :

In view of the loss incurred by the Company during the year under review, the Board of Directors has not recommended any dividend for the financial year 2012-13.

14. Personnel and Human Resources:

Your Company continues to lay emphasis on continued qualitative growth of its human resources by providing a congenial and conducive work environment in consonance with its belief that the real strength of its organization lies in its employees.

15. Industrial Relations:

The Industrial Relations between the employees and the management remained peaceful and cordial throughout the year at all the units of the Company.

16. Statement of Particulars of Employees

A Statement of Particulars of Employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956, is enclosed and forms part of this report.

17. GROUP:

The Company, inter-alia with the following entities, constitutes a group as defined under the Monopolistic and Restrictive Trade Practices Act, 1969:

a) PNG Trading Private Limited

b) Parabolic Infrastructure Private Limited

18. Directors' Responsibility Statement:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:-

a) in the preparation of the annual accounts, the applicable accounting standards have been followed;

b) appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the loss of the Company for the year ended on 31st March, 2013;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and

d) the annual accounts have been prepared on a going concern basis.

19. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

Energy conservation continues to be an area of major emphasis in our Company. The Company has adopted the strategy of bringing about a general awareness amongst all regarding energy conservation.

Particulars with respect to conservation of energy and other areas as per Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules,1988, are annexed hereto and form part of this report.

20. Acknowledgement:

Your Directors are pleased to place on record their sincere gratitude to Government, Bankers and Business Constituents for their continued and valuable co-operation and support to the Company.

Your Directors also express their deep appreciation for the devoted and sincere services rendered by workers, staff and executives at all levels of operations of the Company during the year and we are confident that our Company will continue to receive such co-operation from them in future also.

For and on Behalf of the Board

Pranav Gupta
Chairman & Managing Director

Place: Chandigarh
Dated: 10th August, 2013

Annexure to the Board of Directors' Report

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2013:

1. Conservation of Energy:

Your Company has always been conscious of the need to conserve energy and also reduce the cost of production. We hold regular meetings in our Units for discussion on the various energy conservation measures and implement them. Various energy conservation measures taken during the year include increase the use of condensate water in the boilers from 50% to 70%, Change of cooling tower fills, improvement of refrigeration system and power trading etc. The consequent impact of the above measures on the cost of production is as below:

S.No.	Power/Fuel Saving Measures	Saving in Quantity	Saving in Amount (₹)
1.	Saving of Husk by condensate recovery	94584 Kg	4,63,500
2.	Saving of effluent treatment(power and fuel cost) by condensate recovery		18,14,400
3.	Power saving by modification in Compressed air pipelines (i.e separating Low and High Pressure pipelines)	172800 KW	13,13,280
	Total		35,91,180

The detail regarding the present energy consumption are furnished below as per Form-A of the annexure to the rules.

Form-A

A. POWER & FUEL CONSUMPTION:

PARTICULARS	Unit	2012-2013	2011-2012
1. Electricity			
a) Purchased			
Units	KWH in million	12.62	16.20
Total Amount	₹ in million	93.76	98.04
Rate per Unit	₹/KWH	7.43	6.05
b) Own Generation through Diesel Generator			
Generated Units	KWH in million	1.09	1.47
Units per litre of Diesel	KWH	3.15	3.00
Cost per Unit	₹/KWH	13.15	13.66
2. Furnace Oil :			
Quantity	K. Litres	0.00	20.00
Total Cost	₹ in million	0.00	1.15
Average Rate	₹/ litre	0.00	57.36
3. Others /Internal Generation			
Quantity (Timber & Husk)	Ton	7764.74	8,258.41
Total cost	₹ in million	38.41	40.85
Rate/Unit	₹/ton	4947.01	4,946.71

B. CONSUMPTION PER UNIT OF PRODUCTION:			
Production of Different Products			
Electricity	KWH/KG	5.69*	5.65*
Furnace Oil			
Furnace Oil (Litres)			
Others/Internal Generation			
(*) Variation due to change in product mix			

2. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption are furnished in Form – B as under:

Form -B

A. Research and Development(R&D):

a. Specific areas in which Research & Development is carried out by the Company:

R & D has been carried out in areas of improvement in Product, Process, Cost Reduction, Development of New Products and Increase in Productivity.

b. Benefits derived as a result of above R & D:

The Company was able to improve the quality of existing products and develop new products and was also able to reduce the cost of Production.

c. Further course of action:

We intend to develop new products, to further reduce the cost and improve capacity utilization.

d. Expenditure on R & D:

(₹ in million)

	2012-13	2011-2012
Capital	1.24	10.01
Recurring	566.07	933.38
Total	567.31	943.39

Total R & D expenditure as a percentage of turnover: 10.87%

B. Technology Absorption, Adaptation and Innovation:

a. Efforts made:

The Company is continuously making efforts for adoption of latest technology in all its plants. The Company has also created specific R & D and other cells for studying and analyzing the existing processes for further improvement.

b. Particulars of Imported Technology in last five years:

i) Technology Imported : NIL

ii) Year of Import : Not Applicable

iii) Has the Technology been fully absorbed : Not Applicable

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

a. Activities relating to Exports, Initiative to increase:

The Company exported Semi Synthetic Penicillin (oral and sterile) and Cephalosporin (orals and sterile) to various overseas customers. Our products are being exported to around 50 countries across the globe. The Company has understood the need of customer relationships and identified potential customers across the globe and initiated visits to meet them in order to know more about them and their requirements. The Company has also participated in various International/ National Business fairs in order to interact with customers.

b. Total Foreign Exchange used and earned:

(₹ in million)

	2012-13	2011-2012
1. Earnings (FOB Value of exports)	1154.42	1212.46
2. Outgo (CIF Value of imports and Expenditure in foreign currency)	990.39	1872.94

Statement of Particulars of Employees

INFORMATION REQUIRED AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF BOARD OF DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2013

A) Persons employed throughout the financial year, who were in receipt of remuneration for the year which, in the aggregate, was not less than ₹ 60,00,000 per annum

S No.	Particulars	Details as on 31.03.2013	
	Name	Mr. Pranav Gupta	Mr. Vineet Gupta
1.	Designation of Employee	Managing Director	Whole-Time Director
2.	Remuneration Received (Including Perks)	₹ 96,00,000/-	₹ 84,00,000/-
3.	Nature of Employment	Contractual	Contractual
4.	Nature of Duties	Managerial	Managerial
5.	Qualifications & Experience	B.Tech (Mechanical), M.B.A	B.Tech (Mechanical)
6.	Date of commencement of Employment	01.11.1997	01.11.1997
7.	Experience	22 years	21 Years
8.	Age	46	44
9.	Last Employment held	Ford Motor Company	N.A

B) Persons employed for a part of the financial year, who were in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than ₹ 5,00,000 per month.

S No.	Particulars	Details as on 31.03.2013	
	Name	Mr. Malcolm Rosenthal	Mr. Seetaraju Gembali
1.	Designation of Employee	Executive Vice-President (Global Business Development)	President-Formulation Business
2.	Remuneration Received (Including Perks)	₹ 6681765/-	₹ 2237448/-
3.	Nature of Employment	Non Contractual	Non Contractual
4.	Nature of Duties	Business Development	Formulation Business
5.	Qualifications & Experience	B.Sc., MBA	M. Pharma (Pharmaceutical) and Diploma in Marketing Management
6.	Date of commencement of Employment	24.01.2011	05.12.2011
7.	Experience	26 Years	23 Years
8.	Age	53 Years	48 years
9.	Last Employment held	Austin Chemical Company, USA	Mid Pharma and Promed Research, Jordan

Notes:

1. Remuneration includes salary and other perquisites (in case of Mr. Pranav Gupta and Mr. Vineet Gupta)
2. Remuneration includes Salary, Other Allowances and Provident Fund (in cases of rest of the employees)
3. Mr. Pranav Gupta and Mr. Vineet Gupta are related to each other.
4. Mr. Pranav Gupta and Mr. Vineet Gupta are holding 8,24,100 and 7,01,550 Equity Shares respectively of the Company.
5. Mr. Malcom Rosenthal and Mr. Seetaraju Gembali resigned from the Company w.e.f. 31st October, 2012 and 21st July, 2012 respectively.

Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to Subsidiary Companies:

Name of Subsidiary Company	Financial year ending of the subsidiary	Number of Shares held (Face Value)	Extent of Holding	For Financial Year of the Subsidiary		For the Previous Financial Years since it became a Subsidiary	
				Profit/(Losses) so far it concerns the members of the Holding Company and not dealt with in the books of Accounts of the Holding Company (Except to the extent dealt within Col. 6)	Profit/(Losses) so far it concerns the members of the Holding Company and dealt with in the books of Accounts of the Holding Company	Profit/(Losses) so far it concerns the members of the Holding Company and not dealt with in the books of Accounts of the Holding (Except to the extent dealt within Col. 8	Profit/(Losses) so far it concerns the members of the Holding company and dealt with in the books of Accounts of the Holding Company.
1	2	3	4	5	6	7	8
Parabolic Research Labs Limited	31.03.2013	49,00,000 (₹ 10 each)	98.99%	Nil	Nil	NIL	NIL
Ziven Lifesciences Limited	31.03.2013	11,49,996 (₹ 10 each)	92%	(18830360)	Nil	NIL	NIL

For and on behalf of the Board

Pranav Gupta
Chairman & Managing Director

Vineet Gupta
Whole time Director

Vipin Gupta
Vice President & Company Secretary

R.C. Goyal
Sr. Vice President Finance

Place : Chandigarh
Dated : 10th August, 2013

Management Discussion and Analysis

Global pharmaceutical industry

Snapshot- Transforming wave towards the Generics

The transformation of the global pharmaceutical market continues unabated, with focus steadily shifting from developed to developing countries and from patented drugs to generics. The overall pharmaceutical market is anticipated to reach US$ 1.1 trillion by 2014 (Source: IMS Data).The US is the major pharmaceutical market in the world growing at a CAGR of around 3%. It is also the largest generic market with a sizeable generic substitution (75% in terms of volume). During the year 2011-12, the contribution of the US to the global pharmaceutical has been about 20%. However, this share is likely to come down as the transition is on its way. The European Union , primarily the EU5(German, France, Italy, Spain and UK) markets have registered growth of 1-3% in 2011-12 and are poised to grow at an average CAGR of 2.5% till 2016 and achieve sales up to US$ 220 billion. In most of the European countries a considerable share of health care expenditure is public expenditure and there have been significant regulatory changes over the past years on account of austerity measures and attempts to reduce health care expenditure. Thus, the EU markets are also focussing on 'genericization' in order to bring down the health care costs. Japan, the second largest single country pharmaceutical market is registering a growth of 5.7%. The overall Japanese Pharmaceutical Industry is projected to grow at a CAGR of 2.6% from 2012- 2016. Owing to the pressure of reducing the cost of health care, this market has also opened up and is poised to give new opportunities for the generic companies to cater the needs.

During the next five years, the markets will be impacted by numerous payer actions, including the imposition of price cuts on existing drugs, the raising of standards required to achieve reimbursement of innovative therapies and the use of economic incentives for prescribers and pharmacists to drive a shift to generic equivalents.
The following transitions are likely to drive the pharmaceutical markets for the coming years:

- Emergence of the 'Pharmerging 'markets

The 17 'Pharmerging' countries (India, China, Brazil, Venezuela, Poland, Argentina, Turkey, Mexico, Vietnam, South Africa, Thailand, Indonesia, Romania, Egypt, Pakistan, Ukraine and Russia.) are expected to contribute 28% to global pharmaceutical spending by 2015. These countries registered a growth of 15-17% in the previous year to reach a market value of ~US$ 170-200 billion. Drugs with sales of more than $30 billion USD faced generic competition in 2012 with Lipitor accounting for $11 billion USD. Government will continue to try to reduce drug costs.

The dynamic and high-potential pharmerging markets offer tremendous opportunities for drug manufacturers. Big Pharma's drive into a group of high-potential "pharmerging" markets has continued to gather momentum. The market research organization IMS Health categorizes the market in Tier 1, Tier 2 and Tier 3 pharmerging markets. Collectively, these markets have been steadily gaining share at the expense of the US and top five European countries (France, Germany,Italy, UK and Spain).In India a number of recent developments, such as establishment of intellectual property rights (IPR), a rapidly growing middle-class population, emerging rural markets and improvements in medical infrastructure have benefitted outside manufacturers.

- Patent cliff to continue playing the key role

Patent cliff describes what happens to the sales of an original drug when its protection (patent, regulatory, etc.) ceases. There is a dramatic drop in sales both due to the declining unit numbers and also due to the price erosion of up to 70 percent within months. Patent cliff will fundamentally impact individual pharma companies in the mid-term future; however it gives an opportunity to excel through innovation in the alternative generic products.

- Growing regulatory pressures

The FDA Amendments Act of 2007 has forced the FDA to increase standards for approvals of new drugs, introducing mandatory risk evaluation and mitigation strategies (REMS). This is one example of a long-term, global trend of ever higher hurdles for new drugs to be approved with the corresponding high failure rates and costs associated. Although the greater cooperation between the regulators in different markets will ultimately be advantageous for the pharma industry as a whole due to the streamlining of the development and approval requirements and the reduction in the costs, in the near term it could cause spread of approval restrictions around markets.

Indian pharmaceutical industry

Snapshot

India's pharmaceutical sector is gaining its position as a global leader. The pharma market in India is expected to touch US$ 74 billion in sales by 2020 from the current US$ 11 billion, according to a PricewaterhouseCoopers (PwC) report.

Growth of Indian pharma companies will be driven by the fastest growing molecules in the diabetes, skincare and eye care segment as per a report by research firm, Credit Suisse. The market share of a drug company is directly related to the number of fast growing molecules in the company's pipeline, the report highlighted.

The Indian pharmaceutical market is poised to grow to US$ 55 billion by 2020 from the 2009 levels of US$ 12.6 billion, as per a McKinsey & Company report titled "India Pharma 2020: Propelling access and acceptance realising true potential". The industry further holds potential to reach US$ 70 billion, at a compound annual growth rate (CAGR) of 17 per cent.

The Indian pharmaceutical market is expected to grow at a CAGR of 15.3 per cent during 2011-12 to 2013-14, according to a Barclays Capital Equity Research report on India Healthcare & Pharmaceuticals. The outlook on the Indian pharmaceutical industry remains favourable, according to a report by ICRA and Moody's. Domestic formulation market stood at ₹ 58,300 crores (US$ 10.54 billion) and has been ranked third in terms of volume and tenth in terms of value, globally. India's exports of drugs, pharmaceutical and fine chemicals grew by 27 per cent to ₹ 60,000 crores (US$ 10.85 billion) for the year ended March 2012, according to data compiled by Pharmaceutical Exports Council of India (Pharmexcil). Moreover, the size of the Indian formulations market, which currently stands at around ₹ 62,000 crores (US$ 11.21 billion), is growing at 15-20 per cent annually.

Competitive Advantage that will drive India's growth

- Low cost of production and R&D
- Diversified portfolio of over 60000 generic brands across 60 therapeutic categories and over 400 different APIs
- Increased penetration of health insurance and improved affordability of drugs
- Support from the Government on the policies

The Road Map

India will see the largest number of merger and acquisitions (M&A) in the pharmaceutical and healthcare sector, according to consulting firm Grant Thornton. The cumulative drugs and pharmaceuticals sector attracted foreign direct investments (FDI) worth US$ 9,596 million between April 2000 to May 2012, according to the latest data published by Department of Industrial Policy and Promotion (DIPP). India also tops the world in exporting generic medicines worth US$ 11 billion. Generics will continue to dominate the market while patent-protected products are likely to constitute 10 per cent of the pie till 2015, according to McKinsey report 'India Pharma 2015 - Unlocking the potential of Indian Pharmaceuticals market'. Multinational drug companies are showing a healthy growth in the Indian market setting a new trend. Out of 25 top medicine brands by sales last year, 13 were global drug major such as Pfizer, GSK and Novartis. Brand-building exercise is fast becoming more evident in a predominantly generic Indian medicine market, as per a market research entity AIOCD AWACS' report.

Company perspective

Parabolic Drugs Limited is a vertically integrated, research based, pharmaceutical manufacturer and exporter, specializing in development and manufacturing of Active Pharmaceutical Ingredients (API) and API intermediates. The Company has dedicated facilities for Custom Research and API manufacturing at its 4 locations, 2 in Haryana (India) and 2 in Punjab (India) and exporting to around 50 countries across the globe from its WHO-GMP facilities.

Its product portfolio includes Oral and Sterile Semi Synthetic Penicillin API, Oral and Sterile Cephalosporin API in antibiotic segment to non-antibiotic API in the Cardiovascular, NSAID, Anti-Hypertensive and Osteoporosis segments.

However, owing to the recent challenges, continuous infrastructural growth, the Company came into financial stress and this led to issues in the cash flow.

The pharmaceutical industry in India is fragmented into four major verticals viz. API, CRAMS, Formulations, and Biosimilars. Parabolic Drugs operates in the three segments. Its mainstay rests on the active pharmaceutical ingredients.

Active Pharmaceutical Ingredients

Active Pharmaceutical Ingredients and Intermediates have been the backbone of Indian pharmaceutical industry for the last two decades. With significant cost competitiveness, Indian companies have emerged as the preferred supplier for APIs the world over and are now ranked amongst the top three API producers in the world. The API market size is expected to grow to ~$11.3 billion in FY 2015. Factors such as an increased focus on generics adoption globally. The rising number of blockbuster drugs patent expirations, constant demand for reduction in manufacturing costs and strong growth in the overall pharmaceutical market are some of the driving forces that are reshaping the global API Industry. Recent studies indicate that the API Industry is set for significant growth with India, China and Italy positioned as the largest producers. India has emerged as the most favored API producing nation globally largely because of its credentials as the best quality manufacturer of generic formulations as well as its cost competitiveness as compared to its counterparts.

CRAMS Industry – Global Scenario and Indian Sector

Increase in outsourcing from developed to developing countries will continue as the innovator companies will lose patent protection and shall look for various alternatives such as, cost control and introduction of generics to their portfolio. The Indian CRAMS market is estimated to reach US$10 billion by 2015. With world Class infrastructure, skilled manpower and technical competencies coupled with inherent cost advantage, contract manufacturing is likely to dominate the CRAMS space.

Formulations

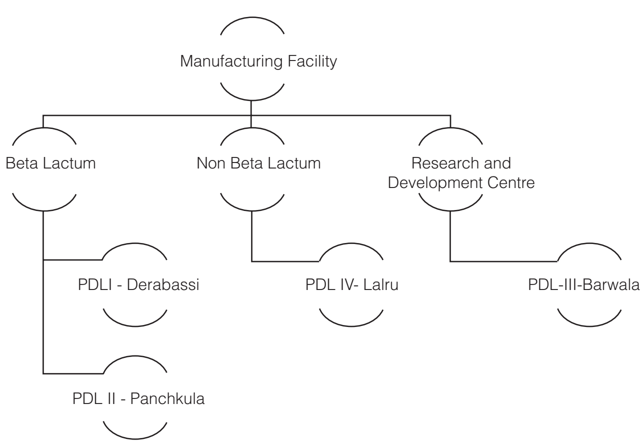
The global generics (formulations) market reached a value of US$ 225-250 billion in 2012. According to IMS, the global generics market is anticipated to reach US$ 400-450 billion by 2015. Nearly 70% of this demand will be contributed by Pharmerging economies.

The cost containment strategies implemented by governments, shift towards affordable generics, ageing population and chronic diseases will catalyse the generics markets (Source: IMS Health, Global Use of Medicines, 2011, Pharma Voice, 2012).

In the domestic space, after a brief period of sluggishness, the growth momentum in the domestic formulations market appears to be back on track with structural demand drivers including rising household income levels, Increasing prevalence of lifestyle related diseases and improving healthcare infrastructure/delivery systems. Outlook on the Indian pharmaceutical companies remains favorable as the companies will continue to benefit from recovery in the domestic market, strong growth potential in generics developed markets and potential outsourcing opportunities

Location and Manufacturing facilities

The company today operates from its four in-house locations that comply with international regulatory standards and are duly approved by International regulatory agencies.



Cephalosporin Facility at Derabassi (PDL I)

- A 17.4 acre site with nine manufacturing plants that enables it to produce wide range of latest generation cephalosporin APIs, Finished dosage formulations and intermediates.
- A dedicated quality control and quality assurance unit, Solvent recovery units, three R&D laboratories, a pilot plant for scale-up of new technologies developed by the in-house R&D, three boilers and utilities, two warehouses and in house healthcare centre
- Installed Capacity of 1100 TPA on single product basis
- Regulatory Approvals: EU GMP, WHO GMP, Japanese PMDA, Korean FDA, OHSAS 18001-2004, ISO 14001-2004

Penicillin Facility at Panchkula (PDL II)

- Two dedicated blocks for the manufacturing of wide range of oral penicillin products including niche penicillin APIs such as Bacampicillin, Sultamycillin and Pivampicillin
- Complies with all GMP requirements and has complete utility support with ETP, an in-house liquid nitrogen tank, and a GMP compliant water systems and chillers
- Installed capacity of 480 TPA on single product basis
- Regulatory Approvals: WHO GMP, USFDA for 6-APA

R&D Centre at Barwala (PDL III)

- Equipped with specialized laboratories of International standard following cGLP. It has six chemical research lab, each lab having 12 fuming hood
- Features: Dedicated Analytical lab with instruments like HPLC, Prep. HPLC, XRD, GC with Head space, GC, LC-MS, IR Spectrophotometer, UV-Visible Spectrophotometer, Polarimeter, Auto Titrator and Lypholizer

Non- Antibiotic Facility at Chachrauli (PDL IV)

- Dedicated for manufacturing non-antibiotic APIs and finished dosage Formulations(under construction) in the new therapies such as CVS, CNS, oncology, antithrombotic, anti-diabetic and pain management.
- Includes QA/QC block, pilot plant, manufacturing plant with five production streams, separate finished goods processing section, solvent recovery, utilities, effluent treatment plant, canteen, stores, warehouses, hazardous reaction block and engineering and project sections.
- The capacity comes 180 TPA considering the future product mix and scale up of different molecules

Quality Management System

The Global pharmaceutical market over these years has undergone a significant transition from focusing just on GMP to a complete Quality management System. The company's dedicated quality control and quality assurance departments work in line with the stringent quality guidelines and GMP framework. The Company is committed to all compliance standards and The Quality Function has responsibility for ensuring that all activities in the system are conformed with.

Quality Control Department

- A fully equipped QC department ensures that all the inputs are in accordance as per defined specifications and standards.
- Ensures that every material entering the premises is sampled and tested before use.
- Ensures that product is meeting the required quality specifications.

Quality Assurance Department

Quality Assurance Unit is responsible for formation, implementation and maintenance of the quality system across all units of PDL. Quality assurance follows global guidelines of API, ICH Q7A for the implementation of the system. Quality Assurance activities are broadly classified in following sections:

- Documentation
- Validation and Qualification
- Product release
- Regulatory compliance

Environment Health and Safety

The company engages its employees to adopt & comply with safety standards, safe practices and safe procedures on the job to prevent occupational health & safety related problems.

Recurring EHS initiatives are:

- Hazard Identification & Risk Control Management systems
- Core Group (emergency handling group) training at regular intervals
- Emergency Response plans, Safe Work permits, and Personal protective equipment for all employees
- Defined EHS responsibilities for employees at all levels.

ACCREDITATIONS

EUROPEAN GMP accreditation

A rare certification for regulated markets for the Company's Cephalosporin products. The Cephalosporin plant of the Company have been inspected by the European authorities, and are accredited to be complying with the manufacturing and quality control standards as per the European goods manufacturing practice. The European GMP certification is a pre-requisite for export to the European Union.

Accreditation by Japanese PMDA (audited in November)

PMDA (Pharmaceuticals and Medical Devices Agency) is Japanese regulatory agency, working together with Ministry of Health, Labour and Welfare. The Company in 2011 received an official accreditation from Japan's ministry of Health, Labour and Welfare, enabling it to manufacture and supply Cephalosporin non sterile drugs to the Japanese market.

Korean FDA

Approved for Cefaclor, and Cefuroxime Axetil by Korean regulatory agency

ISO 14001-2004 by DNV

This certificate proves the environmental management system of the Company.

OHSAS 18001-2004 by DNV

OHSAS 18000 is an international occupational health and safety management system specification.

Research and Development

The Company mapped its competencies to competitively explore the patent expiry scenario. As it was believed that the off patent regime will transform the landscape of pharmaceutical industry, the company in a big way invested into research and development of molecules that are generic alternatives to the patented technologies.

Scope of activities

New Molecule Development

The Company has explored potential and molecule development opportunity across different therapies, and intermediates. As on date, the Company has developed over 50 molecules and intermediates which are at different stages of commercialization. The Company's potential banks on the cost competitiveness of the existing range of molecules and the diversification of the product basket with addition of new products. These products will ensure profits even on the lower sales.

Cost Competitiveness

Unquestionably, the losses incurred by the Company in the FY 13 are majorly on account of selling price erosion. But, the erosion in the selling price is not account of a change in technology, it is more because of the huge supplies of Chinese products and commoditization of old generation molecules. The research team at Parabolic can do little with the erosion that has already happened, but it has invested its resources as to avoid any further impact of cost erosion on the profitability. The Company has benchmarked the cost competitiveness for sterile range of products and new drugs from its non-antibiotic facility(PDL IV).

Regulatory Filing

In the pharmaceutical industry, the sustainability primarily depends on the intangible assets built by the Company. The value of the business ideally gets multiplied by the interplay of intangible assets with regulatory filings.

The Company's focus is to increase the accessibility in the regulated markets. With strong regulatory strength in the Antibiotic space the Company stands amongst the leading antibiotic companies across the globe. Total 43 DMF filings have been done by the Company. The DMF will be the minimum prerequisite for accessing the high margin export business in the regulated space.

Patents of the non-fringing processes being developed for Non antibiotics and antibiotics

The Company has a well-qualified and experienced team, which facilitates the development of Intellectual wealth and supports to identify new potential and markets for API & formulations across the globe. IP Management work is carried by the cell largely in areas of filing patent applications, patent prosecution for granting and doing searches like Novelty, Infringement, Validity & other State of the Art searches, which support Marketing & Research department to make their strategy on patents related issues. As on date, PDL has filed 23 process patent applications of its non-infringing processes.

The investments made in the research and development are rationale, however the investments are likely to get a return over a longer period of time. With the experience of Company and industry, it has been observed that the returns from the investment in research and development have a long gestation period and any entry to the regulated space takes its own long time.

Formulations Business

Nucleus- The domestic Formulations arm

Since its inception in 2011, Nucleus has succeeded in setting up a niche for itself. In the course of its journey, the division has spread vertically with a network of over 700 Stockists. Today, the division operates with a team of 23 Field Managers that ensure its PAN India presence. Nucleus today has a wide basket of nearly 200 products across all dosage forms. The Financial year 2012-13 has been remarkable for the division as its products have been able to seal a majority share in the state of Uttar Pradesh. Nucleus, in coming years, is expected to take another leap with the growth in institutional business.

International Formulations Division

The Company, in FY 13, accelerated the level of business activities in the international formulations space. The Company could submit over 100 dossiers and register over 50 brands across the Asia Pacific region. In the year 2013-14, the Company will initiate its sales from the International formulations division. The focus is on the therapeutic segments where PDL has backward integration.

FY 13 – Diagnosis and Future Outlook

Parabolic has been one of the fastest growing pharmaceutical companies. Over the years, it has achieved its growth through scale, chemistry capability, world class facilities and research base. As discussed earlier, there have been several factors which have contributed to the disappointing financial results and instability in the operations

Diagnosis for FY 13

Erosion of the selling prices of the major products

In view of the Chinese competition and government pressure on the affordability of medicines and capping health care cost, there has been extensive pressure on the selling prices of the finished dosages. This consequently affects the selling prices of APIs and therefore margins of the Company as we are solely dependent on the API sales. The prices of its major products dropped by over 30% levels. However, it has to be noted that the prices of the key raw materials did not dropped in the similar pattern

Exchange fluctuation and depreciation of rupee

It may be noted that the Company's major business runs on the procurement of raw materials in the form of imports. The rise in the input cost resulted in the further squeeze of the margins.

Delay in the revenues from research and development

The Company has invested substantial amount in the research and development. However, it was not been able to successfully commercialize its R&D success in the short term. While the management expects that the revenues from the development of these molecules in future, in the short term, it affected the liquidity in the Company.

Expansion carried out in the recent past is yet to yield the desired results

The Company has carried out various expansions in the last couple of years to enhance its capacity and manufacture new molecules to diversify and increase the margins of business. Such investments are still to generate revenues for the Company.

Decline in high margin exports business

The Company has been a major exporter to countries in EU (Italy, Germany, Switzerland, and Turkey) and Middle East (Algeria, Syria, Tunisia). However, the EU has been hit by a slowdown in the recent past resulting in pricing pressure and impacting exports. As the domestic market in India is less lucrative from the point of view of margins (EBIDTA margin: 8-10% in domestic against ~20% in exports), export slowdown further affected the Company.

Increase in Interest Rates

There has been a sharp increase in interest rates for the Company over the past 2 years. The average interest cost on WC loans for the Company has increased from ~12.50% in FY 11 to ~14.25% in FY 12. This has adversely impacted the liquidity of the Company. The Company subsequently approached CDR cell for the restructuring of its debt. The restructuring package has got approved in March.

Reorganization of Business and Future Outlook

The Company has already taken steps to move up the value chain and exit low profitable sections of business. It has built relationships and intellectual wealth over the past few years and it is expected that it would be able to leverage them successfully to move out of the present situation. It still believes that the pharmaceutical industry is attractive and there is a potential for future growth and sustainability.

The revamping of the business will be driven by:

- Consolidation of Antibiotic business

  The Company is making an exit from the less profitable and low margin business in a phased manner and will primarily focus on exports. The following are some of the steps already taken by the Company for attaining its objectives:

  1. Long term supply agreements with the leading innovator and Japanese companies as to augment the exports
  2. Audit check from the European authorities for the sterile range of products. With such developments taking place, the Company expects to build exports further.
  3. Anticipated inspection from the USFDA for some of the cephalosporin products

- Scale up of Non antibiotics & Formulations

  1. In the lifestyle drugs, the validation and development activities have already been initiated with various companies around the world; these are likely to add revenues to the export markets.
  2. Since the launch of the CRAMS vertical, the Company has been providing integrated solutions to leading innovator and generic companies ranging from route selection, process development, and optimization to manufacturing. Its expertise also involves providing engineering solutions for manufacturing at multi-ton scale. The developments in the CRAMS space will scale up at the Lalru facility.
  3. Further, Nucleus, the domestic formulations arm of Parabolic that was launched in FY 2012 is gaining momentum in terms of adding revenue and margins to the Company. The division as on date has pan-India presence with over 550 stockists, 26 distributors and a basket of over 300 products. Going forward, the division looks to build on the successful launch of products, market penetration, and reception. In the International Formulations, the Company has filed over 50 brands across different countries, submitted over 100 dossiers and finalized distribution agreements with different companies in APAC.

Keeping in view the current challenges and with the purpose of translating the Company's strengths into opportunities, the Company's future strategy is broadly the consolidation of its existing businesses and making leverage of the capital expansions already set in place.

Review of Financial Performance

Net Sales

For the financial year 2012-13, the Company registered a net sale of INR 761.36 Cr. The sales have reduced largely on account of rapid selling price volatility and unviability of the sales on account of few products due to high cost of import on rupee depreciation. While the normalcy of the business was affected by the restructuring process in one end, the domestic market had not been positive as well. Lower sales factor into account our decision to forego many of the loss making contracts and to service orders only for the bare necessities. The Company plans to consolidate its positioning in few of the key products, whereas it also undertakes to eliminate few commodity antibiotics from its product basket. This will, moving forward, result in drop of sale value for more emphasis on the profitability.

EBIDTA

The EBIDTA for year ended FY13 is at ₹ (70.21) Cr. The pricing pressure in the domestic markets, especially in the commodity products, continued throughout the year where as the rupee volatility substantially increased the cost of production. It is a consequence of the reduced sales, relatively less raw material margins and proportionally higher expenses

PAT

With the recent challenges gripping the economy, the Company incurred a net loss of ₹ 139.76 Cr in the FY13. Apart from the EBIDTA, the major factors accumulating to the unattractive bottom-line are the high interest rates (over 14% before the restructuring), revaluation of semi-finished stock because of the quality and eroded market prices.

Expenses

The cost stands high due to increased input cost. The Company had to incur loss at the RMC level to at least meet its contractual demand in sales. The cost of employees and allied services stands at ₹ 21.59 Cr in FY 13 against ₹ 22.51 Cr in the same period for the previous fiscal. The Company has taken some deliberate decisions in right sizing of the organization and in optimizing the manpower cost benefit matrix. For the entire year, the other expenses stand at ₹ 48.56 Cr against ₹ 48.17 Cr in the previous year. For the entire year, the manufacturing cost is ₹ 23.85 Cr against ₹ 24.64 Cr. The inflationary pressure has slightly affected the administrative expenses, though its impact is set off by the scale down of operations in fourth quarter. The selling and distribution expenses stand nearly flat at ₹14.82 Cr.

Interest

The Cost of finance for the entire year stands at ₹ 69.78 Cr in FY 13, against ₹ 64.14 Cr for the previous year. The cost has not gone up drastically despite of the 200 point interest rates increase against the previous year. The increase of interest rates in first six months have been offset by the effect of CDR. The competent authority has approved the interest rate as 10.5% for all facilities effective September 30th,2012.

Depreciation, Amortization and Deferred Tax asset

The depreciation in FY 13 has gone up substantially to ₹16.79 Cr against ₹ 10.05Cr for the previous year. With the commissioning of API facility at Lalru, the fixed asset base has gone up and CWIP levels have come down. The asset base has gone up by ₹ 145.65 Cr while the CWIP has reduced by ₹ 115 Cr. The R&D write off for the FY 13 stands at ₹ 38.05 Cr as against ₹ 20.61 Cr There is no change in the preliminary Expenses written off. The net deferred tax asset amount to ₹ 55.25 Cr.

Risk and its Management

The pharmaceutical industry is exposed to various factors that may risk the normalcy of business operations. The micro and macro-economic variables bring various operating challenges that directly or indirectly affect the pharmaceutical industry. To eliminate a significant impact of these factors, a proactive approach to risk identification and management holds the key to the sustainability. We have evaluated the risk management system within the Company. The Company has set in place key risk management policies. The management administers these policies and ensures that the operations combat the potential threats and the risk is minimized.

Some of the identified risks and the Company's response to it go as:

Rupee Volatility

Basis: The rupee is still unstable and it has depreciated by over 20% in the last year.

Risk: The Company is a net importer and currency depreciation adds to the cost of procurement.

Strategy: The exports will go up to map the imports and to develop a natural hedge.

Erosion of the Selling Price

Basis: The selling prices are likely to be capped and are going down due to pressure on health care cost.

Risk: The Company's major products have seen tremendous pressure on pricing.

Strategy: Diversification of the product basket with less reliance on commodity products.

Competition

Basis: The API industry is flooded with manufacturers.

Risk: There is a shrink in the margins in the Indian Markets and the Company has its majority sales in domestic space.

Strategy: The Company has recently made commercial agreements for large scale supplies in Europe and Japan.

Economic environment

Basis: The economic downturn has gripped the world and Euro zone crisis are likely to worsen in the future.

Risk: The Company's major exports in the previous years have been in Europe.

Strategy: The Company did witness a fall in exports, however the effect of downplay will be set off by the supply agreements in Japan and other countries.

Report on
Corporate Governance

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

This report on Corporate Governance forms part of the Annual Report. Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices that ensure that a Company meets its obligations to optimize shareholders' value and fulfill its responsibilities towards the community, customers, employees, Government and other segments of the society. Parabolic Drugs Limited (Parabolic) is committed on adopting the best practices of Corporate Governance as manifested in the Company's functioning to achieve the business excellence by enhancing long-term shareholders' value. Parabolic is committed to achieve the best standards of Corporate Governance through complete transparency in its dealings with the management, associate companies and other third parties. The Management of Parabolic understands its accountability and responsibility towards its shareholders/investors, regulatory authorities and also for other sections of the society.

2. Board of Directors:

(A) Board Meetings:

During the financial year 2012-13, the Board met 5 times on the following dates:

-12th May, 2012 - 14th August, 2012

-10th November, 2012 - 28th November, 2012

-13th February, 2013

(B) Composition as on 31st March, 2013:

The Board of Directors comprised of a Chairman and Managing Director (CMD), one Whole Time Director and 4 Non - Executive Directors. Out of the total strength of 6 directors, 4 directors are Independent, thus it meets the stipulated requirement of clause 49 of the Listing Agreement.

The composition of the Board of Directors and the attendance of directors at the Board Meetings during the year and at last Annual General Meeting of the Company and also the number of other Directorship in Indian Public Limited Companies:

Name of the Director	Designation & Category	No. of Board meetings attended	Attendance at last AGM	Total no. of Directorship in other companies	No. of committee memberships in other companies	Total no. of Board chairmanship in other companies	Total no. of committee chairmanship in other companies
Inder Bir Singh Passi*	Chairman, Non Executive & Independent Director	Nil	Nil	Nil	Nil	Nil	Nil
Pranav Gupta#	Chairman & Managing Director	5	Yes	2	Nil	2	Nil
Vineet Gupta	Whole Time Director	5	Yes	2	Nil	Nil	Nil
Gurpreet Singh Sandhu**	Whole Time Director (Business Promotion)	2	No	Nil	Nil	Nil	Nil
Dr. Ram Kumar	Non Executive Independent Director	5	Yes	Nil	Nil	Nil	Nil
Koppisetty Srinivas***	Non Executive Non Independent Director	1	No	2	Nil	Nil	Nil
Balwan Bansal##	Non Executive Independent Director	0	No	Nil	Nil	Nil	Nil
Arun Mathur	Non Executive Independent Director	3	Yes	Nil	Nil	Nil	Nil
Manmohan Lal Sarin****	Non Executive Independent Director	0	No	1	Nil	Nil	Nil
Nikhil Goel	Non Executive Independent Director	5	No	Nil	Nil	Nil	Nil

* Ceased to be Director and Chairman of the Board w.e.f 20.11.2012

\# Appointed as Chairman of the Board w.e.f 13.02.2013

** Ceased to be Director w.e.f 1.02.2013

*** Ceased to be Director w.e.f 22.11.2012

\## Appointed as Director w.e.f 28.11.2012

**** Ceased to be Director w.e.f 18.10.2012

(C) Disclosure of Change

Sr. No.	Name of the Director	Position	Nature of Change	Date of Event
1.	Mr. Manmohan Lal Sarin	Director	Resignation	18.10.2012
2.	Mr. Inder Bir Singh Passi	Chairman and Director	Resignation	20.11.2012
3.	Mr. Koppisetty Srinivas	Director (Nominee of BTS India Private Equity Fund Limited)	Resignation	22.11.2012
4.	Mr. Balwan Bansal	Additional Director	Appointment	28.11.2012
5.	Mr. Gurpreet Singh Sandhu	Whole time Director (Business Promotion)	Resignation	1.02.2013
6.	Mr. Pranav Gupta	Chairman	Appointment	13.02.2013
7.	Dr. Ram Kumar	Director	Resignation	6.08.2013
8.	Mr. Balbir Singh Bhasin	Nominee Director (SBI)	Appointment	10.08.2013

(D) Detail of Remuneration paid to the Executive Directors for the Financial Year 2012-13:

The details of the remuneration paid to the Managing Director and Executive Directors/Whole Time Director for the Financial Year 2012-13 is as under:

Particulars	Pranav Gupta	Vineet Gupta
Salary, Allowances and perquisites	96,00,000	84,00,000
Bonus/Performance Incentive	-	-
Retirement Benefits	-	-
Stock options	-	-
Tenure	5 Years	5 Years
Notice Period & Severance Pay	-	-
Number of shares held	8,24,100	7,01,550

(E) Detail of Remuneration paid to the Non-Executive Directors for the Financial Year 2012-13:

Non-Executive Directors are not entitled to any remuneration except sitting fee for the Board and Committee Meetings. The detail of the sitting fee paid to the Non-Executive Directors for the Financial Year 2012-13 is as follows:

Sr. No.	Name of the Director	Sitting Fee (in ₹)
1.	Dr. Ram Kumar	32000
2.	Mr. Arun Kumar Mathur	19000
3.	Mr. Koppisetty Srinivas	5000
4.	Mr. Nikhil Goel	19000

3. Committees:

(A) Audit Committee :

As at 31st March, 2013, the Audit Committee comprised of three directors namely Mr. Nikhil Goel, Mr. Pranav Gupta and Mr. Arun Mathur. Mr. Nikhil Goel is the Chairman of the Audit Committee. The Company Secretary is the secretary of the Audit Committee. The terms of reference of the Audit Committee are, as contained in Section 292 A of the Companies Act, 1956 and also as contained in the Corporate Governance Clause of the Listing Agreement.

The Audit Committee met four times during the financial year 2012-13 on the following dates:

-12th May, 2012
- 06th August, 2012
-10th November, 2012
- 13th February, 2013

The attendance of the members of the Audit Committee during the financial year 2012-13 is given below:

S. No.	Name of the Director	Designation	Executive/ Non Executive/ Promoter	Independent/ Non Independent	No. of Audit Committee Meetings Attended
1.	Nikhil Goel	Chairman	Non Executive	Independent	4
2.	Inder Bir Singh Passi*	Member	Non Executive	Independent	Nil
3.	Pranav Gupta	Member	Executive & Promoter	Non Independent	4
4.	Arun Mathur	Member	Non Executive	Independent	4

* Mr. Inder Bir Singh Passi resigned from the Directorship of the Company w.e.f 20.11.2012 and consequently ceased to be the member of the Audit Committee.

(B) Remuneration Committee:

The remuneration Committee has been re-constituted by the Board of Directors on 30.05.2013.

a) Composition:

The Remuneration Committee of the Company comprises of three Directors as per details given below:

S. No.	Name of the Director	Designation	Executive/ Non Executive/ Promoter	Independent/ Non Independent
1.	Nikhil Goel	Chairman	Non Executive	Independent
2.	Arun Mathur	Member	Non Executive	Independent
3.	Balwan Bansal	Member	Non Executive	Independent

b) Terms of Reference:

a) Reviewing, assessing and recommending the appointment of Executive/Non Executive Directors and Senior employees;

b) Reviewing the remuneration packages of Executive/Non Executive Directors and senior employees;

c) Recommending the payment of compensation in accordance with the provisions of the Companies Act, 1956 and

d) Carrying out any other function in the Equity Listing Agreement as and when amended from time to time.

No meeting of Remuneration Committee was held during the financial year 2012-13:

(C) Shareholders'/ Investors' Grievance Committee:

The Shareholders'/ Investors' Grievance Committee has been reconstituted by the Board of Directors on 10-08-2013.

a) Composition:

S. No.	Name of the Director	Designation	Executive/ Non Executive/ Promoter	Independent/ Non Independent
1.	Nikhil Goel	Chairman	Non Executive	Independent
2.	Arun Mathur	Member	Non Executive	Independent
3.	Pranav Gupta	Member	Executive	Non-Independent

The Investors' Grievance Committee constituted by the company looks into the redressal of investors' complaints on various issues.

The Shareholders'/Investors Grievance Committee met once during the financial year 2012-13.

The Company received one complaint related to dividend during the year and the same has been duly resolved by the Company and there is no pendency as at 31st March, 2013.

The e-mail id of the Company for Investors' Grievance is pdl.investors@parabolicdrugs.com

4. General Body Meetings:

The detail of General Body Meetings held during the last three financial years are as given below:

Nature of Meeting	Day, Date and Time of AGM	Venue	Number of Special Resolutions	Whether any special resolution passed last year through postal ballot
Annual General Meeting	Friday 28th September, 2012 3.00 P.M.	PHD House, Sector 31 A, Chandigarh	1	No
Annual General Meeting	Thursday 29th September, 2011 3.00 P.M.	PHD House, Sector 31 A, Chandigarh	6	No
Annual General Meeting	Saturday 28th September, 2010 3.00 P.M.	PHD House, Sector 31 A, Chandigarh	1	No

The Company has not passed any resolution through postal ballot during the Financial Year 2012-13.

5. Disclosures:

During the year, there were no materially significant transactions with related parties that may have potential conflict with the interests of Company at large. Also there has not been any non compliance by the Company, no penalties or strictures were imposed by the Stock Exchanges, the Securities and Exchange Board of India or any other Statutory Authority on any matter related to Capital Markets during the last three years.

The Company has not so far, adopted any non mandatory requirements as stated in Annexure III of the Listing Agreement except the Remuneration Committee and Whistle Blower Policy. As per the Whistle Blower Policy adopted by the Company, personnel of the Company have access to the Audit Committee.

6. Means of Communication:

Presently, the Company communicates with the shareholders at large through its Annual Reports, publication of financial results, press releases in leading newspapers and by filing of various reports, information and returns with the Statutory Bodies like Stock Exchanges, Reserve Bank of India and the Registrar of Companies. The Financial Results are published in prominent daily newspapers viz. Financial Express/Business Standard and Desh Sewak. The Investors' related information of the Company is also made available at the Company's web-site i.e. www.parabolicdrugs.com.

7. General Information for Shareholders:

i. 17th Annual General Meeting

Date: 30th September, 2013
Time: 9.00 A.M.
Venue: PHD House Sector 31 A, Chandigarh

ii Financial Calendar, 2013-14 (Tentative)

First Quarter Results: August, 2013
Second Quarter Results: November, 2013
Third Quarter Results: February, 2014
Fourth Quarter and Annual Results: May, 2014

iii **Date of Book Closure:** 26th September, 2013 to 30th September, 2013

iv **Listing of Securities:**

The Equity Shares of the Company are listed on the following two Stock Exchanges:
The Bombay Stock Exchange Limited (BSE)
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001

The National Stock Exchange of India Limited (NSE),
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai- 400 051

The Listing fee for the financial year 2013-14 has been paid to both the Stock Exchanges.

v. **Stock Code:**

BSE: 533211

NSE: PARABDRUGS

vi. **Market Price Data: High, Low during each month in last financial year:**

Month	Open Price	High Price	Low Price	Close Price	No.of Shares	No. of Trades	Total Turnover (₹)	Spread High-Low	Spread Close-Open
Apr-12	29.5	32	26.5	26.95	403723	3626	11809742	5.5	-2.55
May-12	27.05	29.45	20	20.55	308407	3049	7437316	9.45	-6.5
Jun-12	21.7	25.5	19.3	20.05	758072	3489	15495989	6.2	-1.65
Jul-12	20	26.85	19.7	23.75	802282	6574	19105984	7.15	3.75
Aug-12	24.45	27.8	21.9	23.6	425988	3660	10017513	5.9	-0.85
Sep-12	24.6	30.65	22.45	26.2	1826159	13188	49814959	8.2	1.6
Oct-12	26.6	28.35	23.9	24.05	1194305	7394	31777801	4.45	-2.55
Nov-12	25	25.3	10.7	11.4	2543152	14322	41413535	14.6	-13.6
Dec-12	11.5	12.15	9.09	11	1259778	5849	13694416	3.06	-0.5
Jan-13	11.01	14.65	10.1	10.34	1249192	6337	15708977	4.55	-0.67
Feb-13	10.86	10.86	8	8.26	487788	2810	4503677	2.86	-2.6
Mar-13	8.26	9.5	5.11	6.34	667576	2572	4747178	4.39	-1.92

vii. Registrar and Share Transfer Agent:

M/s. Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound
L.B.S Marg, Bhandup (West)
Mumbai 400 078
Tel: + (91 22) 2596 3828
Fax: + (91 22) 2594 6969
Email: mumbai@linkintime.co.in
Website: www.linkintime.co.in

44, Community Centre,
Phase-I, Near PVR, Naraina Ind. Area
New Delhi – 110 028
Tel: + (91 11) 4141 0592,93,94
Fax: + (91 11) 4141 0591
Email: delhi@linkintime.co.in
Website: www.linkintime.co.in

viii. Share Transfer System:

The Company has constituted a Share Transfer Committee of its Directors which meets as per requirement and in accordance with the provisions of the Listing Agreement and Companies Act, 1956. The list of valid transfers and objections, if any, are placed before the Committee for its approval/ confirmation.

All the requests for transfer are effected within the stipulated period under the Listing Agreement & Companies Act. Presently, the shares of the Company are traded on the Stock Exchanges compulsorily in demat form. The Company has participated as an issuer both with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Shareholders may operate through any of the depositories. The International Securities

Identification Number (ISIN) is INE 618H01016. No case is pending for transfer as well as dematerialization of shares as on 31st March, 2013.

ix. Distribution of shareholding as on 31st March, 2013:

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
Up to 500	12205	73.8475	2143132	3.4627
501-1000	1876	11.3491	1549693	2.5039
1001-2000	1187	7.1809	1760579	2.8446
2001-3000	380	2.2989	993672	1.6055
3001-4000	177	1.0708	642059	1.0374
4001-5000	160	0.9679	757316	1.2236
5001-10000	255	1.5426	1899491	3.0690
10001 and above	288	1.7423	52146072	84.2533
Total	**16528**	**100.00**	**61892014**	**100.00**

Shareholding Pattern as on 31st March, 2013:

Category	No. of shares	No. of shareholders	% of shareholding
Promoter & Promoter Group	23467427	14	37.92
Public Shareholding			
Institutional			
Mutual Funds/ UTI/FIs/ Banks/ Central & State Government	1784868	4	2.88
FVCF/FII	8736941	7	14.12
Non Institutional			
- Individuals	15564825	15664	25.14
- Body Corporates	3471307	311	5.61
- NRI	793727	398	1.29
- Foreign Company	7513807	4	12.14
- Trust			
- Clearing Member	559112	126	0.90
Total	61892014	16528	100.00

x. **Dematerialization of shares and Liquidity:** Presently, some of the Pre –IPO shares are in physical mode and the entire Post-IPO holding is in Demat form.

xi. **Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity:** Not Applicable

xii. **Plant Locations:**

The plants of the Company are located at the following locations:

a) Parabolic Drugs Limited,
Village: Sundhran, P.O. Mubarakpur, Tehsil: Derabassi, District: Mohali, Punjab

b) Parabolic Drugs Limited,
Plot No. 45, Industrial Area, Phase II, Panchkula, Haryana

c) Parabolic Drugs Limited,
Plot No. 280-281, Phase I, Block 1, Alipur Industrial Estates, HSIIDC,
Tehsil Barwala, Haryana, District: Panchkula

d) Parabolic Drugs Limited,
Village: Chachrauli, Tehsil: Derabassi, District: SAS Nagar, Mohali

xiii. Address for correspondence:

Registered Office:

Parabolic Drugs Limited,
S.C.O. 99-100, Top Floor,
Sector 17 B, Chandigarh 160 017
Phone Nos: 0172-3914646-647
Fax No: 0172-3914645
Website: www.parabolicdrugs.com

Corporate Office:

Parabolic Drugs Limited,
S.C.O. 99-100, Third Floor,
Sector 17 B, Chandigarh 160 017
Phone Nos: 0172-3914646-647

xiv. Green Initiative in Corporate Governance:

The Company support the Green Initiative taken by the Ministry of Corporate Affairs (”MCA”) vide its circulars issued in this regard. Accordingly, to comply with better Corporate Governance Practice and to implement the said circulars, the Company opted to send the notice and Annual Report etc in electronic form to the members at their registered e-mail address.

During the previous financial year, the Company sent Annual Reports including Notice of AGM in electronic form to those members whose e-mail address was registered with their respective depositories (NSDL & CDSL) and/or the Company.

Auditors' Certificate on Compliance of Corporate Governance

To The Members,
Parabolic Drugs Limited
S.C.O. 99-100, Top Floor,
Sector 17 B, Chandigarh

We have reviewed the implementation of Corporate Governance procedures by M/S PARABOLIC DRUGS LIMITED (“the Company”) during the year ended March 31, 2013 as stipulated in clause 49 of the listing agreement of the said Company with the Stock Exchanges, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned clause in listing Agreement.
We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.K. BANSAL & CO.,
Chartered Accountants

(S.K. Bansal)
Partner

Membership No: 013147
FRN 002222N

Place: Chandigarh
Date : 10th August, 2013

Declaration Regarding Compliance with code of Conduct

The Company has adopted the Code of Conduct for all Board members and senior management of the Company.

It is hereby affirmed that all the Directors and Senior Managerial personnel have complied with the Code of Conduct and have given a confirmation in this regard.

Sd/-
Paranv Gupta
Chairman & Managing Director

Place : Chandigarh
Dated : 10th August, 2013

Certificate Of Chairman & Managing Director And Chief Financial Officer

We have reviewed financial statements and cash flow statement for the period April 1, 2012 to March 31, 2013 and to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(iii) No transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

Further, we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to reporting and we have disclosed to the Auditors and the Audit Committee:

a) deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies;

b) significant changes in internal control over financial reporting during the year;

c) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

d) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
R.C. Goyal
Sr. Vice President Finance

Sd/-
Paranv Gupta
Chairman & Managing Director

Place : Chandigarh
Dated : 30th May, 2013

Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Parabolic Drugs Limited which comprises the Balance sheet as at 31st March 2013 and the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, subject to Note 26(b) of the financial statement regarding confirmation of debit or credit balances on whatsoever account, the financial statements read with note 26 forming part of financial statement 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:

(a) in the case of Balance Sheet, of the state of affairs on the Company as at 31st March 2013;

(b) in the case of Statement of Profit & Loss , of the Loss for the year ended on that date. and

(c) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. As required by section 227(3) of the Act, we report that:

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

(ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

(iii) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.

(iv) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

(v) On the basis of written representations received from the Directors, as on 31st March 2013 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

(vi) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act,1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

FOR S.K.BANSAL & CO.,
Chartered Accountants

(S.K. Bansal)
Partner
Membership No: 013147
FRN 002222N

Place : Chandigarh
Dated : 30.05.2013

Name: M/s. S.K. Bansal & Co.
Chartered Accountants
Address: Kothi No. 3193, Sector 28 – D,
Chandigarh-160002

Annexure to the Auditors' Report

Annexure referred to in Paragraph-1 of the Auditors' Report to the Members of M/s. Parabolic Drugs Limited on the accounts for the year ended 31st March 2013.

(i) (a) As confirmed by the management the Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) We are informed that the company has framed programme of periodical physical verification of its fixed assets in phased manner, which in our opinion is reasonable having size of the company and nature of its business. In terms of such programme, during the year ended 31st March 2013, physical verification of the fixed assets was carried out by the management during the year and no material discrepancy was noticed on such verification.

(c) As confirmed by the management ,the substantial part of Fixed Assets have not been disposed off during the year.

(ii) (a) According to the information & explanations given to us the inventories comprises of raw material, work in progress, material at shop floor and finished goods as on 31St March 2013 have been physically verified by the management.

(b) The procedure of physical verification of inventory followed by the management is, in our opinion reasonable and adequate in relation to the size of the company and the nature of its business.

(c) Quantitative records have been maintained for Raw Materials & Finished Goods produced. As confirmed by management no material discrepancies were noticed on physical verification.

(iii) (a) The Company has not taken from/granted any (secured or unsecured) loans from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

(b) As Company has not taken from/granted loans apart from transactions on current account para iii(b), iii(c), iii(d) of the order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

(v) (a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the act have been entered into the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangement entered into the register in pursuance of section 301 of the Act and exceeding the value of Rupees Five Lacs in respect of any party during the year, have been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) In our opinion and according to information and explanation given to us, the Company has not accepted deposits from the public as per Companies (Acceptance of Deposits) Rule of 1975 and as per provisions of Section 58A and 58AA of the Companies Act, 1956.

(vii) In our opinion the Company has an Internal Audit System commensurate with its size and nature of its business.

(viii) As confirmed by the management, the Company is maintaining cost records as prescribed by Central Government under section 209(1)(d) of the Companies Act 1956.

(ix) (a) According to information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues as applicable to it.

(b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute except as referred to in Para No. (m) Of additional note 26 to financial statement as on 31st March 2013.

(x) There are no accumulated losses of the Company at the end of the year. The company has incurred cash loss during the year covered by our audit.

(xi) In our opinion and according to the information and explanations given to us and as confirmed by management, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders as the company has made application to CDR Cell which has been approved and stands implemented w.e.f. 30th Sept 2012.

(xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xv) According to information and explanations given to us, the Company has not given corporate guarantee for loans taken from banks or financial institutions.

(xvi) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company and as confirmed by management , we report that the term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company and further confirmed by the management , we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets.

(xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

(xix) No debentures have been issued during the year by the company.

(xx) During the year no money has been raised by public issue hence the requirement of paragraph 4(xx) is not applicable.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

FOR S.K.BANSAL & CO.,
Chartered Accountants

(S.K. Bansal)
Partner
Membership No: 013147
FRN 002222N

Place : Chandigarh
Dated : 30.05.2013

Name: M/s. S.K. Bansal & Co.
Chartered Accountants
Address: Kothi No. 3193, Sector 28 – D,
Chandigarh-160002

Balance Sheet As as March 31, 2013

(₹ in million)

	Note	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	618.92	618.92
(b) Reserves and Surplus	2	2267.60	3665.21
(2) Share Application Money Pending Allotment		122.80	0.00
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	4217.85	1459.33
(b) Deferred tax liabilities (Net)	4	(435.59)	116.94
(c) Long term provisions	5	30.29	30.87
(4) Current Liabilities			
(a) Short-term borrowings	6	3548.66	3764.55
(b) Trade payables	7	1238.62	2841.94
(c) Other current liabilities	8	348.94	495.14
(d) Short-term provisions	9	0.00	150.87
Total		**11958.09**	**13143.77**
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		3331.56	1875.11
(ii) Intangible assets		3.81	3.81
(iii) Capital work-in-progress		722.92	1872.88
(b) Non-current investments	11	61.41	35.66
(c) Other non-current assets	12	1821.20	1637.49
(2) Current assets			
(a) Inventories	13	3511.00	4517.32
(b) Trade receivables	14	1385.86	2217.56
(c) Cash and cash equivalents	15	120.94	346.20
(d) Short-term loans and advances	16	757.87	464.31
(e) Other current assets	17	241.52	173.43
Total		**11958.09**	**13143.77**
Significant Accounting Policies & Notes on Financial Statements	26		

The accompanying notes (No. 1 to 26) are an integral part of Financial Statements

As per our report of even date

For **S. K. Bansal & CO.**
Chartered Accountants
Firm Registration Number: 002222N

Sd/-
S.K. Bansal
Partner
Membership No. 013147

Place : Chandigarh
Date : May 30, 2013

For and on behalf of the Board

Sd/-
Vineet Gupta
Whole Time Director

Sd/-
Pranav Gupta
Chairman & Managing Director

Sd/-
Vipin Gupta
V.P. & Company Secretary

Sd/-
R. C. Goyal
Sr. V.P (Finance)

Statement of Profit and Loss For the year ended March 31, 2013

(₹ in million)

	Note	Year ended 31.03.2013	Year ended 31.03.2012
REVENUE			
Gross Revenue From Sale of Products		8280.70	10123.08
Less: Excise Duty		667.13	959.68
Net Revenue from Sale of Products		7613.57	9163.40
Other Operating Revenue		43.24	80.04
I. Revenue from Operations	18	7656.81	9243.44
II. Other Income	19	31.12	40.77
III. Total Revenue (I + II)		7687.93	9284.21
EXPENSES			
Cost of Materials Consumed	20	6927.44	8004.48
Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade	21	761.14	(1041.33)
Employee Benefit Expenses	22	215.88	225.16
Finance Costs	23	697.77	641.37
Depreciation And Amortization Expense	24	550.26	308.53
Other Expenses	25	485.60	481.59
IV. Total Expenses		9638.09	8619.80
V. Profit before tax(III-IV)		(1950.16)	664.41
VI. Tax expense:			
(1) Current tax (including wealth tax)		0.00	132.88
(2) Deferred tax Charge/ (Credit)		552.54	19.41
(3) Tax Adjustment Earlier Years		0.00	0.00
Total		**552.54**	**152.29**
VII. Profit for the period (V-VI)		1397.62	512.12
Weighted Average Number of Equity Shares Outstanding		61.89	61.89
VIII. Earning per equity share of ₹10 each:			
(1) Basic		(22.58)	8.27
(2) Diluted		(22.58)	8.27
Significant Accounting Policies & Notes on Financial Statements	26		

The accompanying notes (No. 1 to 26) are an integral part of Financial Statements

As per our report of even date

For and on behalf of the Board

For **S. K. Bansal & CO.**
Chartered Accountants
Firm Registration Number: 002222N

Sd/-
S.K. Bansal
Partner
Membership No. 013147

Sd/-
Vineet Gupta
Whole Time Director

Sd/-
Pranav Gupta
Chairman & Managing Director

Sd/-
Vipin Gupta
V.P. & Company Secretary

Sd/-
R. C. Goyal
Sr. V.P (Finance)

Place : Chandigarh
Date : May 30, 2013

Cash Flow Statement For the year ended March 31, 2013

(₹ in million)

		Year ended 31.03.2013	Year ended 31.03.2012
CASH FLOW FROM OPERATING ACTIVITIES			
(Including WC Changes)			
- Profit Before Tax		(1950.16)	664.41
- Depreciation & Amortization		167.90	100.54
- Finance Expenses		697.77	641.37
- R & D Expenses Written off		380.51	206.14
- Misc Expenses Written off		1.85	1.85
- Total Operating Cash Flow before WC Changes		(702.13)	1614.31
Working Capital Changes			
Current Assets			
- Inventory		(1006.32)	1110.84
- Debtors		(831.70)	(534.03)
- Loans & Advances & Other Current Assets		361.65	99.30
Increase / (Decrease) in Current Assets		(1476.37)	676.11
Current Liabilities			
- Trade Payables		(1603.31)	1068.16
- Other Current Liabilities & Provisions		(279.09)	187.61
- Long Term Provisions		(0.58)	9.82
Increase / (Decrease) in Current Liabilities		(1882.98)	1265.59
Net Increase / (Decrease) in Working Capital		406.61	(589.48)
- Income Tax		0.00	132.88
Total Cash Flow from Operations including WC	(A)	(1108.74)	2070.91
CASH FLOW FROM INVESTMENT ACTIVITIES			
- Purchase of Fixed Assets		474.39	1100.28
- Investment in Shares		25.75	(21.06)
- Preliminary Expenses		0.00	0.00
- Dividend		17.98	36.08
- R&D Expenditure		566.07	934.83
Total Cash Flow from Investment Activities	(B)	1084.19	2050.13

Cash Flow Statement For the year ended March 31, 2013

(₹ in million)

		Year ended 31.03.2013	Year ended 31.03.2012
CASH FLOW FROM FINANCING ACTIVITIES			
- Share Capital/Share Premium		122.80	0.00
- Term Loans Additions / (Repayments)		2600.81	369.70
- Unsecured Loans/Deferred Creditors		157.72	166.94
- Increase / (Decrease) in Working Capital Loans		(215.89)	173.59
- Finance Expenses		(697.77)	(641.38)
Total Cash Flow from Financing Activities	(C)	1967.67	68.85
Net Cash inflow/(outflow) (During the year)	(A-B+C)	(225.26)	89.63
Cash Balance in the beginning of the year		346.20	256.57
Cash Balance at the end of the year		120.94	346.20

The accompanying notes (No. 1 to 26) are an integral part of Financial Statements

As per our report of even date

For **S. K. Bansal & CO.**
Chartered Accountants
Firm Registration Number: 002222N

Sd/-
S.K. Bansal
Partner
Membership No. 013147

Place : Chandigarh
Date : May 30, 2013

For and on behalf of the Board

Sd/-
Vineet Gupta
Whole Time Director

Sd/-
Pranav Gupta
Chairman & Managing Director

Sd/-
Vipin Gupta
V.P. & Company Secretary

Sd/-
R. C. Goyal
Sr. V.P (Finance)

Notes on Financial Statements for the year ended 31st March, 2013

(₹ in million)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
1 SHARE CAPITAL		
Authorised		
62000000 Equity Shares (Previous Year 62000000) of ₹ 10 each	620.00	620.00
61892014 Equity Shares (Previous Year 61892014) of ₹ 10 each fully paid up	618.92	618.92
Total Issued, Subscribed & Fully Paid Up Share Capital	618.92	618.92

(a) Reconciliation of Number of Shares Outstanding (₹ in million)

PARTICULARS	As at 31.03.2013		As at 31.03.2012	
Equity Shares	Number	Amount	Number	Amount
Shares outstanding at the beginning of current reporting period	61.89	618.92	61.89	618.92
Shares Issued & Subscribed during the Period	0.00	0.00	0.00	0.00
Shares Bought Back	0.00	0.00	0.00	0.00
Shares outstanding at the end of current reporting period	**61.89**	**618.92**	**61.89**	**618.92**

(b) Terms/ Rights 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 with a right to receive per share dividend declared by the Company. The Company declares and pays dividend in Indian rupees. The Dividend proposed by Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of Equity shares held by the Shareholders.

(c) Detail of Shareholders Holding more than 5% Shares in the Company (₹ in million)

PARTICULARS	As at 31.03.2013		As at 31.03.2012	
	Number	% Holding	Number	% Holding
M/s PNG Trading Pvt. Ltd.	14.17	22.90	14.17	22.90
M/s Parabolic Infrastructure Pvt. Ltd.	5.94	9.59	5.94	9.59
M/s BTS India Private Equity Fund Ltd.	5.47	8.83	5.47	8.83

Notes on Financial Statements for the year ended 31st March, 2013

(₹ in million)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
2 RESERVE & SURPLUS		
Profit and Loss Account		
At the beginning of the year	2030.69	1536.55
Add/(Less) : Net Profit/(Loss) for the Year	(1397.61)	512.12
Provision for dividend on equity shares		15.47
Equity dividend tax	0.00	2.51
At the end of the year	633.08	2030.69
Capital Reserve		
At the beginning and at the end of the year	0.34	0.34
Capital Subsidy		
At the beginning and at the end of the year	3.00	3.00
Security Premium		
At the beginning of the year	1631.18	1631.18
Add: Addition during the Year		
Less: Public Issue Expenses		
At the end of the year	1631.18	1631.18
Net Surplus in the Statement of Profit and Loss	**2267.60**	**3665.21**

3 LONG TERM BORROWINGS

Secured : Term Loans from Banks	3892.08	1291.28
Unsecured :		
Due to Others	325.77	168.05
	4217.85	1459.33

Terms of borrowings are as under:

Term Loans from Banks are secured by way 1st pari passu charge on all existing & future fixed assets of the Company at all locations with equitable mortgage of land & building, 2nd pari passu charge on all the current assets of the Company and pari passu charge on the collateral properties of M/s Parabolic Infrastructure P Ltd, M/s PNG Trading P Ltd & also personally guaranteed by Mrs Rama Gupta, Mr. J.D.Gupta, Mr T.N Goel, Mr Pranav Gupta and Mr Vineet Gupta.

4 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability	(A)		
Related to Fixed assets		167.00	116.94
Deferred Tax Assets	(B)		
Related to Accumulated Loss		602.59	0.00
	(A-B)	(435.59)	116.94

Notes on Financial Statements for the year ended 31st March, 2013

(₹ in million)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
5 LONG TERM PROVISIONS		
Provision for Employee Benefits-Gratuity	16.48	14.71
Provision for Employee Benefits-Leave Encashment	13.81	16.16
	30.29	30.87

6 SHORT TERM BORROWINGS		
Secured :		
Working Capital Loans from Banks:		
- Cash Credit	3279.92	2150.29
- Buyer Credit	20.80	447.03
- Packing Credit	199.26	547.11
- Bills Discounted	0.00	257.93
Unsecured:		
Working capital loan from Banks	48.68	362.19
	3548.66	3764.55

Working Capital borrowings from Banks are secured by way of first pari passu charge on hypothecation of entire present & future current assets of the Company, Second pari passu charge on all fixed assets of the Company and pari passu charge on the collateral properties of M/s Parabolic Infrastructure P Ltd, M/s PNG Trading P Ltd & also personally guaranteed by Mrs Rama Gupta, Mr. J.D. Gupta ,Mr T. N. Goel, Mr. Pranav Gupta and Mr. Vineet Gupta.

7 TRADE PAYABLES		
Sundry Creditors - Materials	1069.87	2674.50
Sundry Creditors - Expenses	75.91	77.26
Sundry Creditors - Capital Expenses	92.84	90.18
	1238.62	2841.94

8 OTHER CURRENT LIABILITIES		
Current maturities of Long Term Debt	4.81	323.36
Interest accrued but not due on Borrowings	0.00	2.52
Share Application money due for refund	0.05	0.05
Advance from Customers	63.61	14.76
Statutory Liabilities	231.90	100.10
Other Expenses Payable	48.57	54.35
	348.94	495.14

Notes on Financial Statements for the year ended 31st March, 2013

(₹ in million)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
9 SHORT TERM PROVISIONS		
Provision for Income Tax	0.00	132.88
Proposed Dividend on Equity shares	0.00	15.48
Corporate Dividend Tax on Dividend	0.00	2.51
	0.00	150.87

10 FIXED ASSETS

	Rate of Dep. (%)	Gross Block					DEPRECIATION				NET BLOCK	
		As on 1.4.2012	Addition During the Period (1.4-2012-30.9.12)	Addition During the Period (1.10.2012-31.3.2013	Deduction During the Year	Total as on 31.3.2013	As on 1.4.2012	Provided During the year	Assets Sold/ Written Back/ Adjustment	As on 31.3.2013	As on 31.3.2013	As on 31.3.2012
Tangible Assets:												
Land & Site Development	0.00%	7.80	20.67	0.00	0.00	28.47	0.00	0.00	0.00	0.00	28.47	7.80
Factory Building	3.34%	362.31	379.41	20.03	0.00	761.75	36.15	24.88	0.00	61.03	700.72	326.15
Non Factory Building	1.63%	6.50	0.00	0.00	0.00	6.50	0.97	0.11	0.00	1.08	5.42	5.53
Plant & Machinery	5.28%	1404.98	738.91	388.81	2.36	2530.34	212.09	116.01	0.03	328.06	2202.27	1192.89
Furniture & Fixture	6.33%	26.02	7.47	60.01	0.00	93.50	4.41	3.55	0.00	7.96	85.54	21.61
Tubewell	1.63%	4.74	1.12	0.18	0.00	6.04	0.25	0.09	0.00	0.34	5.70	4.50
Vehicles	9.50%	26.16	7.44	0.00	2.70	30.90	10.05	2.86	0.94	11.97	18.93	16.11
Computers & Peripherals	16.21%	11.31	2.06	0.13	0.00	13.50	6.33	2.15	0.00	8.48	5.02	4.98
Research & Development - Fixed Assets		344.08	0.77	0.46	0.00	345.31	48.54	17.28	0.00	65.82	279.49	295.54
		2193.90	1157.85	469.62	5.06	3816.31	318.79	166.93	0.97	484.75	3331.56	1875.11
Intangible Assets:		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Computer Software	16.21%	5.20	0.72	0.25	0.00	6.17	1.39	0.97	0.00	2.36	3.81	3.81
Patents		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Work In Progress		1872.88	0.00	660.37	1810.33	722.92	0.00	0.00	0.00	0.00	722.92	1872.88
Total (A+B+C+D+E) :		4071.98	1158.57	1130.24	1815.39	4545.40	320.18	167.90	0.97	487.11	4058.29	3751.81
Previous Year		2972.65	310.97	992.75	204.38	4071.98	220.58	100.54	0.94	320.18	3751.81	2752.07

Notes on Financial Statements for the year ended 31st March, 2013

(₹ in million)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
11 NON CURRENT INVESTMENTS		
A. Trade Investments:		
Parabolic Research Labs Ltd (Unquoted, Fully paid up)	49.00	29.50
4900000 equity Shares (PY 2950000) of ₹ 10/- each		
Parabolic Research Labs Ltd (Unquoted, Fully paid up)	0.17	1.97
(Towards Share Application Money pending allotment)		
Ziven Lifesciences Ltd (Unquoted, Fully paid up)	11.50	4.00
1149996 equity Shares (PY 399996) of ₹ 10/- each		
B. Non Trade Investments:		
Investment in equity instruments		
(1) Nimbuja Greenfield (Punjab) Ltd- Unquoted, Fully paid up	0.19	0.19
18750 Equity shares (PY 25000) of ₹ 10/- each		
(2) Mohali Green Environment Private Ltd- Unquoted, Fully paid up	0.55	0.00
55000 Equity shares of ₹ 10/- each		
	61.41	35.66

12 OTHER NON CURRENT ASSETS

Other Non Current Assets		
-Preliminary Expenses	9.46	11.32
-Research & Development Expenses	1811.74	1626.17
	1821.20	1637.49

13 INVENTORIES

Raw Materials	220.21	462.18
Work in Process/ Semi Finished Goods	3225.68	4016.08
Finished Goods	60.79	31.53
Stores and Consumables	4.32	7.53
	3511.00	4517.32

Inventory has been valued as per inventory taken, valued and certified by the management on which we have relied upon.

Notes on Financial Statements for the year ended 31st March, 2013

(₹ in million)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
14 TRADE RECEIVABLES		
Unsecured, Considered Good)		
Outstanding for a period of:		
-More than six Months	761.28	469.35
-Less than six Months	624.58	1748.21
Less: Provision for doubtful debts	0.00	0.00
	1385.86	2217.56

PARTICULARS	As at 31.03.2013	As at 31.03.2012
15 CASH & CASH EQUIVALENTS		
Cash in Hand and as Imprest	5.21	1.21
Balance with Banks		
- Current Accounts	21.35	32.32
- Fixed Deposit Accounts	94.38	312.67
	120.94	346.20

PARTICULARS	As at 31.03.2013	As at 31.03.2012
16 SHORT TERM LOANS & ADVANCES		
Loans and Advances to Related Parties	29.39	11.55
Loans and Advances to Employees	1.16	2.31
Security Deposits	14.22	24.16
Deposits/Balances with Statutory Authorities	122.52	139.20
Unexpired Expenses	4.49	13.83
Commercial Advances		
-For Raw materials/ Expenses	480.70	45.91
-For Capital Goods	105.39	227.35
	757.87	464.31

PARTICULARS	As at 31.03.2013	As at 31.03.2012
17 OTHER CURRENTS ASSETS		
Interest accrued but not due on Fixed deposits	1.01	3.13
Advances Recoverable in cash or Kind or for value to be received	240.51	170.30
	241.52	173.43

Notes on Financial Statements for the year ended 31st March, 2013

(₹ in million)

PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012
18 REVENUE FROM OPERATIONS		
Gross Revenue from sale of products	8280.70	10123.08
Other Operating Revenue	43.24	80.04
Less: Excise duty attributable to products sold	667.13	959.68
	7656.81	9243.44
19 OTHER INCOME		
Interest Income	28.98	29.79
Other non-operating income	2.14	10.98
	31.12	40.77
20 COST OF MATERIALS CONSUMED		
RAW MATERIAL		
Opening Stock	462.18	392.85
Purchases	6663.28	8036.83
Closing Stock	220.20	462.18
	6905.26	7967.50
STORES & SPARES		
Opening Stock	7.53	7.35
Purchases	18.97	37.16
Closing Stock	4.32	7.53
	22.18	36.98
	6927.44	8004.48
21 (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN PROGRESS AND STOCK IN TRADE		
Opening Stock:		
Finished Goods	31.53	1.26
Work in Process	4016.08	3005.02
	4047.61	3006.28
Closing Stock:		
Finished Goods	60.79	31.53
Work in Process	3225.68	4016.08
	3286.47	4047.61
		0.00
	761.14	(1041.33)

Notes on Financial Statements for the year ended 31st March, 2013

(₹ in million)

PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012
22 EMPLOYEE BENEFIT EXPENSES		
Salary, Wages and other allowances	193.09	200.41
Staff and labour Welfare Expense	9.16	9.03
Contribution to Statutory Funds	13.63	15.72
	215.88	225.16
23 FINANCE COST		
Interest expense	634.75	504.82
Other Borrowing cost	92.34	155.59
Applicable net loss on foreign currency transactions and translations	(29.32)	(19.04)
	697.77	641.37
24 DEPRECIATION & AMORTISATION EXPENSES		
Depreciation	167.90	100.54
Miscellaneous Expenditure written off	1.85	1.85
Research and development expenditure written off	380.51	206.14
	550.26	308.53
25 OTHER EXPENSES		
Water & Electricity charges	100.22	98.06
Repair & maintenance		
- Machinery	4.44	13.73
- Building	0.98	2.37
- Others	3.22	5.72
Job work charges	54.12	32.95
Generator set expenses	26.01	24.30
Lab expenses	9.82	8.59
Freight & other expenses (inward)	39.07	59.93
Hire charges (nitrogen tank)	0.67	0.77
Travelling & conveyance	0.00	0.00
- Directors (including foreign travelling)	0.69	1.26
- Others (including foreign travelling)	13.70	14.04
Vehicle running & maintenance	1.68	1.58
Printing & stationery	2.92	3.58
Telephone expenses	3.01	2.73
Postage & telegram	2.16	2.77

Notes on Financial Statements for the year ended 31st March, 2013

(₹ in million)

PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012
Insurance expenses	6.35	8.98
Rate, fees & taxes	9.33	5.11
Legal & professional charges	13.53	10.25
Directors' remuneration	18.00	18.00
Office expenses	6.70	5.84
Security charges	6.17	4.49
Auditors' remuneration		
- Statutory auditor	0.63	0.60
- Internal auditor	0.29	0.23
- Out of pocket expenses	0.01	0.01
Charity & donation	0.09	0.08
Directors' sitting fee	0.07	0.11
Advertisement	0.42	0.35
Office rent	2.84	2.95
Subscription fee	0.17	0.42
Festival expenses	0.00	0.17
Testing charges	1.26	0.99
Newspapers, books & periodicals	0.21	0.04
General repair & maintenance	3.67	2.78
Loss on sale of fixed assets/shares	0.38	1.11
Service charges	0.86	0.28
Bad Debts Written Off - Others	3.71	0.00
Insurance expenses (sales)	5.79	6.57
Freight & cartage outward	8.85	10.13
Clearing & forwarding (export)	45.25	32.42
Commission on sale	58.90	25.60
Business promotion	2.25	13.59
Exhibition & fair expenses	0.10	0.09
Rebate & discount	25.49	51.36
Miscellaneous expenses	1.57	6.66
	485.60	481.59

Notes on Financial Statements for the year ended 31st March, 2013

SIGNIFICANT ACCOUNTING POLICIES

The company's summarized significant accounting policies are stated as below -

A. CONVENTION

The financial statements have been prepared in accordance with the applicable Accounting Standards referred to in the Companies (Accounting Standards) Rules 2006 issued by the Central Government in exercise of the power conferred under subsection (1)(a) of section 642 and relevant provisions of the Companies Act, 1956. The financial statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 1956. The accounting policies have been consistently applied by the company unless otherwise stated.

B. BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the historical cost convention on accrual basis in accordance with Accounting Standard -1 "Disclosure of Accounting Policies".

All assets and liabilities have been classified as current or non current as per the company's normal operating cycle and other criteria set out in revised schedule VI to the Companies Act, 1956 based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained in Additional Notes.

C. FIXED ASSETS

All the fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost of acquisition of fixed assets includes all direct cost relating to the acquisition and installation of fixed assets as per Accounting Standard 10- "Accounting for Fixed Assets".

Borrowing costs directly attributable to acquisition or construction of fixed assets, which necessarily take substantial period of time to get ready for their intended use are capitalized in accordance with Accounting Standard -16 "Borrowing costs".

Expenditure and outlays of money on uncompleted Fixed Assets are shown as capital work in progress until such time the same are completed. Capital work in progress is stated at cost.

D. DEPRECIATION

Depreciation on Fixed assets, Tangible and Intangible assets, have been provided on continuous process basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. During the year, depreciation on all the fixed assets has been provided at the rates applicable to continuous process industry on the straight-line method.

E. IMPAIRMENT OF ASSETS

The company provides for impairment loss, if any, to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired.

F. PRE-OPERATIVE EXPENSES

Pre-operative expenses represent expenses incurred prior to the date of commencement of commercial production for setting up new manufacturing facilities or expansion of existing facilities. Until capitalization, all expenses are disclosed under pre-operative expenses pending allocation/capitalization and allocated to cost of fixed assets on capitalization.

G. INVENTORIES

Inventories are valued in accordance with Accounting Standard -2 "Valuation of Inventories" and the method of valuation is given as under:

Notes on Financial Statements for the year ended 31st March, 2013

(i)	Raw Material, Stores and Spares and Packing Materials	Lower of Cost or Net Realizable Value whichever is less on FIFO Basis. However, materials and other items held for use in the production of finished goods are not written down below cost if the products in which they will be used are expected to be sold at or above cost.
(ii)	Works in Process / Semi Finished Goods	At cost up to estimated stage of completion. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
(iii)	Finished Goods	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of Finished goods includes excise duty.

H. REVENUE RECOGNITION

Revenue is recognized to the extent that it can be reliably measured and is probable that the economic benefits will flow to the company. The following specific recognition criteria must also be met before revenue is recognized.

Sale of Goods

Revenue from sale of Goods is recognized at the point of dispatch of finished goods. The VAT liability has been provided as per the VAT Returns filed. The additional liability arising at the time of assessment will be booked as & when arise. Sales are exclusive of VAT. Excise Duty deducted from Revenue (Gross) is the amount that is included in the Revenue (Gross) and not the entire amount of liability arising during the year.

Interest Income

Interest Income is recognized on time proportionate basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “Other Income” in the statement of Profit and Loss.

Income from Job Work

Income from job work is recognized on the basis of work executed as per the contract/agreement.

DEPB(Duty Entitlement Pass Book) Income

DEPB income is recognized by the Company after the admission of export benefit credited against the DEPB license realized from the Director General of Foreign Trade on eligible exports made by the Company and the gain (recognized on the basis of discount amount and the resultant difference between the license value and purchase value) on purchase of DEPB licenses from exporters for the purpose of payment of customs duty on import of raw material by the Company is also included within DEPB income.

Investment Income

Income from Investments is accounted on an accrual basis, inclusive of related tax deducted at source. Income from Dividends is accounted when the right to receive such dividends is established.

I. FOREIGN CURRENCY TRANSACTIONS

Foreign Currency Transactions are accounted for in accordance with Accounting Standard-11-“The Effects of changes in Foreign Exchange Rates”. Transactions in foreign currencies are recorded at the rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the rate prevailing as on the balance sheet date.

Exchange differences arising on the settlement of monetary items or on reporting company’s monetary items at rates different from those at which they were initially recorded during the year are recognized as income or expenses in the year in which they arise.

Foreign Currency Monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. Any gains or losses are recognized in the profit and loss account.

J. INVESTMENTS

The company follows AS-13 “Accounting for investments” for treatment of its investments. Long Term investments are stated at cost. However, provision for diminution in value, other than temporary is made. Current investments are stated at the lower of cost and fair value, which is determined on an individual investment basis.

Notes on Financial Statements for the year ended 31st March, 2013

K. RETIREMENT AND OTHER EMPLOYEE BENEFITS

Retirement Benefits are accounted in accordance with Accounting Standard -15 “Accounting for retirement benefits in the financial statements of employers” as follows:

Defined Contribution Plan:

Retirement benefit in the form of provident fund is a defined contribution scheme. The company makes regular monthly contributions to Provident Funds and such paid/payable amounts are charged against revenue.

Defined Benefit Plans:

Liability in respect of defined benefit plans i.e. gratuity and leave encashment, are determined based on actuarial valuation made by an independent actuary as at balance sheet date .The actuarial gains or losses are recognized immediately in the profit and loss account.

L. BORROWING COSTS

Borrowing costs include interest and commitment charges on borrowings. As per Accounting Standard -16 “Borrowing Costs” Costs incurred on borrowings directly attributable to development projects, which take substantial period of time to complete, are capitalized to respective projects and all other borrowing costs are recognized in the profit and loss account in the period in which they are incurred.

M. SEGMENT REPORTING

The company is exclusively in the Pharmaceutical business segment and thus there is not more than one reportable segment, therefore the disclosure in the context of Accounting Standard 17 “Segment Reporting” has not been considered necessary.

N. TAXES ON INCOME

The company provides for Current tax as the amount of tax payable in respect of taxable income for the period, measured using the applicable tax rates and tax laws.

Deferred tax is recognized on timing differences between taxable income and accounting income subject to the consideration of prudence, measured using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date. Further, in respect of Deferred tax asset, it is recognized to the extent there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

O. EARNING PER SHARE

Basic Earning per Share is calculated by dividing the net earnings after tax for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share net profit or loss for the year attributable to equity shareholders and weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

P. RESEARCH AND DEVELOPMENT EXPENSES

In accordance with the Accounting Standard -26 “Intangible Assets”, Cost incurred on research and development expenses of revenue nature are recognized as intangible assets and amortized on a straight line basis over a period of five years. Subsequent expenditure on research and development of revenue nature are also added to the cost of intangibles and also written off in succeeding five years.

Capital expenditure on Research & Development is shown under “R&D Equipment” under Fixed Assets and depreciation have been provided at the rates and in the manner provided according to Schedule VI of the Companies Act 1956.

Q. AMORTISATION OF EXPENSES

Preliminary Expenses are amortized over a period of ten years.

R. EXPORT BENEFITS/ INCENTIVES

Export entitlements under Duty Entitlement pass Book [DEPB] Scheme are recognized in the Profit & Loss Account when the right to receive credit as per terms of the scheme is established in respect of export made.

Notes on Financial Statements for the year ended 31st March, 2013

Obligations/entitlements on account of Advance license scheme for import of raw material are accounted for on purchase of raw material and/ or export sales.

S. CONTINGENT LIABILITIES AND PROVISIONS

In accordance with Accounting Standard -29- “Provisions, Contingent Liabilities and Contingent Assets”, which are material and where future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed in notes on accounts to financial statements after careful evaluation by the management of the facts and legal aspects of the matters involved.

T. USE OF ESTIMATES

In preparing company’s financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates. Difference between actual results and estimates are recognised in the period in which the results are known/ materialised.

U. FINANCIAL DERIVATIVES HEDGING TRANSACTIONS

The use of Financial Derivatives Hedging Contracts is governed by the Company’s policies which provide principles on the use of such financial derivatives consistent with the company’s risk management strategy. The company does not use derivative financial instruments for speculative purposes.

Financial Derivatives Hedging Contracts are accounted on the date of their settlement/termination and realized gain/ loss in respect of the settled/terminated contracts is recognized in the profit and loss account.

V. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of not more than three months.

Notes on Financial Statements for the year ended 31st March, 2013

26 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS:

(a) The company has regrouped/ reclassified the previous year figures to correspond with the current year's classification/ disclosure.

(b) Debit or Credit Balances on whatever account are subject to confirmation/ reconciliation.

(c) The work-in-process / semi – finished goods and by product etc. have been grouped as closing stock and the variation is stock has been worked out accordingly.

(d) The amount less received from the parties against sales made to them has been charged to Rebate & Discount Account and vice-versa.

(e) In the opinion of the Board of Directors, all current assets and loans and advances have a value on realization at least equal to the amount at which they are stated in the Balance Sheet. Adequate provisions have been made for all the known liabilities.

(f) The Company has called for the information from its suppliers as regard to disclosure required under Micro, Small and Medium Enterprises Development Act, 2006. The replies from most of the suppliers in this regard are still awaited.

(g) Commission on sales and rebate & discount are accounted for when accounts are finally settled with the agents.

(h) Stock of stores and consumables amounting to ₹ 4.33 mn. comprises spares and others consumable items. The value as estimated and certified by the management has been considered.

(i) Fixed Deposit with banks ₹ 94.38 mn. (Previous year ₹ 312.67 mn.) are pledged as margin money with banks.

(j) The total revenue expenditure incurred during the year on Research & Development amounted to ₹ 566.07 mn. have been treated as deferred revenue expenditure and will be written off over the period of 5 years so as to depict the true financial position of the company as per policy of the company followed in proceeding years.

(k) During the F.Y. 2012-13 the company has received a sum of ₹122.8 mn. as share application money from Promoters and its Group of Companies being one of the critical condition stipulated under package pursuant to a scheme approved under the Corporate Debt Restructuring Framework of Reserve Bank of India .The special resolution to this effect is pending to be passed by shareholders of the company in its meeting/by postal ballet.

(l) During the F.Y. 2012-13 the company has made application for restructuring of debts under CDR Mechanism which has been approved and stands implemented, the cutoff date being 30th September 2012. The CDR Package broadly includes waiver of penal interest and liquidated damages from cutoff date till implementation of package, reschedulement of term loans, Funding of interest on term loan, working capital, WCTL,and rupee tied ECB loan for period of 2 years and pledge of 100% of Promoters's share during the currency of restructuring scheme i.e. 37.92 % of the paid up capital of the company and corporate guarantee of group companies.

(m) There was income tax liability of Rs.93.2 mn. and Rs.132.9 mn. for the Ay 2011-12 and Ay 2012-13 against which the company has filed revised return during the fy 2012-13 by taking expert opinion on the issue and there is refund due for the above two assessment year .Further proceedings for last 6 years have been completed under section 153A/143(3) of Income Tax Act 1961 during the fy 2012-13 and there is disputed demand of ₹ 63 mn. raised by the department against which the company has filed an appeal with the appellate authority.

(n) The DEPB Income comprises export benefit against the DEPB Licenses realized from Director Gen. of Foreign Trade, Ministry of commerce, Govt. of India on eligible export made by the company and the gain (i.e. the discount amount and resultant difference between the license value and purchase value) on purchase of DEPB License from exporter for the purpose of payment of Custom Duty on import of raw material by the company.

(o) Export Incentive have been accounted on accrual basis.

(p) The Inventory comprises of raw material, stores & spares, packing material, stock of work in progress including recovery stock and material at shop floor as physically verified as on 31st March 2013, valued and certified by the management has been considered.

(q) The company has circulated the balance confirmation letters for the balance confirmation from sundry Debtors and Creditors as on 31st March, 2013. However, in the absence of confirmation, the balances have been taken as per records of the company.

Notes on Financial Statements for the year ended 31st March, 2013

26 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS:

(r) Disclosure in accordance with accounting standard (AS 29) Provisions, Contingent Liabilities and Contingent Assets:

1.

Particulars	As at 1st April, 2012 (₹ in million)	Additions during the year (₹ in million)	Amount paid/ reversed during the year (₹ in million)	As at 31st March, 2013 (₹ in million)
Gratuity	14.72	2.84	1.07	16.49
Leave Encashment	16.16	0.97	3.32	13.81

(s) Taxation matters in respect of which appeals are pending:

Particulars	Amount (₹ in million)	2012-13	Amount (₹ in million)	2012-13
Central Excise Duty	0.59#		0.59#	

₹ 0.34 mn. have been deposited towards disputed liability

(t) Taxation

1. In order to comply with the requirement of section 211(3c) of the Companies Act, 1956 consequent to Accounting Standard –22 '' Accounting for Taxes on Income, the company has followed the deferred tax method of accounting. Consequently the company has accounted the deferred tax for the current period amounting to ₹ 552.54 mn. in the Statement of Profit & Loss.
2. Deferred Tax Asset/ Liability are attributable to the following items: (₹ in million)

Particulars	Deferred tax Asset/ (Liability) 31.3.2012	Charge / (Credit)	Deferred tax Asset/ (Liability) 31.3.2013
Deferred Tax Liability			
Difference between Tax and Book Written down value of Fixed Assets	(116.94)	(50.06)	(167.00)
Related to Accumulated Loss	0.00	602.60	602.60
	(116.94)	552.54	435.60

(u) Fixed Assets possessed by PARABOLIC DRUGS LIMITED are treated as Corporate Assets and are not cash generating units as per Accounting Standard-28. In the opinion of Management, there is no impairment of fixed assets of the Company.

(v) Employee Benefits:

Consequent upon adoption of Accounting Standard on Employee Benefits" (As 15) (Revised 2005), as required by the Standard, the following disclosures are made :

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Unfunded) (₹ in million)	Leave Encashment (Unfunded) (₹ in million)
Obligation at period beginning (April 1, 2012)	14.72	16.16
Current service Cost	3.96	2.56
Reconciliation of opening and closing balances of the present value	1.26	1.39
Actuarial (gain)/loss	(2.39)	(2.98)
Benefits paid	(1.07)	(3.32)
Obligation at the year end (March 31, 2013)	16.48	13.81
Changes in plan assets	N.A.	N.A.
Plan assets at period beginning, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain / (loss)	-	-
Contributions	-	-

Notes on Financial Statements for the year ended 31st March, 2013

26 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS:

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Unfunded) (₹ in million)	Leave Encashment (Unfunded) (₹ in million)
Benefits paid	-	-
Plan assets at the year end, at fair value	Nil	Nil
Reconciliation of present value of the obligation and the fair value of plan assets		
Fair value of plan assets at the end of the year	Nil	Nil
Present value of the defined benefits obligation at the end of the year	16.48	13.81
Liability / (Asset) recognized in the Balance Sheet	16.48	13.81
Cost for the year		
Current Service Cost	3.96	2.56
Interest Cost	1.27	1.39
Expected return on plan assets		
Actuarial (gain)/ loss	-2.39	-2.98
Net Cost recognized in the Profit and Loss Account	2.84	0.97
Assumption used to determine the benefit obligations:		
Interest rate	8.00%	8.00%
Estimated rate of return on plan assets	N.A.	N.A.
Expected rate of increase in salary	10.00%	10.00%
Actual return on plan assets		

(w) Earning Per Share (₹ in million)

	2012-2013	2011-2012
Profit/(Loss) for the year	(1397.62)	512.12
Weighted average number of Ordinary shares outstanding	61.89	61.89
Add: Dilutive effect of potential ordinary shares	-	-
Weighted average number of Ordinary shares in computing diluted earning per share	61.89	61.89
Earnings per share on profit for the year (Face value ₹ 10/- per share)		
- Basic	₹ (22.58)	₹ 8.27
- Diluted	₹ (22.58)	₹ 8.27

(x) Related Party Disclosures in accordance with the Accounting Standard-18 as notified by the Companies (Accounting Standard) Rules, 2006

Key Management Personnel with whom transactions have taken place during the Year

1. Shri Pranav Gupta — Managing Director
2. Shri Vineet Gupta — Whole Time Director

Relatives of Key Management Personnel with whom transactions have taken place during the Year

1. Shri J.D Gupta (HUF)
2. Smt. Rama Gupta
3. Mrs. Deepali Gupta

Notes on Financial Statements for the year ended 31st March, 2013

26 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS:

Subsidiary with whom transactions have taken place during the Year

1. Parabolic Research Lab Limited
2. Ziven Life Sciences Limited

Associates with whom transactions have taken place during the Year

1. PNG Trading Private Limited
2. Parabolic Infrastructure Private Limited
3. Vineet Packaging Industries
4. Parabolic Estates Private Limited
5. Saj Infrastructure Private Limited
6. Trackball Technology Private Limited
7. Kenam Education Services Private Limited
8. Spar Engineering & Infrastructure Limited
9. Mohali Green Environment Private Limited

Related Party Transactions

Disclosure of transactions between the company and the Related parties and the status of outstanding balances as on 31.03.2013

Nature of Transactions (Excluding Reimbursements)	Subsidiary	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Remuneration to Key Management Personnel	0.00	0.00	18.00	00	18.00
	0.00	*0.00*	*18.00*	*0.00*	*18.00*
Rent Paid	0.00	00	00	0.76	0.76
	0.00	*0.00*	*0.00*	*0.76*	*0.76*
Purchase of Fixed Assets	0.00	0.00	0.00	0.00	0.00
	0.00	*3.0*	*0.00*	*0.00*	*3.0*
Loan & Advances given (Net)	0.00	0.00	0.00	0.00	0.00
	10.47	*0.11*	*0.00*	*0.00*	*10.58*
Loan & Advances taken (Net)	3.18	135.70	1.00	0.00	139.88
	0.00	*161.05*	*0.00*	*0.00*	*161.05*
Share Application Money Received	0.17	98.90	15.70	8.20	122.97
	1.98	*0.00*	*0.00*	*0.00*	*1.98*
Purchase of Goods	0.00	0.00	0.00	0.00	0.00
	0.00	*2.32*	*0.00*	*0.00*	*2.32*
Sale of Goods	0.00	0.00	0.00	0.00	0.00
	0.00	*0.97*	*0.00*	*0.00*	*0.97*
Salary	0.00	0.00	0.00	1.20	1.20
	0.00	*0.00*	*0.00*	*1.20*	*1.20*
Investment in Equity Shares	27.00	0.55	0.00	0.00	27.55
	4.00	*0.00*	*0.00*	*0.00*	*4.00*

Notes on Financial Statements for the year ended 31st March, 2013

26 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS:

Balances as on 31st March, 2012					
Investments	60.67	0.55			
	35.48	*0.00*			
Loans & Advances	29.39	0.00			
	10.47	*0.11*			
Loans (Liability)	22.10	302.66	1.00		
	0.00	*161.05*	*0.00*		
Sundry Creditors		0.00			
		0.67			
Sundry Debtors		0.00			
		0.97			

Note: Figures in Italics represents Previous Year's amount.

(y) The following expenses incurred during the year as attributable to the fixed assets (including Capital Work in Progress) have been capitalized:

(₹ in million)

Particulars	Amount
Salary and Allowances	2.84
Consultancy Charges	0.74
Bank Interest/ Processing Fee	54.01
Power & Fuel	27.52
Others	23.08
Total	108.19

(z) The Company has been approved U/s 35 (2AB) of the Income Tax Act, 1961 by the Prescribed Authority i.e. The Secretary, Department of Scientific and Industrial Research, Govt. of India, New Delhi for co-operation in In-house Research and Development facility at Derabassi and Barwala. The exemption from Director General of Income Tax (Exemption) is extended upto 31.3.2015 for Derabassi and up to 31.03.2013 for Barwala unit.

(za) The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

(zb) There is a sum of ₹ 0.59 million outstanding on account of excise duty out of which a sum of ₹ 0.34 mn. has been deposited and balance of ₹ 0.25 million has not been deposited on account of dispute for which appeal is pending.

(zc) The Ministry of Corporate Affairs, Government of India vide its General Notification No. S.O. 301 (E) dated 8th February, 2011 issued under Section 211 (3) of the Companies Act, 1956 has exempted certain classes of companies from disclosing certain information in their profit and loss account. The Company being an 'export oriented company' is entitled to the exemption. Accordingly, disclosures mandated by paragraphs 3(i) (a), 3(ii)(a), 3 (ii)(b) and 3(ii)(d) of Part II, Schedule VI to the Companies Act, 1956 have not been provided.

(zd) Additional information pursuant to the provision of paragraph 3 and 4 of Part-II of Schedule-VI of the Companies Act, 1956. [As certified by the Management and accepted by the Auditors]

Notes on Financial Statements for the year ended 31st March, 2013

26 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS:

1. Value of Imports during the year (C.I.F. Basis)

	For the year ended 31st March 2013 (₹ In million)	For the year ended 31st March 2012 (₹ In million)
Raw materials	933.48	1785.34
Capital goods	2.15	54.95

2. Expenditure in Foreign Currency

	For the year ended 31st March 2013 (₹ In million)	For the year ended 31st March 2012 (₹ In million)
Salary	7.10	10.62
Consultancy expenses	0.68	1.61
Travelling expenses	2.95	3.33
Commission on sales	38.37	14.75
Fee & Taxes	5.66	1.89
R & D Expenses	0.00	0.44

3. Earnings in Foreign Currency

	For the year ended 31st March 2013 (₹ In million)	For the year ended 31st March 2012 (₹ In million)
Export of Goods (F.O.B)	1154.42	1212.46

4. Dividend remittance in foreign currency

	For the year ended 31st March 2013 (₹ In million)	For the year ended 31st March 2012 (₹ In million)
Amount of Dividend	NIL	1.02

(ze) Contingent Liabilities

	As at 31st March 2013 (₹ In million)	As at 31st March 2012 (₹ In million)
Letter of Credit (Foreign/ Inland) *	279.77	2540.40
Bank Guarantees	24.04	29.99
Custom Duty	0.00	21.70

* Out of above material valuing ₹ 260.97 million (Previous year ₹ 2413.88 million) has been received by 31.03.2013 and credited to respective Creditor Account.

(zf) Segment Reporting:

There is not more than one reportable segment. Hence information as per AS-17 is not required to be disclosed.

Consolidated Auditors' Report

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF PARABOLIC DRUGS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PARABOLIC DRUGS LIMITED AND ITS SUBSIDIARIES

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

Management's Responsibility for the Consolidated Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

(a) In the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Parabolic Drugs Limited and its Subsidiaries as at 31st March, 2013:

(b) In the case of Consolidated Statement of Profit & Loss, of the Consolidated Loss of the Parabolic Drugs Limited and its Subsidiaries for the year ended on that date.

(c) In case of Consolidated Cash Flow Statement, of the consolidated cash flows of the Parabolic Drugs Limited and its Subsidiaries for the year ended on that date.

FOR S.K. BANSAL & CO.,
Chartered Accountants

(S.K. Bansal)
Partner

Place: Chandigarh
Date : 30 May, 2013

Membership No: 013147
FRN 002222N

Name: M/s. S.K. Bansal & Co.
Chartered Accountants
Address: Kothi No. 3193, Sector 28 – D,
Chandigarh-160002

Consolidated Balance Sheet As at March 31, 2013

(₹ in million)

	Note	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	618.92	618.92
(b) Reserves and Surplus	2	2221.56	3665.22
(2) Share Application Money Pending Allotment		122.80	0.00
(3) Minority Interest		0.23	1.50
(4) Non-Current Liabilities			
(a) Long-term borrowings	3	4197.75	1459.33
(b) Deferred tax liabilities (Net)	4	(444.75)	116.94
(c) Long term provisions	5	30.29	30.87
(5) Current Liabilities			
(a) Long-term borrowings	6	3599.39	3764.55
(b) Trade payables	7	1240.82	2842.57
(c) Other current liabilities	8	356.88	498.06
(d) Short-term provisions	9	0.00	150.86
Total		**11943.89**	**13148.82**
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		3331.62	1875.15
(ii) Intangible assets		4.28	3.96
(iii) Capital work-in-progress		729.23	1922.14
(b) Non-current investments	11	0.74	0.19
(c) Other non-current assets	12	1821.77	1637.92
(2) Current assets			
(a) Inventories	13	3517.49	4517.32
(b) Trade receivables	14	1391.40	2217.55
(c) Cash and cash equivalents	15	131.90	346.82
(d) Short-term loans and advances	16	773.16	454.34
(e) Other current assets	17	242.30	173.43
Total		**11943.89**	**13148.82**
Significant Accounting Policies & Notes on Financial Statements	26		

The accompanying notes (No. 1 to 26) are an integral part of Financial Statements

As per our report of even date

For **S. K. Bansal & CO.**
Chartered Accountants
Firm Registration Number: 002222N

Sd/-
S.K. Bansal
Partner
Membership No. 013147

Place : Chandigarh
Date : May 30, 2013

For and on behalf of the Board

Sd/-
Vineet Gupta
Whole Time Director

Sd/-
Pranav Gupta
Chairman & Managing Director

Sd/-
Vipin Gupta
V.P. & Company Secretary

Sd/-
R. C. Goyal
Sr. V.P (Finance)

Consolidated Statement of Profit and Loss For the year ended March 31, 2013

(₹ in million)

	Note	Year ended 31.03.2013	Year ended 31.03.2012
REVENUE			
Gross Revenue From Sale of Products		8291.55	10123.08
Less: Excise Duty		667.12	959.68
Net Revenue from Sale of Products		7624.43	9163.40
Other Operating Revenue		43.24	80.04
I. Revenue from Operations	18	7667.67	9243.44
II. Other Income	19	31.77	40.77
III. Total Revenue (I + II)		**7699.44**	**9284.21**
EXPENSES			
Cost of Materials Consumed	20	6932.61	8004.47
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	21	761.13	(1041.33)
Employee benefit expenses	22	237.51	225.16
Finance costs	23	703.04	641.37
Depreciation and amortization expense	24	551.86	308.53
Other expenses	25	519.91	481.60
IV. Total Expenses		9706.06	8619.80
V. Profit before tax (III-IV)		(2006.62)	664.41
VI. Tax expense:			
(1) Current tax (including wealth tax)		0.00	132.88
(2) Deferred tax Charge/ (Credit)		561.69	19.41
(3) Tax Adjustment Earlier Years		0.00	0.00
		561.69	**152.29**
VII. Profit for the period (V-VI)		(1444.93)	512.12
Weighted Average Number of Equity Shares Outstanding		61.89	61.89
VIII. Earning per equity share of ₹ 10 each:			
(1) Basic		(23.35)	8.27
(2) Diluted		(23.35)	8.27

Significant Accounting Policies & Notes on Financial Statements 26

The accompanying notes (No. 1 to 26) are an integral part of Financial Statements

As per our report of even date

For and on behalf of the Board

For **S. K. Bansal & CO.**
Chartered Accountants
Firm Registration Number: 002222N

Sd/-
S.K. Bansal
Partner
Membership No. 013147

Sd/-
Vineet Gupta
Whole Time Director

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Pranav Gupta
Chairman & Managing Director

Sd/-
Vipin Gupta
V.P. & Company Secretary

Sd/-
R. C. Goyal
Sr. V.P (Finance)

Place : Chandigarh
Date : May 30, 2013

Consolidated Cash Flow Statement For the year ended March 31, 2013

(₹ in million)

		Year ended 31.03.2013	Year ended 31.03.2012
CASH FLOW FROM OPERATING ACTIVITIES (Including WC Changes)			
- Profit Before Tax		(2006.61)	664.41
- Depreciation & Amortization		169.47	100.54
- Share of Loss of Minority Interest		(1.27)	0.00
- Finance Expenses		703.04	641.37
- R & D Expenses Written off		380.51	206.14
- Misc Expenses Written off		1.88	1.85
- Total Operating Cash Flow before WC Changes		**(752.98)**	**1614.31**
Working Capital Changes			
Current Assets			
- Inventory		(999.83)	1110.84
- Debtors		(826.15)	(534.03)
- Loans & Advances & Other Current Assets		387.69	89.33
Increase / (Decrease) in Current Assets		**(1438.29)**	**666.14**
Current Liabilities			
- Trade Payables		(1601.75)	1068.79
- Others Current Liabilities & Provisions		(274.06)	190.51
- Long Term Provisions		(0.59)	9.82
Increase / (Decrease) in Current Liabilities		**(1876.40)**	**1269.12**
Net Increase/(Decrease) in Working Capital		**438.11**	**(602.98)**
- Income Tax		0.00	132.88
Total Cash Flow from Operations including WC	(A)	**(1191.09)**	**2084 .41**
CASH FLOW FROM INVESTMENT ACTIVITIES			
- Purchase of Fixed Assets		433.36	1118 .24
- Minority Interest		(1.27)	(1.00)
- Investment in Shares		0.55	(25.06)
- Dividend		17.98	36.09
- R&D Expenditure		566.24	934.95
Total Cash Flow from Investment Activities	(B)	**1016.86**	**2063.22**

Consolidated Cash Flow Statement For the year ended March 31, 2013

(₹ in million)

		Year ended 31.03.2013	Year ended 31.03.2012
CASH FLOW FROM FINANCING ACTIVITIES			
- Share Capital/Share Premium		122.80	0.00
- Term Loans Additions / (Repayments)		2600.81	369.70
- Unsecured Loans/Deferred Creditors		137.61	166.94
- Increase / (Decrease) in Working Capital Loans		(165.15)	173.59
- Finance Expenses		(703.04)	(641.37)
Total Cash Flow from Financing	(C)	1993 .03	68.86
Net Cash Inflow/(outflow) (During the Year)	(A-B+C)	(214.92)	90.05
Cash Balance in the beginning of the year		346.82	256.76
Cash Balance at the end of the year		131.90	346.81

AUDITORS' REPORT:
Under reference to our report of even date.

For **S. K. Bansal & CO.**
Chartered Accountants
Firm Registration Number: 002222N

Sd/-
S.K. Bansal
Partner
Membership No. 013147

Sd/-
Vineet Gupta
Whole Time Director

Sd/-
Pranav Gupta
Chairman & Managing Director

Sd/-
Vipin Gupta
V.P. & Company Secretary

Sd/-
R. C. Goyal
Sr. V.P (Finance)

Place : Chandigarh
Date : May 30, 2013

Notes on Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in million)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
1 SHARE CAPITAL		
Authorised		
62000000 Equity Shares (Previous Year 62000000) of ₹ 10 each	620.00	620.00
Issued, subscribed and fully paid up		
61892014 Equity Shares (Previous Year 61892014) of ₹ 10 each fully paid up	618.92	618.92
Total Issued, Subscribed & Fully Paid Up Share capital	618.92	618.92

(a) Reconciliation of Number of Shares Outstanding (₹ in million)

PARTICULARS	As at 31.03.2013		As at 31.03.2012	
Equity Shares	Number	Amount	Number	Amount
Shares outstanding at the beginning of current reporting period	61.89	618.92	61.89	618.92
Shares Issued & Subscribed during the Period	0.00	0.00	0.00	0.00
Shares Bought Back	0.00	0.00	0.00	0.00
Shares outstanding at the end of current reporting period	**61.89**	**618.92**	**61.89**	**618.92**

(b) Terms/ Rights 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 with a right to receive per share dividend declared by the company. The company declares and pays dividend in Indian rupees. The Dividend proposed by Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of Equity shares held by the Shareholders.

(c) Detail of Shareholders Holding more than 5% Shares in the Company (₹ in million)

PARTICULARS	As at 31.03.2013		As at 31.03.2012	
	Number	% Holding	Number	% Holding
M/s PNG Trading Pvt. Ltd.	14.17	22.90	14.17	22.90
M/s Parabolic Infrastructure Pvt. Ltd.	5.94	9.59	5.94	9.59
M/s BTS India Private Equity Fund Ltd.	5.47	8.83	5.47	8.83

Notes on Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in million)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
2 RESERVE & SURPLUS		
Profit and Loss Account		
At the beginning of the year	2030.70	1536.56
Add/(Less) : Net Profit/(Loss) for the Year	(1444.93)	512.12
Provision for dividend on equity shares	0.00	15.47
Equity dividend tax	0.00	2.51
Share of Loss of Minority Interest	1.27	0.00
At the end of the year	587.04	2030.70
Capital Reserve		
At the beginning and at the end of the year	0.34	0.34
Capital Subsidy		
At the beginning and at the end of the year	3.00	3.00
Security Premium		
At the beginning of the year	1631.18	1631.18
Add: Addition during the Year	0.00	0.00
Less: Public Issue Expenses	0.00	0.00
At the end of the year	1631.18	1631.18
Net Surplus in the Statement of Profit and Loss	2221.56	3665.22

3 LONG TERM BORROWINGS

Secured : Term Loans from Banks	3892.08	1291.28
Unsecured :		
Due to Others	303.67	168.05
Security Deposits	2.00	0.00
	4197.75	1459.33

Terms of borrowings are as under:

Term Loans from Banks are secured by way 1st pari passu charge on all existing & future fixed assets of the company at all locations with equitable mortgage of land & building, 2nd pari passu charge on all the current assets of the Company and pari passu charge on the collateral properties of M/s Parabolic Infrastructure P Ltd, M/s PNG Trading P Ltd & also personally guaranteed by Mrs. Rama Gupta, Mr. J.D.Gupta, Mr. T. N. Goel, Mr. Pranav Gupta and Mr. Vineet Gupta.

4 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability	(A)		
Related to Fixed assets		167.04	116.94
Deferred Tax Assets	(B)		
Related to Accumulated Loss		611.79	0.00
	(A-B)	(444.75)	116.94

Notes on Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in million)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
5 LONG TERM PROVISIONS		
Provision for Employee Benefits-Gratuity	16.48	14.71
Provision for Employee Benefits-Leave Encashment	13.81	16.16
	30.29	30.87

PARTICULARS	As at 31.03.2013	As at 31.03.2012
6 SHORT TERM BORROWINGS		
Secured :		
Working Capital Loans from Banks:		
-Cash Credit	3330.64	2150.29
-Buyer Credit	20.81	447.03
-Packing Credit	199.26	547.11
-Bills Discounted	0.00	257.93
Unsecured:		
Working capital loan from Banks	48.68	362.19
	3599.39	3764.55

Working Capital borrowings from Banks are secured by way of first pari passu charge on hypothecation of entire present & future current assets of the Company, Second pari passu charge on all fixed assets of the Company and pari passu charge on the collateral properties of M/s Parabolic Infrastructure P Ltd, M/s PNG Trading P Ltd & also personally guaranteed by Mrs. Rama Gupta, Mr. J. D. Gupta, Mr. T. N. Goel, Mr. Pranav Gupta and Mr. Vineet Gupta.

PARTICULARS	As at 31.03.2013	As at 31.03.2012
7 TRADE PAYABLES		
Sundry Creditors - Materials	1072.07	2674.50
Sundry Creditors - Expenses	75.91	77.89
Sundry Creditors - Capital Expenses	92.84	90.18
	1240.82	2842.57

PARTICULARS	As at 31.03.2013	As at 31.03.2012
8 OTHER CURRENT LIABILITIES		
Current maturities of Long Term Debt	4.81	323.36
Interest accrued but not due on Borrowings	0.00	2.52
Share Application money due for refund	0.05	0.05
Advance from Customers	69.06	14.76
Statutory Liabilities	232.08	100.60
Other Expenses Payable	50.88	56.77
	356.88	498.06

Notes on Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in million)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
9 SHORT TERM PROVISIONS		
Provision for Income Tax	0.00	132.88
Proposed Dividend on Equity shares	0.00	15.47
Corporate Dividend Tax on Dividend	0.00	2.51
	0.00	150.86

10 FIXED ASSETS

	Rate if Dep. (%)	Gross Block					DEPRECIATION				NET BLOCK	
		As on 1.4.2012	Addition During the Period (1.4-2012-30.9.12)	Addition During the Period (1.10.2012-31.3.2013	Deduction During the Year	Total as on 31.3.2013	As on 1.4.2012	Provided During the year	Assets Sold/ Written Back/ Adjustment	As on 31.3.2013	As on 31.3.2013	As on 31.3.2012
Tangible Assets:												
Land & Site Development	0.00%	7.80	20.67	0.00	0.00	28.47	0.00	0.00	0.00	0.00	28.47	7.80
Factory Building	3.34%	362.31	379.41	20.03	0.00	761.75	36.15	24.88	0.00	61.03	700.71	326.15
Non Factory Building	1.63%	6.50	0.00	0.00		6.50	0.97	0.11		1.08	5.43	5.53
Plant & Machinery	5.28%	1405.02	738.91	388.84	2.36	2530.41	212.09	116.01	0.03	328.07	2202.35	1192.93
Furniture & Fixture	6.33%	26.02	7.47	60.01	0.00	93.50	4.41	3.55	0.00	7.96	85.53	21.61
Tubewell	1.63%	4.74	1.12	0.18	0.00	6.04	0.25	0.09	0.00	0.34	5.70	4.50
Vehicles	9.50%	26.16	7.44	0.00	2.70	30.90	10.05	2.86	0.94	11.97	18.92	16.11
Computers & Peripherals	16.21%	11.31	2.06	0.13	0.00	13.50	6.33	2.15	0.00	8.48	5.01	4.98
Research & Development - Fixed Assets		344.08	0.77	0.46	0.00	345.31	48.54	17.28	0.00	65.82	279.50	295.54
		2193.94	**1157.85**	**469.65**	**5.06**	**3816.38**	**318.79**	**166.93**	**0.97**	**484.75**	**3331.62**	**1875.15**
Intangible Assets:												
Computer Software	16.21%	5.20	0.79	0.54	0.00	6.53	1.38	0.98	0.00	2.36	4.16	3.81
Patents	20.00%	0.15	0.00	0.00	0.00	0.15	0.00	0.03	0.00	0.03	0.12	0.15
Capital Work In Progress		1922.14	0.00	660.36	1851.75	730.75	0.00	1.53	0.00	1.53	729.23	1922.14
Total (A+B+C+D+E) :		4121.43	1158.64	1130.55	1856.81	4553.81	320.17	169.47	0.97	488.67	4065.13	3801.25
Previous Year		3004.13	1321.91	0.00	204.61	4121.43	220.58	100.54	0.94	320.18	3801.25	2783.55

Notes on Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in million)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
11 NON CURRENT INVESTMENTS		
a. Trade Investments:	0.00	0.00
b. Non Trade Investments:		
Investment in equity instruments		
(1) Nimbuja Greenfield (Punjab) Ltd- Unquoted, Fully paid up	0.19	0.19
18750 Equity shares (PY 25000) of ₹ 10/- each		
(2) Mohali Green Environment Private Ltd- Unquoted, Fully paid up	0.55	
55000 Equity shares of ₹ 10/- each		
	0.74	0.19

12 OTHER NON CURRENT ASSETS

Other Non Current Assets		
-Preliminary Expenses	10.03	11.75
-Research & Development Expenses	1811.74	1626.17
	1821.77	1637.92

13 INVENTORIES

Raw Materials	226.69	462.18
Work in Process/ Semi Finished Goods	3225.68	4016.08
Finished Goods	60.79	31.53
Stores and Consumables	4.33	7.53
	3517.49	4517.32

Inventory has been valued as per inventory taken, valued and certified by the management on which we have relied upon.

Notes on Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in million)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
14 TRADE RECEIVABLES		
(Unsecured, Considered Good)		
Outstanding for a period of:		
- More than six Months	764.83	469.35
- Less than six Months	626.57	1748.20
Less: Provision for doubtful debts	0.00	0.00
	1391.40	2217.55

PARTICULARS	As at 31.03.2013	As at 31.03.2012
15 CASH & CASH EQUIVALENTS		
Cash in hand and as imprest	5.73	1.27
Balance with Banks		
- Current Accounts	21.59	32.78
- Fixed Deposit Accounts	104.58	312.77
	131.90	346.82

PARTICULARS	As at 31.03.2013	As at 31.03.2012
16 SHORT TERM LOANS & ADVANCES		
Loans and Advances to Related Parties	0.00	1.08
Loans and Advances to Employees	1.39	2.61
Security Deposits	14.22	24.20
Deposits/Balances with Statutory Authorities	122.59	139.20
Unexpired Expenses	4.49	13.83
Commercial Advances		
- For Raw materials/ Expenses	525.07	46.07
- For Capital Goods	105.40	227.35
	773.16	454.34

PARTICULARS	As at 31.03.2013	As at 31.03.2012
17 OTHER CURRENTS ASSETS		
Interest accrued but not due on Fixed deposits	1.60	3.13
Advances Recoverable in cash or Kind or for value to be received	240.70	170.30
	242.30	173.43

Notes on Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in million)

PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012
18 REVENUE FROM OPERATIONS		
Gross Revenue from sale of products	8291.55	10123.08
Other Operating Revenue	43.24	80.04
Less: Excise duty attributable to products sold	667.12	959.68
	7667.67	9243.44
19 OTHER INCOME		
Interest Income	29.63	29.79
Other non-operating income	2.14	10.98
	31.77	40.77
20 COST OF MATERIALS CONSUMED		
Raw Material		
Opening Stock	462.18	392.85
Purchases	6674.94	8036.82
Closing Stock	226.69	462.18
	6910.43	7967.49
Stores & Spares		
Opening Stock	7.53	7.35
Purchases	18.97	37.16
Closing Stock	4.32	7.53
	22.18	36.98
	6932.61	8004.47
21 (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN PROGRESS AND STOCK IN TRADE		
Opening Stock:		
Finished Goods	31.53	1.26
Work in Process	4016.08	3005.02
	4047.61	3006.28
Closing Stock:		
Finished Goods	60.80	31.53
Work in Process	3225.68	4016.08
	3286.48	4047.61
	761.13	(1041.33)

Notes on Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in million)

PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012
22 EMPLOYEE BENEFIT EXPENSES		
Salary, Wages and other allowances	213.16	200.41
Staff and labour Welfare Expense	9.16	9.03
Contribution to Statutory Funds	15.19	15.72
	237.51	225.16
23 FINANCE COST		
Interest expense	639.82	504.82
Other Borrowing cost	92.54	155.59
Applicable net loss on foreign currency transactions and translations	(29.32)	(19.04)
	703.04	641.37
24 DEPRECIATION & AMORTISATION EXPENSES		
Depreciation	169.47	100.54
Miscellaneous Expenditure written off	1.88	1.85
Research and development expenditure written off	380.51	206.14
	551.86	308.53
25 OTHER EXPENSES		
Water & Electricity charges	100.22	98.06
Repair & maintenance		
- Machinery	4.44	13.73
- Building	0.98	2.37
- Others	3.22	5.72
Job work charges	54.12	32.95
Generator set expenses	26.01	24.30
Lab expenses	9.82	8.59
Freight & other expenses (inward)	39.11	59.93
Hire charges (nitrogen tank)	0.67	0.77
Travelling & conveyance		
- Directors (including foreign travelling)	0.69	1.26
- Others (including foreign travelling)	18.68	14.04
Vehicle running & maintenance	1.68	1.58
Printing & stationery	3.06	3.58
Telephone expenses	3.71	2.73
Postage & telegram	2.32	2.76

Notes on Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in million)

PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012
Insurance expenses	6.41	8.98
Rate, fees & taxes	9.39	5.11
Legal & professional charges	13.78	10.25
Directors remuneration	18.00	18.00
Office expenses	6.72	5.84
Security charges	6.17	4.50
Auditors' remuneration		
- Statutory auditor	0.66	0.60
- Internal auditor	0.29	0.23
- Out of pocket expense	0.01	0.01
Charity & donation	0.09	0.08
Director sitting fee	0.08	0.11
Advertisement	1.19	0.35
Office rent	2.90	2.95
Subscription fee	0.17	0.42
Festival expenses	0.00	0.17
Testing charges	1.28	0.99
Newspaper,books & periodicals	0.21	0.04
General repair & maintenance	3.67	2.78
Loss on sale of fixed assets/shares	27.19	1.11
Service charges	0.86	0.28
Bad Debts Written Off - Other's	3.71	0.00
Insurance expenses (sales)	5.79	6.57
Freight & cartage outward	8.93	10.13
Clearing & forwarding (export)	45.25	32.42
Commission on sale	58.90	25.61
Business promotion	2.25	13.59
Exhibition & fair expenses	0.10	0.09
Rebate & discount	25.49	51.36
Miscellaneous expenses	1.69	6.66
	519.91	481.60

Notes on Consolidated Financial Statements for the year ended 31st March, 2013

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR PERIOD ENDED 31st MARCH, 2013

1. SIGNIFICANT ACCOUNTING POLICIES:

a. Accounting Convention

The financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules 2006 issued by the Central Government in exercise of the power conferred under subsection (1)(a) of section 642 and relevant provisions of the Companies Act, 1956. The Financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the company unless otherwise stated.

b. Principles of Consolidation

i) The consolidated financial statement relate to Parabolic Drugs Limited (the 'Company') and its subsidiaries. The consolidated financial statements have been prepared on the following basis: -

The financial statement of the company and its subsidiaries have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transaction resulting in unrealized profit or losses.

The consolidated financial statements have been prepared using uniform accounting policies for like transaction and other event in similar circumstances and are presented to the extent possible in the same manner as in the company separate financial statements.

ii) The subsidiaries considered in the consolidated financial Statements are:-

Name of Company	Country of Incorporation	% Age voting Power held as at 31.03.2013	% Age voting Power held as at 31.03.2012
Parabolic Research Labs Limited	India	98.99	98.33
Ziven Lifesciences Limited	India	92.00	80.00

c. Other Significant Accounting Policies

These are set out in the notes to the financial statements under 'Significant accounting policies and notes to accounts' of the financial statements of the Parabolic Drugs Limited and its subsidiaries.

Notes on Consolidated Financial Statements for the year ended 31st March, 2013

26 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS:

(a) The company has regrouped/ reclassified the previous year figures to correspond with the current year's classification/ disclosure.

(b) Debit or Credit Balances on whatever account are subject to confirmation/ reconciliation.

(c) The work-in-process / semi – finished goods and by product etc. have been grouped as closing stock and the variation is stock has been worked out accordingly.

(d) The amount less received from the parties against sales made to them has been charged to Rebate & Discount Account and vice-versa.

(e) In the opinion of the Board of Directors, all current assets and loans and advances have a value on realization at least equal to the amount at which they are stated in the Balance Sheet. Adequate provisions have been made for all the known liabilities.

(f) The Company has called for the information from its suppliers as regard to disclosure required under Micro, Small and Medium Enterprises Development Act, 2006. The replies from most of the suppliers in this regard are still awaited.

(g) Commission on sales and rebate & discount are accounted for when accounts are finally settled with the agents.

(h) Stock of stores and consumables amounting to ₹ 4.33 mn. comprises of spares and others consumable items. The value as estimated and certified by the management has been considered.

(i) Fixed Deposit with banks ₹ 94.38 mn. (Previous year ₹ 312.67 mn.) are pledged as margin money with banks.

(j) The total revenue expenditure incurred during the year on Research & Development amounted to ₹ 566.07 mn. have been treated as deferred revenue expenditure and will be written off over the period of 5 years so as to depict the true financial position of the company as per policy of the company followed in proceeding years.

(k) During the F.Y. 2012-13 the company has received a sum of ₹122.8 mn. as share application money from Promoters and its Group of Companies being one of the critical condition stipulated under package pursuant to a scheme approved under the Corporate Debt Restructuring Framework of Reserve Bank of India .The special resolution to this effect is pending to be passed by shareholders of the company in its meeting/by postal ballet.

(l) During the F.Y. 2012-13 the company has made application for restructuring of debts under CDR Mechanism which has been approved and stands implemented, the cutoff date being 30th September 2012. The CDR Package broadly includes waiver of penal interest and liquidated damages from cutoff date till implementation of package, reschedulement of term loans, Funding of interest on term loan, working capital, WCTL,and rupee tied ECB loan for period of 2 years and pledge of 100% of Promoters's share during the currency of restructuring scheme i.e. 37.92 % of the paid up capital of the company and corporate guarantee of group companies.

(m) There was income tax liability of ₹ 93.2 mn. and ₹132.9 mn. for the Ay 2011-12 and Ay 2012-13 against which the company has filed revised return during the fy 2012-13 by taking expert opinion on the issue and there is refund due for the above two assessment year .Further proceedings for last 6 years have been completed under section 153A/143(3) of Income Tax Act 1961 during the fy 2012-13 and there is disputed demand of ₹ 63 mn. raised by the department against which the company has filed an appeal with the appellate authority.

(n) The DEPB Income comprises export benefit against the DEPB Licenses realized from Director Gen. of Foreign Trade, Ministry of commerce, Govt. of India on eligible export made by the company and the gain (i.e. the discount amount and resultant difference between the license value and purchase value) on purchase of DEPB License from exporter for the purpose of payment of Custom Duty on import of raw material by the company.

(o) Export Incentive have been accounted on accrual basis.

(p) The Inventory comprises of raw material, stores & spares, packing material, stock of work in progress including recovery stock and material at shop floor as physically verified as on 31st March 2013, valued and certified by the management has been considered.

(q) The company has circulated the balance confirmation letters for the balance confirmation from sundry Debtors and Creditors as on 31st March, 2013. However, in the absence of confirmation, the balances have been taken as per records of the company.

Notes on Consolidated Financial Statements for the year ended 31st March, 2013

26 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS:

(r) Disclosure in accordance with accounting standard (AS 29) Provisions, Contingent Liabilities and Contingent Assets:

1.

Particulars	As at 1st April, 2012 (₹ in million)	Additions during the year (₹ in million)	Amount paid/ reversed during the year (₹ in million)	As at 31st March, 2013 (₹ in million)
Gratuity	14.72	2.84	1.07	16.49
Leave Encashment	16.16	0.97	3.32	13.81

(s) 2. Taxation matters in respect of which appeals are pending:

Particulars	Amount (₹ in million)	2012-13	Amount (₹ in million)	2012-13
Central Excise Duty	0.59#		0.59#	

₹ 0.34 mn. have been deposited towards disputed liability

(t) Taxation

1. In order to comply with the requirement of section 211(3c) of the Companies Act, 1956 consequent to Accounting Standard –22 '' Accounting for Taxes on Income, the company has followed the deferred tax method of accounting. Consequently the company has accounted the deferred tax for the current period amounting to ₹ 552.54 mn. in the Statement of Profit & Loss.

2. Deferred Tax Asset/ Liability are attributable to the following items: (₹ in million)

Particulars	Deferred tax Asset/ (Liability) 31.3.2012	Charge / (Credit)	Deferred tax Asset/ (Liability) 31.3.2013
Deferred Tax Liability			
Difference between Tax and Book Written down value of Fixed Assets	(116.94)	(50.06)	(167.00)
Related to Accumulated Loss	0.00	602.60	602.60
	(116.94)	552.54	435.60

(u) Fixed Assets possessed by PARABOLIC DRUGS LIMITED are treated as Corporate Assets and are not cash generating units as per Accounting Standard-28. In the opinion of Management, there is no impairment of fixed assets of the Company.

(v) Employee Benefits:

Consequent upon adoption of Accounting Standard on Employee Benefits" (As 15) (Revised 2005), as required by the Standard, the following disclosures are made :

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Unfunded) (₹ in million)	Leave Encashment (Unfunded) (₹ in million)
Obligation at period beginning (April 1, 2012)	14.72	16.16
Current service Cost	3.96	2.56
Reconciliation of opening and closing balances of the present value	1.26	1.39
Actuarial (gain)/loss	(2.39)	(2.98)
Benefits paid	(1.07)	(3.32)
Obligation at the year end (March 31, 2013)	16.48	13.81
Changes in plan assets	N.A.	N.A.
Plan assets at period beginning, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain / (loss)	-	-
Contributions	-	-

Notes on Consolidated Financial Statements for the year ended 31st March, 2013

26 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS:

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Unfunded) (₹ in million)	Leave Encashment (Unfunded) (₹ in million)
Benefits paid	-	-
Plan assets at the year end, at fair value	Nil	Nil
Reconciliation of present value of the obligation and the fair value of plan assets		
Fair value of plan assets at the end of the year	Nil	Nil
Present value of the defined benefits obligation at the end of the year	16.48	13.81
Liability / (Asset) recognized in the Balance Sheet	16.48	13.81
Cost for the year		
Current Service Cost	3.96	2.56
Interest Cost	1.27	1.39
Expected return on plan assets		
Actuarial (gain)/ loss	-2.39	-2.98
Net Cost recognized in the Profit and Loss Account	2.84	0.97
Assumption used to determine the benefit obligations:		
Interest rate	8.00%	8.00%
Estimated rate of return on plan assets	N.A.	N.A.
Expected rate of increase in salary	10.00%	10.00%
Actual return on plan assets		

(w) Earning Per Share (₹ in million)

	2012-2013	2011-2012
Profit/(Loss) for the year	(1397.62)	512.12
Weighted average number of Ordinary shares outstanding	61.89	61.89
Add: Dilutive effect of potential ordinary shares	-	-
Weighted average number of Ordinary shares in computing diluted earning per share	61.89	61.89
Earnings per share on profit for the year (Face value ₹ 10/- per share)		
- Basic	₹ (22.58)	₹ 8.27
- Diluted	₹ (22.58)	₹ 8.27

(x) Related Party Disclosures in accordance with the Accounting Standard-18 as notified by the Companies (Accounting Standard) Rules, 2006

Key Management Personnel with whom transactions have taken place during the Year

1. Shri Pranav Gupta — Managing Director
2. Shri Vineet Gupta — Whole Time Director

Relatives of Key Management Personnel with whom transactions have taken place during the Year

1. Shri J.D Gupta (HUF)
2. Smt. Rama Gupta
3. Mrs. Deepali Gupta

Notes on Consolidated Financial Statements for the year ended 31st March, 2013

26 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS:

Subsidiary with whom transactions have taken place during the Year

1. Parabolic Research Lab Limited
2. Ziven Life Sciences Limited

Associates with whom transactions have taken place during the Year

1. PNG Trading Private Limited
2. Parabolic Infrastructure Private Limited
3. Vineet Packaging Industries
4. Parabolic Estates Private Limited
5. Saj Infrastructure Private Limited
6. Trackball Technology Private Limited
7. Kenam Education Services Private Limited
8. Spar Engineering & Infrastructure Limited
9. Mohali Green Environment Private Limited

Related Party Transactions

Disclosure of transactions between the company and the Related parties and the status of outstanding balances as on 31.03.2013

Nature of Transactions (Excluding Reimbursements)	Subsidiary	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Remuneration to Key Management Personnel	0.00	0.00	18.00	00	18.00
	0.00	*0.00*	*18.00*	*0.00*	*18.00*
Rent Paid	0.00	00	00	0.76	0.76
	0.00	*0.00*	*0.00*	*0.76*	*0.76*
Purchase of Fixed Assets	0.00	0.00	0.00	0.00	0.00
	0.00	*3.0*	*0.00*	*0.00*	*3.0*
Loan & Advances given (Net)	0.00	0.00	0.00	0.00	0.00
	10.47	*0.11*	*0.00*	*0.00*	*10.58*
Loan & Advances taken (Net)	3.18	135.70	1.00	0.00	139.88
	0.00	*161.05*	*0.00*	*0.00*	*161.05*
Share Application Money Received	0.17	98.90	15.70	8.20	122.97
	1.98	*0.00*	*0.00*	*0.00*	*1.98*
Purchase of Goods	0.00	0.00	0.00	0.00	0.00
	0.00	*2.32*	*0.00*	*0.00*	*2.32*
Sale of Goods	0.00	0.00	0.00	0.00	0.00
	0.00	*0.97*	*0.00*	*0.00*	*0.97*
Salary	0.00	0.00	0.00	1.20	1.20
	0.00	*0.00*	*0.00*	*1.20*	*1.20*
Investment in Equity Shares	27.00	0.55	0.00	0.00	27.55
	4.00	*0.00*	*0.00*	*0.00*	*4.00*

Notes on Consolidated Financial Statements for the year ended 31st March, 2013

26 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS:

Balances as on 31st March, 2012					
Investments	60.67	0.55			
	35.48	*0.00*			
Loans & Advances	29.39	0.00			
	10.47	*0.11*			
Loans (Liability)	22.10	302.66	1.00		
	0.00	*161.05*	*0.00*		
Sundry Creditors		0.00			
		0.67			
Sundry Debtors		0.00			
		0.97			

Note: Figures in Italics represents Previous Year's amount.

(y) The following expenses incurred during the year as attributable to the fixed assets (including Capital Work in Progress) have been capitalized:

(₹ in million)

Particulars	Amount
Salary and Allowances	2.84
Consultancy Charges	0.74
Bank Interest/ Processing Fee	54.01
Power & Fuel	27.52
Others	23.08
Total	108.19

(z) The Company has been approved U/s 35 (2AB) of the Income Tax Act, 1961 by the Prescribed Authority i.e. The Secretary, Department of Scientific and Industrial Research, Govt. of India, New Delhi for co-operation in In-house Research and Development facility at Derabassi and Barwala. The exemption from Director General of Income Tax (Exemption) is extended upto 31.3.2015 for Derabassi and up to 31.03.2013 for Barwala unit.

(za) The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfilment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

(₹ in million)

Particulars	2012-13		2011-12	
	Parabolic Research Labs Ltd.	Ziven Lifesciences Ltd.	Parabolic Research Labs Ltd.	Ziven Lifesciences Ltd.
a) Share Capital	49.5	12.5	30.00	5.00
b) Reserves	(26.84)	(20.47)	-	-
c) Total Assets	22.86	84.26	42.10	8.89
d) Total Liabilities	0	92.23	0.00	0.00
e) Detail of investments	-	-	-	-
f) Turnover	-	10.86	-	-
g) Profit before Taxation	-	(29.62)	-	-
h) Provision for Taxation	-		-	-
i) Profit after Taxation	(26.84)	(20.47)	-	-
j) Proposed Dividend			-	-

(zb) There is a sum of ₹ 0.59 million outstanding on account of excise duty out of which a sum of ₹ 0.34 mn. has been deposited and balance of ₹ 0.25 million has not been deposited on account of dispute for which appeal is pending.

Notes on Consolidated Financial Statements for the year ended 31st March, 2013

26 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS:

(zc) The Ministry of Corporate Affairs, Government of India vide its General Notification No. S.O. 301 (E) dated 8th February, 2011 issued under Section 211 (3) of the Companies Act, 1956 has exempted certain classes of companies from disclosing certain information in their profit and loss account. The Company being an 'export oriented company' is entitled to the exemption. Accordingly, disclosures mandated by paragraphs 3(i) (a), 3(ii)(a), 3 (ii)(b) and 3(ii)(d) of Part II, Schedule VI to the Companies Act, 1956 have not been provided.

(zd) Additional information pursuant to the provision of paragraph 3 and 4 of Part-II of Schedule-VI of the Companies Act, 1956. [As certified by the Management and accepted by the Auditors]

1. Value of Imports during the year (C.I.F Basis)

	For the year ended 31st March 2013 (₹ In million)	For the year ended 31st March 2012 (₹ In million)
Raw materials	933.48	1785.34
Capital goods	2.15	54.95

2. Expenditure in Foreign Currency

	For the year ended 31st March 2013 (₹ In million)	For the year ended 31st March 2012 (₹ In million)
Salary	7.10	10.62
Consultancy expenses	0.68	1.61
Travelling expenses	2.95	3.33
Commission on sales	38.37	14.75
Fee & Taxes	5.66	1.89
R & D Expenses	0.00	0.44

3. Earnings in Foreign Currency

	For the year ended 31st March 2013 (₹ In million)	For the year ended 31st March 2012 (₹ In million)
Export of Goods (F.O.B)	1154.42	1212.46

4. Dividend remittance in foreign currency

	For the year ended 31st March 2013 (₹ In million)	For the year ended 31st March 2012 (₹ In million)
Amount of Dividend	NIL	1.02

(ze) Contingent Liabilities

	As at 31st March 2013 (₹ In million)	As at 31st March 2012 (₹ In million)
Letter of Credit (Foreign/ Inland) *	279.77	2540.40
Bank Guarantees	24.04	29.99
Custom Duty	0.00	21.70

* Out of above material valuing ₹ 260.97 million (Previous year ₹ 2413.88 million) has been received by 31.03.2013 and credited to respective Creditor Account.

(zf) Segment Reporting:

There is not more than one reportable segment. Hence information as per AS-17 is not required to be disclosed.

Parabolic Drugs Limited

Registered Office : S.C.O. 99-100, Top Floor, Sector 17 B, Chandigarh-160 017

NOTICE

NOTICE is hereby given that the SEVENTEENTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Monday, the 30th day of September, 2013 at 9 A.M. at PHD House, Sector 31 A, Chandigarh to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss for the year ended on that date, together with Report of Auditors and Directors thereon.

2. (a) To appoint a Director in place of Mr. Arun Mathur, who retires by rotation in accordance with the Articles of Association of the Company and being eligible, offers himself for re-appointment.

   (b) To appoint a Director in place of Mr. Vineet Gupta, who retires by rotation in accordance with the Articles of Association of the Company and being eligible, offers himself for re-appointment.

3. To appoint Auditors for the year 2013-2014 and to fix their remuneration.

Special Business:

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

   "RESOLVED THAT pursuant to the provisions of schedule XIII and other applicable provisions of the Companies Act, 1956, if any, and subject to the approval of Central Government /or any other authority, as may be required, the consent of the Members be and is hereby accorded to approve/ratify and confirm the payment of ₹ 96,00,00,000/- (Rupees ninety six lac only) [not includes contribution to Provident fund, Gratuity and Leave and encashment] for the financial year 2012-13 to Mr. Pranav Gupta, Chairman & Managing Director as minimum remuneration."

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

   "RESOLVED THAT pursuant to the provisions of schedule XIII and other applicable provisions of the Companies Act, 1956, if any, and subject to the approval of Central Government /or any other authority, as may be required, the consent of the Members be and is hereby accorded to approve/ratify and confirm the payment of ₹ 84,00,00,000/- (eighty four lac only) [not includes contribution to Provident fund, Gratuity and Leave and encashment] for the financial year 2012-13" to Mr. Vineet Gupta, Whole Time Director of the Company as minimum remuneration."

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

   "RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, schedule XIII and other provisions of the Companies Act, 1956, if any applicable, (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the approval of Central Government /or any other authority, as may be required, Mr. Pranav Gupta be and is hereby appointed as the Chairman and Managing Director of the Company for a period of 3 years w.e.f 1st September, 2013 to 31st August, 2016 at the remuneration and other perquisites as detailed below:-

S.NO.	REMUNERATION		DETAILS
I.	Salary		Salary will be of ₹ 8,00,000 per month
II	Perquisites		The perquisites shall be allowed in addition to salary. However, such perquisites shall be restricted to an amount equal to one year's salary as per details given below :-
	a)	Medical Reimbursement	Expenses incurred by the appointee (including mediclaim insurance premium) on self and his family, subject to a ceiling of one month's salary in a year.
	b)	Club Fees	Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

S.NO.	REMUNERATION		DETAILS
	c)	Personal Accident Insurance	Premium not to exceed ₹ 5,000/- per annum.
	d)	Provident Fund	Contribution to provident fund will not be included in the computation of the ceiling on perquisites to the extent is not taxable under the Income-Tax Act, 1961. The said contribution shall also be subject to the rules framed by the Company in this regard.
	e)	Gratuity	Gratuity payable shall not exceed half a month's salary for each completed year of service and this shall not be included in the computation of ceiling on perquisites. This will however, be subject to the ceiling prescribed by the Central Government from time to time.
	f)	Telephone & Car	Free use of Company's car for official work along with Driver and two telephones including mobile at Company's cost.

Explanation:

"Family" means the spouse, the dependent children and dependent parents of the appointee.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to amend any term /condition of the said appointment or as may be required in terms of approval of Central Government and agreed to by the appointee and to do all acts, things and deeds as may be deemed necessary to give effect to the appointment of Mr. Pranav Gupta as Chairman and Managing Director.

RESOLVED FURTHER THAT Mr. Arun Mathur, Director, be and is hereby authorised to execute an agreement on behalf of the Company with Mr. Pranav Gupta subject to such changes or modifications as may be approved by the members and Central Government and agreed to by the Board and by the appointee.

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

   RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, schedule XIII and other provisions of the Companies Act, 1956, if any applicable, (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the approval of Central Government /or any other authority, as may be required, Mr. Vineet Gupta be and is hereby appointed as the Whole time Director of the Company for a period of 3 years w.e.f. 1st September, 2013 to 31st August, 2016 at the remuneration and other perquisites as detailed below:-

S.NO.	REMUNERATION	DETAILS
I.	Salary	Salary will be of ₹ 7,00,000 per month
II.	Perquisites	The perquisites shall be allowed in addition to salary. However, such perquisites shall be restricted to an amount equal to one year's salary as per details given below :-
	a) Medical Reimbursement	Expenses incurred by the appointee (including mediclaim insurance premium) on self and his family, subject to a ceiling of one month's salary in a year.
	b) Club Fees	Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
	c) Personal Accident Insurance	Premium not to exceed ₹ 5,000/- per annum.
	d) Provident Fund	Contribution to provident fund will not be included in the computation of the ceiling on perquisites to the extent is not taxable under the Income-Tax Act, 1961. The said contribution shall also be subject to the rules framed by the Company in this regard.
	e) Gratuity	Gratuity payable shall not exceed half a month's salary for each completed year of service and this shall not be included in the computation of ceiling on perquisites. This will however, be subject to the ceiling prescribed by the Central Government from time to time.
	f) Telephone & Car	Free use of Company's car for official work along with Driver and two telephones including mobile at Company's cost.

Explanation:

"Family" means the spouse, the dependent children and dependent parents of the appointee.

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorised, to amend any term /condition of the said appointment or as may be required in terms of approval of Central Government and agreed to by the appointee and to do all acts, things and deeds as may be deemed necessary to give effect to the appointment of Mr. Vineet Gupta as Whole Time Director.

RESOLVED FURTHER THAT Mr. Arun Mathur, Director, be and is hereby authorised to execute an agreement on behalf of the Company with Mr. Vineet Gupta subject to such changes or modifications as may be approved by the members and Central Government and agreed to by the Board and by the appointee.

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

   "RESOLVED THAT Mr. Balwan Bansal, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 and Article 79 of the Articles Of Association of the company to hold office up to the date of Seventeenth AGM and in respect of whom the company has received notice from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.

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

   RESOLVED THAT the Authorised Share Capital of the Company be increased from ₹ 62,00,00,000 (Rupees Sixty Two Crore) divided into 6,20,00,000 (Six Crore Twenty Lac) equity shares of ₹ 10/- (Rupees Ten) each to ₹ 7,20,00,000 (Seven Crore Twenty Lac) equity shares of ₹ 10/- (Rupees Ten) each.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as they may deem necessary to give effect to the above said resolution.

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

   "RESOLVED THAT pursuant to the provisions of Section 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956 the existing clause V of the Memorandum of Association be amended as follows:

   V. The Authorised Share Capital of the Company is ₹ 72,00,00,000/- (Rupees Seventy-Two Crore) divided into 7,20,00,000 (Seven Crore Twenty Lac)equity shares of ₹ 10/- (Rupees Ten) each.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as they may deem necessary to give effect to the above said resolution".

By Order of the Board

(Vipin Gupta)
Vice President & Company Secretary

Place : Chandigarh
Date : 10th August 2013

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.

2. The Information pursuant to Corporate Governance Clause of the Listing Agreement (s) regarding the directors seeking appointment/re-appointment in the Annual General Meeting as proposed in Item No. 2, 6,7 & 8 of the notice is annexed hereto separately and forms part of the Notice.

3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 26th September 2013 to 30th September 2013 (Both days inclusive).

4. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item No. 4 to 10 is annexed hereto and forms part of the Notice.

5. The Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Transfer Agent/Company. However members, holding shares in electronic mode may notify the change in their address, if any, to their respective Depository Participants.

6. Members desiring any information as regards Accounts are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.

7. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 10.30 A.M. to 12.30 P.M.

8. Members are requested to bring their copy of Annual Report along with them to the Annual General Meeting.

9. The Ministry of Corporate Affairs ("MCA") has vide Circular Nos. 17/ 2011 and 18/ 2011 dated 21st April, 2011 and 29th April, 2011 respectively, taken a 'Green Initiative in Corporate Governance' by allowing paperless compliances through electronic mode, allowing to send documents such as Notices convening General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report etc. and any other Notice/Documents, henceforth in electronic form in lieu of paper form.

   In case you wish to support your Company's concern to prevent global environment degradation, you are requested to please register your E-mail ID with your DP, if you hold the Company's shares in electronic form, under intimation to the Registrar & Transfer Agent through your registered E-mail ID. However, if you hold the shares in physical form then you may register your E-mail ID with Registrar & Transfer Agent of the Company by sending a letter under your Registered Signature at the below mentioned Address:

   M/s. Link Intime India Private Limited
   C-13, Pannalal Silk Mills Compound
   L.B.S Marg, Bhandup (West)
   Mumbai 400 078
   Tel: + (91 22) 2596 3828
   Fax: + (91 22) 2594 6969
   Email: mumbai@linkintime.co.in
   Website: www.linkintime.co.in

   44, Community Centre,
   Phase-I, Near PVR, Naraina Ind. Area
   New Delhi – 110 028
   Tel: + (91 11) 4141 0592,93,94
   Fax: + (91 11) 4141 0591
   Email: delhi@linkintime.co.in
   Website: www.linkintime.co.in

Annexure to the Notice:

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

ITEM No. 4 of Special Business

The Members vide their resolution dated 27.08.2008 had re-appointed Mr. Pranav Gupta as Chairman & Managing Director of the Company for a period of five years w.e.f. 1st September, 2008 to 31st August, 2013 on a salary of ₹ 4,00,000/- per month with an increase of 15% per annum + Commission @ 2% of the net profits subject to the total remuneration being within the limits as prescribed in part II of Schedule XIII of the Companies Act, 1956 and other perquisites like Medical Reimbursement, Club Fees, Official Car and Phone etc, subject to such perquisites being restricted to an amount equal to one year's salary. Further, the Members vide their resolution dated 29th September, 2011 had approved the enhancement of salary of Mr. Pranav Gupta to ₹ 8, 00,000.00 per month with an increase of 15 % per annum + Commission @ 2% of the net profits, subject to the total remuneration being within the limits as prescribed in Schedule XIII of the Companies Act, 1956 and other perquisites like Medical Reimbursement, Club Fees, Official Car and Phone etc, subject to such perquisites being restricted to an amount equal to one year's salary, w.e.f. 1st October, 2010 till the remaining period of five years i.e. upto 31st August, 2013.

As there is net loss in the Company in the financial year 2012-13, the remuneration payable to Mr. Panav Gupta, Chairman & Managing Director is subject to the conditions of Section II of part II of the schedule XIII of the Companies Act, 1956. The Board of Directors and the Remuneration committee has recommended and approved the payment of remuneration to Mr. Pranav Gupta, Chairman and Managing Director for the year 2012-13 not to exceed ₹ 96,00,000 (Ninety six Lac only) [not includes contribution to provident fund, gratuity and encashment of leave] subject to the approval of the members and the Central Government or any other authority, if any required. Accordingly your approval/ ratification is solicited.

The information as required under section II of Part II are the same as given in the explanatory statement of item no. 6

MEMORANDUM OF INTEREST:

None of the Directors except Mr. Pranav Gupta and Mr. Vineet Gupta, being relative of Mr. Pranav Gupta is concerned or interested in the resolution.

ITEM NO. 5 of the Special Business:

The Members vide their resolution dated 27.08.2008 had re-appointed Mr. Vineet Gupta as Wholetime Director of the Company for a period of five years w.e.f. 1st September, 2008 to 31st August, 2013 on a salary of ₹ 3,50,000/- per month with an increase of 15% per annum + Commission @ 2% of the net profits subject to the total remuneration being within the limits as prescribed in Schedule XIII of the Companies Act, 1956 and other perquisites like Medical Reimbursement, Club Fees, Official Car and Phone etc, subject to such perquisites being restricted to an amount equal to one year's salary. Further, the Members vide their resolution dated 29th September, 2011 had approved the enhancement of salary of Mr. Vineet Gupta to ₹ 7, 00,000.00 per month with an increase of 15% per annum + Commission @ 2% of the net profits, subject to the total remuneration being within the limits as prescribed in part II of Schedule XII of the Companies Act, 1956 and other perquisites like Medical Reimbursement, Club Fees, Official Car and Phone etc, subject to such perquisites being restricted to an amount equal to one year's salary, w.e.f. 1st October, 2010 till the remaining period of five years i.e. upto 31st August, 2013.

As there is net loss in the Company in the financial year 2012-13, the remuneration payable to Mr. Vineet Gupta, Whole time Director is subject to the conditions of Section II of part II of the schedule XIII of the Companies Act, 1956. The Board of Directors and the Remuneration committee has recommended and approved the payment of remuneration to Mr. Vineet Gupta, Whole time Director for the year 2012-13 not to exceed ₹ 84,00,000 (Eighty Four Lac only) [not includes contribution to provident fund, gratuity and encashment of leave] subject to the approval of the members and the Central Government or any other authority, if any required. Accordingly your approval/ ratification is solicited.

The information as required under section II of Part II are the same as given in the explanatory statement of item no. 7

MEMORANDUM OF INTEREST:

None of the Directors except Mr. Vineet Gupta and Mr. Pranav Gupta being relative of Mr. Vineet Gupta, is concerned or interested in the resolution.

ITEM No. 6 of the Special Business

Mr. Pranav Gupta was appointed as the Managing Director of the Company for a period of 5 years w.e.f 1st September 2008 to 31st August 2013, pursuant to the provisions of Section 269, Schedule XIII and other applicable provisions of the Companies Act, 1956. The term of office of Mr. Pranav Gupta is expiring on 31st August 2013. Considering the active involvement and severe hard work put by Mr. Pranav Gupta in the Company, the Board of Directors in its meeting held on 10.08.2013 has approved the appointment of Mr. Pranav Gupta as Chairman & Managing Director and remuneration payable to him for a further period of three years with effect from 1st September 2013 to 31st August 2016. The Remuneration Committee has also approved the terms of appointment and remuneration of Mr. Pranav Gupta as stated in the resolution. The said appointment and remuneration is pursuant to Section 198,269,309,310 read with schedule XIII of the Companies Act, 1956 and subject to the approval of members and Central Government as may be required. Accordingly, your approval is solicited.

The information required under Section II of Part II of Schedule XIII of the Companies Act, 1956 is given hereunder:

I. GENERAL INFORMATION:

1. Nature of Industry: Manufactures Drugs and Generics.
2. Date of commencement of commercial production: The Company commenced commercial production during the year February, 1998
3. In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA
4. Financial performance based on given indicators: (₹ In Million)

Particulars	2012-13	2011-12	2010-11
Net sales and other income	8280.69	10123.08	6752.97
Profit before tax	(1950.16)	664.41	686.82
Profit after tax	(1397.62)	512.12	520.25

5. **Export performance and net foreign exchange earning:** During the year 2012-13, exports of the Company have been ₹ 1154.42 million

6. **Foreign investors or collaborators, if any:** None

II. INFORMATION ABOUT THE APPOINTEE:

Background details:

Mr. Pranav Gupta, aged 46 years,) holds a bachelors' degree in technology (mechanical engineering) from Thapar Engineering College, Patiala and holds a master's degree in business administration from the University of Kansas, USA. Before moving to India in 1994, he worked with the Ford Motor Company, USA as a financial analyst in the area of strategic finance, investment banking and planning. He has a rich experience of over 18 years in the pharmaceutical industry having vast exposure of commercial activities of the pharmaceutical products.

Past remuneration:

Mr. Pranav Gupta, as Managing Director was paid a remuneration of ₹ 8,00,000 per month during the financial Year 2012-13.

Job profile and his suitability :

Mr. Pranav Gupta shall be responsible for the domestic as well as international markets and day to day management of the Company. He will also be responsible for the overall well being of the Company.

Remuneration proposed:

The Board of Directors has decided to pay him a monthly salary of ₹ 8,00,000 w.e.f 1st September 2013 to 31st August 2016, or as may be revised and mutually agreed to by the Board of Directors and the appointee in the

Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person:

The salary structure of the managerial personnel has undergone a major change in the Industry in the recent past. Keeping in view, the type of Industry, size of the Company, the responsibilities and capabilities of the appointee, the proposed remuneration is reasonable as compared with remuneration paid by such other companies for such positions.

Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel:

Mr. Pranav Gupta, Promoter Director is holding 824100 equity shares of the company and is a relative of Mr. Vineet Gupta, Whole Time Director of the company.

III. OTHER INFORMATION:

Reasons of loss:

The Company has incurred losses during last fiscal due to high interest rates, revaluation of semi finished stock because of quality and eroded market prices coupled with macro factors like sharp Rupee depreciation and slowdown in the domestic and world economy at large.

Steps taken/proposed to be taken for improvement:

The Company has strengthened its marketing network and has signed MOUs for large scale Contract Manufacturing contract for overseas supply and strategically is well positioned to guarantee its commitment. The company has also made a reference to the Capital Debt Restructuring Cell for financial restructuring and the said restructuring proposal of the company has been approved and the company has got relief in terms of interest rates and moratorium period and reschedulement of term loans/working capital loans etc.

Expected increase in productivity and profits in measurable terms:

Due to the steps taken by the Company to strengthen its market network, both domestic as well as overseas, together with overcoming of slowdown by the economy, it is expected that the Company will improve its profitability in times to come.

IV Disclosures:

The above may also be treated as an abstract of terms of appointment agreement entered into by the Company and Mr. Pranav Gupta, Managing Director and variation of his terms of appointment pursuant to Section 302 of the Companies Act, 1956.

All the relevant information pertaining to the Whole time Director and other Directors of the Company required to be disclosed in the Directors' Report under the heading "Corporate Governance", are attached to the Annual Report.

Memorandum of Interest:

None of the Directors except Mr. Pranav Gupta, being the appointee and Mr. Vineet Gupta, being relative of Mr. Pranav Gupta is concerned or interested in the resolution.

ITEM No. 7 of Special Business

Mr. Vineet Gupta was appointed as Whole-time Director of the Company for a period of 5 years w.e.f 1st September 2008 to 31st August 2013 pursuant to the provisions of Section 269, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956. The term of office of Mr. Vineet Gupta expired on 31st August 2013. Considering the active involvement and severe hard work put by Mr. Vineet Gupta in the Company, the Board of Directors in its meeting held on 10.08.2013 has approved the appointment of Mr. Vineet Gupta as Whole Time Director and remuneration payable to him, for a further period of three years with effect from 1st September 2013 to 31st August 2016. The Remuneration Committee has also approved the terms of appointment and remuneration of Mr. Vineet Gupta as stated in the resolution. The said appointment and remuneration is pursuant to Section 198,269,309,310 read with schedule XIII of the Companies Act, 1956 and subject to the approval of members and Central Government as may be required. Accordingly, your approval is solicited.

The information required under Section II of Part II of Schedule XIII of the Companies Act, 1956 is given hereunder:

I. GENERAL INFORMATION:

1. Nature of Industry: Manufactures Drugs and Generics.
2. Date of commencement of commercial production: The Company commenced commercial production during the year February, 1998.
3. In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA
4. Financial performance based on given indicators: (₹ In Million)

Particulars	2012-13	2011-12	2010-11
Net sales and other income	8280.69	10123.08	6752.97
Profit before tax	(1950.16)	664.41	686.82
Profit after tax	(1397.62)	512.12	520.25

5. Export performance and net foreign exchange earning: During the year 2012-13, exports of the Company have been ₹ 1154.42 million
6. Foreign investors or collaborators, if any: None

II. INFORMATION ABOUT THE APPOINTEE:

Background details:

Mr. Vineet Gupta, aged 44 years, holds a bachelors' degree in technology (mechanical engineering) from the Indian Institute of Technology, New Delhi. He has a vast experience of more than 16 years in the Pharmaceutical Industry and is involved in developing the marketing network of the Company's products in India as well as abroad. He also takes care of the investors' related activities of the Company.

Past remuneration :

Mr. Vineet Gupta, as Whole time Director was paid a remuneration of ₹ 7, 00,000 per month.

Job profile and his suitability :

Mr. Vineet Gupta shall be responsible for the domestic as well as international market of the Company's products. He also takes care of the investors' related activities of the Company.

Remuneration proposed:

The Board of Directors have decided to pay him a monthly salary of ₹ 7,00,000 w.e.f 1st September, 2013 to 31st August, 2016, or as may be revised and mutually agreed to by the Board of Directors and the appointee.

Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person:

The salary structure of the managerial personnel has undergone a major change in the Industry in the recent past. Keeping in view, the type of Industry, size of the Company, the responsibilities and capabilities of the appointee, the proposed remuneration is reasonable as compared with remuneration paid by such other companies for such positions.

Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel:

Mr. Vineet Gupta, Promoter Director is holding 701550 equity shares of the company and is a relative of Mr. Pranav Gupta, Chairman & Managing Director of the company.

III. OTHER INFORMATION:

Reasons of loss:

The Company has incurred losses during last fiscal due to high interest rates, revaluation of semi finished stock because of quality and eroded market prices coupled with macro factors like sharp Rupee depreciation and slowdown in the domestic and world economy at large.

Steps taken/proposed to be taken for improvement:

The Company has strengthened its marketing network and has signed MOUs for large scale Contract Manufacturing contract for overseas supply and strategically is well positioned to guarantee its commitment. The company has also made a reference to the Capital Debt Restructuring Cell for financial restructuring and the said restructuring proposal of the company has been approved and the company has got relief in terms of interest rates and moratorium period and reschedulement of term loans/working capital loans etc.

Expected increase in productivity and profits in measurable terms:

Due to the steps taken by the Company to strengthen its market network, both domestic as well as overseas, together with overcoming of slowdown by the economy, it is expected that the Company will improve its profitability in times to come.

IV. Disclosures:

The above may also be treated as an abstract of terms of appointment agreement entered into by the Company and Mr. Pranav Gupta, Managing Director and variation of his terms of appointment pursuant to Section 302 of the Companies Act, 1956.

All the relevant information pertaining to the Whole time Director and other Directors of the Company required to be disclosed in the Directors' Report under the heading "Corporate Governance", are attached to the Annual Report.

Memorandum of Interest:

None of the Directors except Mr. Vineet Gupta, being the appointee and Mr. Pranav Gupta being relative of Mr. Vineet Gupta, is concerned or interested in the resolution.

ITEM No. 8 of Special Business

The Board of Directors of the Company in its meeting held on 28th November, 2012 had appointed Mr. Balwan Bansal as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 read with Article 79 of the Articles of Association of the company . In terms of the provisions of Section 260 of the Companies Act,1956, Mr. Balwan Bansal holds office up to the date of ensuing Annual General Meeting of the Company. The Company has received a notice from a member under Section 257 of the Companies Act, 1956, proposing the name of Mr. Balwan Bansal for the appointment as a of Director of the Company, liable to retire by rotation. Accordingly, your approval is solicited for his appointment.

Memorandum of Interest:

None of the Directors of the Company except the appointee himself, is in any way concerned or interested in the resolution.

ITEM No. 9 & 10 of Special Business

The Company had applied for Corporate Debt Restructuring under the CDR System which has been approved vide CDR (PMJ) No. 1192/2012-13 letter dated 23.03.2013, and Master restructuring Agreement CDR (MRA) has been executed dated 28-03-2013. One of the terms of the Restructuring package as sanctioned to the Company under

CDR requires the promoters to infuse funds in the Company in the form of instruments (equity and convertible debt). In order to enable the Company to comply the aforesaid terms of the Restructuring package and issue/allot the shares to promoters, the authorized capital of the company is required to be increased.

The Board of Directors in its meeting held on 10th August, 2013 has approved the enhancement of the Authorised Share Capital of the Company from ₹ 62,00,00,000 (Rupees Sixty Two Crore) divided into 6,20,00,000 (Six Crore Twenty Lacs) equity Shares of ₹ 10/- (Rupees Ten) to ₹ 72,00,00,000 (Rupees Seventy-Two Crore) divided into 7,20,00,000 (Seven Crore Twenty Lac) equity Shares of ₹ 10/- (Rupees Ten) each subject to the approval of the members in the General Meeting.

Consequently, Clause V of the Memorandum of Association of the Company is required to be amended.

Accordingly, your approval is solicited.

Memorandum of Interest:

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

By Order of the Board

(Vipin Gupta)
Vice President & Company Secretary

Place : Chandigarh
Date : 10th August 2013

INFORMATION PURSUANT TO CORPORATE GOVERNANCE CLAUSE OF THE LISTING AGREEMENT REGARDING THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE ANNUAL GENERAL MEETING:

Name of the Director	Mr. Balwan Bansal	Mr. Arun Mathur	Mr. Pranav Gupta	Mr. Vineet Gupta
Date of Birth	31st October, 1984	27th June, 1948	26th February 1967	24th July, 1969
Date of Appointment	28th November, 2012	14th March, 2008	1st November, 1997	1st November, 1997
Expertise in specific functional area	Chartered Accountant	Chemist and Pharmaceuticals	Pharmaceuticals	Pharmaceuticals and Education
Qualification	B.Com.(H), LLB & CA	B.Tech (Chemical)	M.B.A & ENGG. (Mechanical)	B.Tech (Mechanical)
Directorships of other Companies as on 31st March, 2013.	Nil	Nil	6	9
Chairman/Member of Committees of other Companies as on 31st March, 2013.	Nil	Nil	2	Nil
No. of Shares held	Nil	Nil	8,24,100	7,01,550

(TEAR HERE)

Parabolic Drugs Limited

Registered Office: S.C.O. 99-100, Top Floor, Sector 17 B, Chandigarh-160 017

PROXY FORM

I/We..

of..

in the District .... being a Member/Members

of Parabolic Drugs Limited, hereby appoint ....

of .... in the ....

District of ....failing him/her ....

of..in the District of ....

as my/our proxy to vote for me/us on my/our behalf at the 17th Annual General Meeting of the Company to be held on Monday, the 30th day of September, 2013 at 9.00 A.M. and at any adjournment thereof.

Signed this .... day of .... 2013.

Address ....

Folio No./ Client-Id ....

DP ID No. ....

Signature...

Affix Rupee One Stamp here

NOTES : 1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself/herself.

2. The Proxy form duly signed across Revenue Stamp of Rupee One should reach the Company's Registered Office at least 48 hours before the time of meeting.

(TEARHERE)

Parabolic Drugs Limited

Registered Office: S.C.O. 99-100, Top Floor, Sector 17 B, Chandigarh-160 017

ATTENDANCE SLIP

I hereby record my presence at the 17th Annual General Meeting of the above named Company being held at PHD House, Sector 31 A, Chandigarh at 9.00 A.M. on Monday, and the 30th day of September, 2013.

....

Full Name of the Member

(IN BLOCK LETTERS)

....

Signature

Folio No./ Client-Id ....

No. of Shares held..

....

Full Name of the Proxy

(IN BLOCK LETTERS)

....

Signature

NOTE: Members attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall of the Company.

Parabolic Drugs Ltd.
www.parabolicdrugs.com

FORM A

(Pursuant to Clause 31 of the Listing Agreement)

1.	Name of the Company	Parabolic Drugs Limited
2.	Annual financial statements for the year ended	31st March, 2013
3.	Type of Audit observation	**Matter of Emphasis** a) There are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute except as referred to in Para No.(m) of additional note 26 to financial statement as on 31st March 2013. b) The Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders as the Company has made application to CDR Cell which has been approved and stands implemented w.e.f. 30th Sept 2012.
4.	Frequency of observation	a) Appeared first time b) Since 2011-12
5.	To be signed by-	
	• Chairman & Managing Director	
	• CFO	
	• Auditor of the Company	S. K. BANSAL & CO. Chartered Accountants CHANDIGARH 28/9/2013
	• Audit Committee Chairman	