



**B. L. Jain**  
B.Com., (Hons.) F.C.A.

**R. B. Golecha**  
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**S. B. Dudhawat**  
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**Parag Jain**  
B.Com., F.C.A., D.I.S.A.

**Anuj Golecha**  
B.Com., F.C.A., D.I.S.A.

**Vishal Sheth**  
B.Com., F.C.A.

**INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
**BIOCHEM PHARMACEUTICAL INDUSTRIES LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **BIOCHEM PHARMACEUTICAL INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year then ended and a summary of the significant accounting policies and other explanatory information.

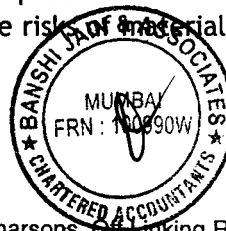
**Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs) and in accordance with the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' 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 the 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the





financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

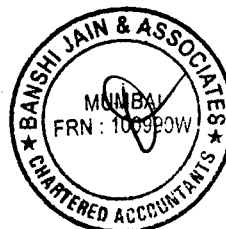
### **Opinion**

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

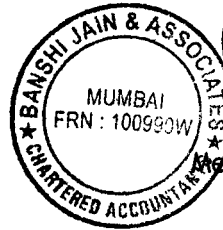





- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs).
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

Place: MUMBAI  
Date: 12/05/2014

For BANSHI JAIN & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 100990W



  
ANUJ B GOLECHA  
Partner  
Membership No. 117617



**ANNEXURE TO INDEPENDENT AUDITORS` REPORT**

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

(1) In Respect of its fixed assets:

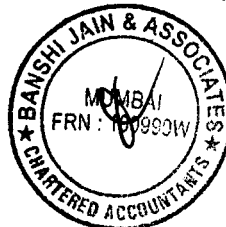
- (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of Fixed Assets has not been disposed off by the company during the year.

(2) In respect of its inventories:

- (a) As explained to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

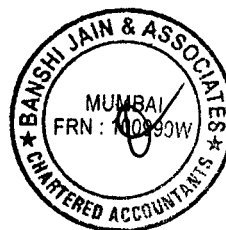
(3) In respect of the loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:

- (a) According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly





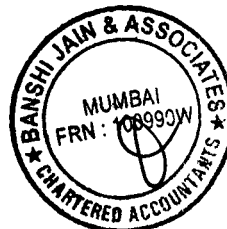
- clauses 4(iii)(b) to (iii) (d) of the Companies (Auditor's Report) Order, 2003 (the Order) is not applicable.
- (e) According to information and explanation given to us the company has taken unsecured loans from two companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year end balance of such loans aggregates to Rs.36.75 Crores and Rs. 33 Crores respectively.
- (f) In our opinion and according to information and explanation given to us the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the company.
- (g) According to the information and explanation given to us in respect of the aforesaid loans the company is regular in payment of interest wherever applicable and also regular in repaying the principal amounts as stipulated.
- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business 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.
- (5) In Respect of contract or arrangements referred to in section 301 of the Companies Act, 1956:
- (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 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 prevailing market prices at the relevant time.





- (6) According to information and explanation given to us the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act and the rules framed there under.
- (7) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (8) We have broadly reviewed the books of accounts maintained by the company pursuant to the Rules made by the Central Government for maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (9) In respect of statutory dues:
- (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, cess, excise, service-tax, custom duty and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service-tax, excise duty, sales tax, customs duty and cess were in arrears, as at 31<sup>st</sup> March, 2014 for the period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the particulars of dues of Income tax, Sales tax, Excise duty, Service tax, etc. as at 31st March, 2014 which have not been deposited on account of any dispute, are as follows:

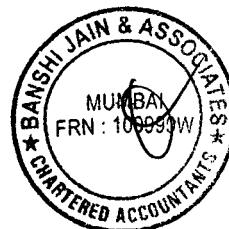
Name of the Statute	Nature of Dues	Amounts involved Rs.	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	15,75,000	2007-08	Commissioner of Income Tax (Appeals)r
The Central Sales Tax and Local Sales Tax Acts	Sales Tax	1,19,91,668	2003-04, 2004-05, 2008-09	Joint Commissioner of Sales Tax (Appeal)





The Central Excise Act and the Service Tax Act	Excise Duty, Service Tax	22,10,298	2010-2011 to 2012-2013	ACCE/DCCE/JCCE/Add.Comm.
		29,99,78,065	Various Cases for the period 2006-2007 to 2009-2010	Commissioner (Appeals)
		6,93,09,623	Various cases For the period 2000-2001 to 2013-2014	Central Excise and Service Tax Appellate Tribunal
		72,79,664	2000-2002	Supreme Court

- (10) The company has no accumulated losses as at 31<sup>st</sup> March, 2014 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (11) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.
- (12) In our opinion and according to the information and explanations given to us and according to the books and records as produced and examined by us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly clause 4(xii) of the Order is not applicable.
- (13) The provisions of any special statute applicable to Chit Fund / Nidhi / Mutual Fund / Societies are not applicable to the company. Accordingly clause 4(xiii) of the Order is not applicable.
- (14) In our opinion, and according to the information and explanations give to us, and according to the books and records as produced and examined by us, the company is not a dealer or trader in shares, securities, debentures and other investments.
- (15) In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (16) The Company has not taken any term loan during the year and hence the question of applying term loans for the purpose for which they were obtained does not arise.
- (17) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion and according to



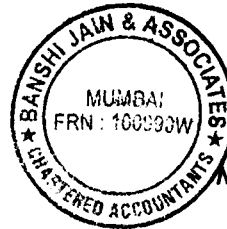


the information and explanations given to us, there are no funds raised on a short term basis which have been used for long term investment and vice versa.

- (18) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- (19) The company has not issued any debentures. Accordingly, clause 4(xix) of the Order is not applicable.
- (20) The company has not raised any money by public issues during the year.
- (21) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For BANSHI JAIN & ASSOCIATES  
Chartered Accountants  
Firm Registration No.100990W

Place: MUMBAI  
Date: 12/05/2014




*Anuj B. Golecha*  
ANUJ B. GOLECHA  
Partner  
Membership No. 117617



**BIOCHEM PHARMACEUTICAL INDUSTRIES LIMITED**  
Balance Sheet as at March 31, 2014


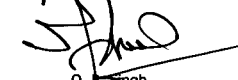
	Note No.	INR	
		As at March 31	
		2014	2013
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Funds:</b>			
Share Capital	1	75,000,000	75,000,000
Reserves and Surplus	2	270,693,012	208,709,602
		<b>345,693,012</b>	283,709,602
<b>Non - Current Liabilities:</b>			
Long Term Borrowings	3	330,000,000	-
Other Long Term Liabilities	4	218,281	14,339
Long Term Provisions	5	17,892,685	20,173,431
		<b>348,110,966</b>	20,187,770
<b>Current Liabilities:</b>			
Short Term Borrowings	6	18,447,886	74,279,867
Trade Payables	7	317,221,966	381,931,789
Other Current Liabilities	8	100,141,497	82,385,278
Short Term Provisions	9	77,221,308	242,524,884
		<b>513,032,657</b>	781,121,818
<b>Total</b>		<b>1,206,836,635</b>	1,085,019,190
<b>ASSETS :</b>			
<b>Non-Current Assets:</b>			
Fixed Assets:			
Tangible Assets	10	330,743,981	154,097,738
Intangible Assets	10	1,586,366	2,643,943
		<b>332,330,347</b>	156,741,681
Deferred Tax Assets [Net]	11	4,309,444	5,555,108
Long Term Loans and Advances	12	21,052,325	27,270,124
		<b>357,692,116</b>	189,566,913
<b>Current Assets:</b>			
Inventories	13	376,309,204	419,678,722
Trade Receivables	14	420,652,312	438,298,094
Cash and Bank Balances	15	12,101,167	16,819,559
Short Term Loans and Advances	16	37,095,438	18,971,541
Other Current Assets	17	2,986,398	1,684,361
		<b>849,144,519</b>	895,452,277
<b>Total</b>		<b>1,206,836,635</b>	1,085,019,190
<b>Significant Accounting Policies</b>	II		
<b>Notes to the Financial Statements</b>	1 to 38		

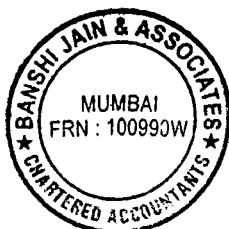
As per our report of even date  
For Banshi Jain & Associates  
Chartered Accountants  
Firm Registration No.100990W

  
Anuj B. Golecha  
Partner  
Membership Number: 117617  
Mumbai, Dated: May 12, 2014

  
Kirit B. Shah  
Financial Controller

  
Swati Gadgil  
Company Secretary

  
Ganesh Nayak  
Chairman  
  
O. K. Singh  
Director Operations



**BIOCHEM PHARMACEUTICAL INDUSTRIES LIMITED**  
**Statement of Profit and Loss for the year ended March 31, 2014**

	Note No.	INR	
		Year ended March 31	
		2014	2013
<b>REVENUE:</b>			
Revenue from Operations:			
Sale of Products [Gross]	20	<b>2,805,233,955</b>	2,799,082,195
Less: Excise Duty		<b>127,853,408</b>	124,711,111
Sale of Products [Net]		<b>2,677,380,547</b>	2,674,371,084
Other Operating Revenues	21	<b>13,835,755</b>	6,068,533
Net Revenue from Operations		<b>2,691,216,302</b>	2,680,439,617
Other Income	22	<b>9,831,368</b>	13,850,378
Total Revenue		<b>2,701,047,670</b>	2,694,289,995
<b>EXPENSES:</b>			
Cost of Materials Consumed	23	<b>818,373,974</b>	767,516,841
Purchases of Stock-in-Trade	24	<b>941,871,286</b>	832,402,985
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	25	<b>35,288,188</b>	81,239,855
Employee Benefits Expense	26	<b>299,878,196</b>	283,477,313
Finance Costs	27	<b>38,539,102</b>	46,398,280
Depreciation and Amortisation expense	10	<b>30,723,730</b>	23,006,027
Other Expenses	28	<b>416,015,022</b>	361,334,690
Total Expenses		<b>2,580,689,498</b>	2,395,375,991
<b>Profit before Tax</b>		<b>120,358,172</b>	298,914,004
Less/ [Add]: Tax Expense:			
Current Tax		<b>43,045,000</b>	100,000,000
Deferred Tax	11	<b>1,245,664</b>	(1,004,160)
Prior year's tax adjustments		<b>922,160</b>	(60,970)
		<b>45,212,824</b>	98,934,870
<b>Profit for the year</b>		<b>75,145,348</b>	199,979,134
<b>Basic &amp; Diluted Earning per Equity Share [EPS] [in Rupees]</b>	29	<b>10.02</b>	26.66
<b>Significant Accounting Policies</b>	II		
<b>Notes to the Financial Statements</b>	1 to 38		

As per our report of even date  
For Banshi Jain & Associates  
Chartered Accountants  
Firm Registration No.100990W

*Anil B. Golecha*

Anil B. Golecha  
Partner  
Membership Number: 117617  
Mumbai, Dated: May 12, 2014

*Kirit B. Shah*

Kirit B. Shah  
Financial Controller

*Swati Gadgil*

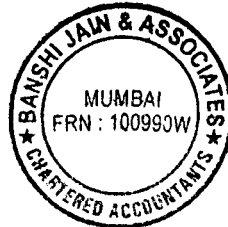
Swati Gadgil  
Company Secretary

*Ganesh Nayak*

Ganesh Nayak  
Chairman

*O. P. Singh*

O. P. Singh  
Director Operation



**BIOCHEM PHARMACEUTICAL INDUSTRIES LIMITED**  
Cash flow Statement for the year ended March 31, 2014

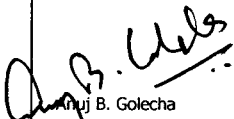
Particulars	INR	
	Year ended March 31	
	2014	2013
<b>A Cash Flows from Operating Activities:</b>		
Net profit before taxation and after extraordinary items		298,914,004
Adjustments for:		
Depreciation	30,723,730	23,006,027
Loss on sale of assets [Net]	283,393	-
[Profit] on sale of assets [Net]	-	(100,506)
Interest income	(9,017,367)	(13,055,965)
Interest expenses	37,033,527	44,515,899
Provisions for employee benefits	9,095,379	13,297,354
Provisions for probable product expiry claims and return of goods	(486,466)	14,108,093
Sundry Assets Written off	57,706	
Total	67,689,902	81,770,902
Operating profit before working capital changes		380,684,906
Adjustments for:		
[Increase]/Decrease in trade receivables	17,645,782	(67,398,594)
[Increase]/Decrease in inventories	43,369,519	103,119,503
[Increase]/Decrease in short term advances	(18,123,897)	(12,131,667)
[Increase]/Decrease in long term advances	2,406,900	(7,795,046)
[Increase]/Decrease in other current assets	(1,302,037)	564,250
Increase/[Decrease] in trade payables	(64,709,823)	146,231,730
Increase/[Decrease] in other current liabilities	17,756,219	(512,993,465)
Increase/[Decrease] in Long Term Provisions	(11,376,126)	(6,371,352)
Increase/[Decrease] in Short Term Provisions	(2,486,548)	10,056,511
Increase/[Decrease] in other long term liabilities	203,942	(9,900,405)
Total	(16,616,069)	(356,618,535)
Cash generated from operations		24,066,371
Direct taxes paid [Net of refunds]		(93,654,670)
Net cash from operating activities		131,275,746
<b>B Cash flows from investing activities:</b>		
Purchase of fixed assets	(207,095,650)	(2,733,125)
Proceeds from sale of fixed assets	442,153	119,822
Interest received	9,017,367	13,055,965
Net cash from investing activities		10,442,662
<b>C Cash flows from financing activities:</b>		
Short Term Borrowings [Net]	(55,831,981)	46,156,662
Long Term Borrowings	330,000,000	
Interest paid	(37,033,527)	(44,515,899)
Dividends paid	(150,000,000)	(3,750,000)
Tax on dividends paid	(25,492,500)	(608,344)
Net cash used in financing activities		(2,717,581)
<b>Net increase/(-) decrease in cash and cash equivalents</b>		<b>(4,718,392)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>16,819,559</b>
<b>Cash and cash equivalents at the close of the year</b>		<b>12,101,167</b>

**Notes to the cash flow statement**

# All figures in brackets are outflow.



# Previous year's figures have been regrouped wherever necessary.

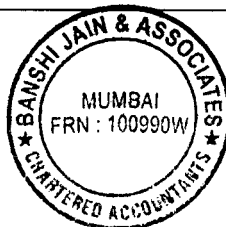
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Partner  
Membership Number: 117617  
Mumbai, Dated: May 12, 2014

  
Kirit B. Shah  
Financial Controller

  
Swati Gadgil  
Company Secretary

  
Ganesh Nayak  
Chairman  
  
O. P. Singh  
Director Operations



**I - Company Overview**

Biochem Pharmaceutical Industries Limited ["the Company"] operates as an integrated pharmaceutical company with business encompassing the entire value chain in the production, marketing and distribution of pharmaceutical products. The product portfolio of the Company includes human formulations.

**II - Significant Accounting Policies****1 Basis of Accounting:**

The financial statements are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and they comply with the Accounting Standards prescribed in the Companies [Accounting Standards] Rules, 2006 issued by the Central Government and other pronouncement issued by the Institute of Chartered Accountants of India [ICAI], to the extent applicable and with the applicable provisions of the Companies Act, 1956

**2 Use of Estimates:**

The Preparation of Financial Statements in conformity with the Accounting Standards generally accepted in India, requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to estimates is recognised prospectively in current and future periods.

**3 Fixed Assets and Depreciation:**

- A** Fixed Assets are stated at historical cost of acquisition/ construction less accumulated depreciation and impairment loss. Cost [Net of Input tax credit received/ receivable] includes related expenditure and pre-operative & project expenses for the period up to completion of construction/ assets are put to use.
- B** Depreciation is provided on "written down value method" at the rates and manner prescribed in Schedule XIV to the Companies Act, 1956.
- C** Depreciation on additions/ disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets are put to use.

**4 Impairment of Assets:**

The Company, at each balance sheet date, assesses whether there is any indication of impairment of any asset and / or cash generating unit. If such indication exists, assets are impaired by comparing carrying amount of each asset and/ or cash generating unit to the recoverable amount being higher of the net selling price or value in use. Value in use is determined from the present value of the estimated future cash flows from the continuing use of the assets.

**5 Borrowing Costs:**

- A** Borrowing costs that are directly attributable to the acquisition/ constructions of a qualifying asset are capitalised as part of the cost of such assets, up to the date, the assets are ready for their intended use.
- B** Other Borrowing costs are recognised as an expense in the period in which they are incurred.

**6 Expenditure during the Construction Period:**

The expenditure incidental to the expansion/ new projects are allocated to Fixed Assets in the year of commencement of the commercial production.

**7 Investments:**

- A** Long term and strategic investments are stated at cost, less any diminution in the value other than temporary.
- B** Current investments, if any, are stated at lower of cost and fair value determined on individual investment basis.

**8 Inventories:**

- A** Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods, Stock-in-Trade and Works-in-Progress are valued at lower of cost and net realisable value.
- B** Cost [Net of Input tax credit availed] of Raw Materials, Stores & Spare Parts, Packing Materials are determined on FIFO method & Finished Goods is determined on Weighted Average Method.
- C** Cost of Finished Goods and Works-in-Progress is determined by taking material cost [Net of Input tax credit availed], labour and relevant appropriate overheads.

**9 Revenue Recognition:**

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

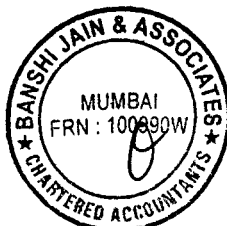
- A** Revenue from sale of goods is recognized when all the significant risk and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. [The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. 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.]
- B** Interest income is recognized on a time proportion 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.]
- C** Dividend income is recognized when the company's right to receive dividend is established by the reporting date.
- D** Revenue in respect of other income is recognised when no significant uncertainty as to its determination or realisation exists.

**10 Foreign Currency Transactions:**

- A** The transactions in foreign currencies are stated at the rates of exchange prevailing on the dates of transactions.
- B** The net gain or loss on account of exchange differences either on settlement or on translation are recognised in the statement of Profit and Loss.
- C** The foreign currency assets and liabilities are restated at the prevailing exchange rates at the year end.

**11 Derivative Instruments and Hedge Accounting:**

- A** Pursuant to ICAI Announcement "Accounting for Derivatives" on the early adoption of Accounting Standard 30 "Financial Instruments: Recognition and Measurement" which contains accounting for derivatives, the Company has voluntarily adopted the Standard, to the extent that the adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company act and other regulatory requirements in respect of accounting for derivatives and hedge accounting.
- B** The company uses non-derivative financial liabilities as derivative instruments to hedge its foreign currency risks associated with probable forecasted sales and foreign currency trade receivables. The company designates these hedging instruments as "Sales Hedge" depending on nature of transactions in applying the recognition and measurement principles set out in the Accounting Standard 30.
- C** Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in "Export Sales" and the ineffective portion is recognised immediately in the statement of Profit and Loss.
- D** Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of Profit and Loss as they arise.
- E** Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.



**BIOCHEM PHARMACEUTICAL INDUSTRIES LIMITED**  
**II -Significant Accounting Policies-Continued**

**12 Excise Duty:**

Excise Duty is accounted gross of Cenvat benefit availed on inputs, capital goods and eligible services.

**13 Employee Benefits:**

**A Defined Contribution Plans:**

The Company contributes on a defined contribution basis to Employees' Provident Fund towards post employment benefits, all of which are administered by the respective Government authorities, and has no further obligation beyond making its contribution, which is expensed in the year to which it pertains.

**B Defined Benefit Plans:**

The gratuity scheme is administered through the Life Insurance Corporation of India [LIC]. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in the statement of Profit and Loss.

**C Leave Liability:**

The employees of the company are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is recognised at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method.

**14 Provision for Bad and Doubtful Debts/ Advances:**

Provision is made in accounts for bad and doubtful debts/ advances which in the opinion of the management are considered doubtful of recovery.

**15 Taxes on Income:**

**A** Tax expenses comprise of current and deferred tax.

**B** Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961.

**C** Deferred tax reflects the impact of current year timing differences between accounting and taxable income and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised and are reviewed at each balance sheet date.

**16 Provision for Product Expiry Claims:**

Provision for product expiry claims in respect of products sold during the year is made based on the management's estimates.

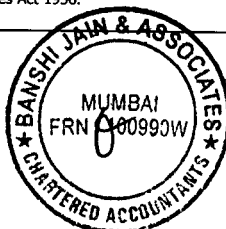
**17 Leases:**

Leases are classified as operating leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets. Operating lease payments are recognised as expenses in the statement of Profit and Loss as and when paid.

**18 Provisions, Contingent Liabilities and Contingent Assets:**

Provision is recognised when the company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Contingent assets are not recognised in the financial statements. Provisions and Contingencies are viewed at each balance sheet date and adjusted to reflect the correct management estimates.

		INR	
		As at March 31	
		2014	2013
<b>Note: 1-Share Capital:</b>			
<b>Authorised :</b>			
10,000,000 [as at March 31,2013: 10,000,000] Equity Shares of Rs.10/- each	<b>100,000,000</b>	100,000,000	
2,000,000 [as at March 31,2013: 2,000,000] Preference Shares of Rs.10/- each	<b>20,000,000</b>	20,000,000	
	<b>120,000,000</b>	120,000,000	
<b>Issued, Subscribed and Paid-up:</b>			
7,500,000 [as at March 31,2013: 7,500,000] Equity Shares of Rs.10/- each fully paid-up	<b>75,000,000</b>	75,000,000	
	<b>75,000,000</b>	75,000,000	
<b>A</b> There is no change in the number of shares as at the beginning and end of the year. Number of shares at the end of the year	<b>7,500,000</b>	7,500,000	
<b>B</b> The Company has only one class of equity shares having a par value of Rs.10/- per share. Each Holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.			
<b>C</b> Equity shares of Rs. 10/- each, fully paid held by Holding Company, Cadila Healthcare Limited & its nominees: Number of Shares % to total share holding	<b>7,500,000</b> <b>100.00%</b>	7,500,000 100.00%	
<b>Note: 2-Reserves and Surplus:</b>			
<b>Other Reserves:</b>			
<b>General Reserve [*]:</b>			
Balance as per last Balance Sheet	<b>72,497,913</b>	52,500,000	
Add : Transfer from Surplus in statement of Profit and Loss	<b>7,514,535</b>	19,997,913	
	<b>80,012,448</b>	72,497,913	
<b>Surplus in statement of Profit and Loss:</b>			
Balance as per last Balance Sheet	<b>136,211,689</b>	131,722,968	
Add : Profit for the year	<b>75,145,348</b>	199,979,134	
	<b>211,357,037</b>	331,702,102	
Less: Appropriations:			
Dividends:			
Interim Dividend	-	150,000,000	
Proposed Dividend	<b>11,250,000</b>	-	
Corporate Dividend Tax on Dividend	<b>1,911,938</b>	25,492,500	
Transfer to General Reserve	<b>7,514,535</b>	19,997,913	
	<b>20,676,473</b>	195,490,413	
Balance as at end of the year	<b>190,680,564</b>	136,211,689	
<b>Total</b>	<b>270,693,012</b>	208,709,602	
[*] General Reserve can be used for the purposes and guidelines as prescribed in the Companies Act 1956.			



**BIOCHEM PHARMACEUTICAL INDUSTRIES LIMITED**  
**Notes to the Financial Statements**

	INR			
	Non-current portion			
	As at March 31			
	2014	2013		
<b>Note: 3-Long Term Borrowings:</b>				
Loans and Advances from Related Parties [Unsecured] [*]				
<b>Total</b>	<b>330,000,000</b>	-		
	<b>330,000,000</b>	-		
[*] Details of Loans & Advances from Related Parties [Refer Note-36 for relationship] are as under:				
a. Cadila Healthcare Limited, [ Terms of repayment as mentioned below]	130,000,000			
b. Dialforhealth India Limited, [Terms of repayment as mentioned below]	200,000,000			
<b>Total</b>	<b>330,000,000</b>	-		
* Loans and Advances from Related Parties carry interest at HDFC Base Rate on quarterly basis and have tenure of 3 years from the date of first disbursement with an option to the Company to prepay the loan at any time during the tenure of loan without any penalty.				
<b>Note: 4-Other Long Term Liabilities:</b>				
Others	218,281	14,339		
<b>Total</b>	<b>218,281</b>	<b>14,339</b>		
<b>Note: 5-Long Term Provisions:</b>				
Provision for employee benefits	17,892,685	20,173,431		
<b>Total</b>	<b>17,892,685</b>	<b>20,173,431</b>		
<b>Disclosure pursuant to Accounting Standard-15 [Revised] "Employee Benefits":</b>				
<b>Defined benefit plan and long term employment benefit</b>				
<b>A General description :</b>				
<b>Gratuity [Defined benefit plan]:</b>				
The Company has a defined benefit gratuity plan. Every employee who has completed continuous service of five years or more gets a gratuity on death or resignation or retirement at 15 days salary [last drawn salary] for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.				
<b>Leave wages [Long term employment benefit]:</b>				
The employees of the company are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is recognised [net of the fair value of plan asset as at the balance sheet date] at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method.				
	INR			
	As at March 31			
	2014		2013	
	Pri. Leave	Gratuity	Pri. Leave	Gratuity
<b>B Change in the present value of the defined benefit obligation:</b>				
Opening defined benefit obligation	16,040,473	40,408,144	14,500,464	36,278,711
Interest cost	1,211,619	2,995,869	1,148,681	3,017,796
Current service cost	2,411,212	3,698,193	1,990,237	3,586,611
Benefits paid	(2,164,434)	(6,844,212)	(1,973,140)	(3,579,222)
Actuarial losses / [gains] on obligation	352,183	1,369,589	374,231	1,104,248
Past Service Cost	-	-	-	-
Closing defined benefit obligation	<b>17,851,053</b>	<b>41,627,583</b>	16,040,473	40,408,144
<b>C Change in the fair value of plan assets:</b>				
Opening fair value of plan assets	-	30,623,939	-	23,669,366
Adjustment to Fund	-	-	-	(18,813,932)
Expected return on plan assets	-	2,936,888	-	1,588,275
Contributions by employer	-	9,790,603	-	28,584,753
Benefits paid	-	(6,844,212)	-	(3,579,222)
Actuarial [losses] / gains	-	-	-	(825,301)
Closing fair value of plan assets	-	36,507,218	-	30,623,939
Total actuarial [losses] / gains to be recognized	<b>(352,183)</b>	<b>(1,369,589)</b>	<b>(374,231)</b>	<b>(1,929,549)</b>
<b>D Actual return on plan assets:</b>				
Expected return on plan assets	-	2,936,888	-	1,588,275
Actuarial [losses] / gains on plan assets	-	-	-	(825,301)
Actual return on plan assets	-	2,936,888	-	762,974
<b>E Amount recognised in the balance sheet:</b>				
Liabilities / [Assets] at the end of the year	17,851,053	41,627,583	16,040,473	40,408,144
Fair value of plan Assets at the end of the year	-	(36,507,218)	-	(30,623,939)
Difference	17,851,053	5,120,365	16,040,473	9,784,205
Unrecognised past Service cost	-	-	-	-
Liabilities / [Assets] recognised in the Balance Sheet	<b>17,851,053</b>	<b>5,120,365</b>	16,040,473	9,784,205
<b>F Expenses / [Income] recognised in the statement of Profit and Loss:</b>				
Current service cost	2,411,212	3,698,193	1,990,237	3,586,611
Interest cost on benefit obligation	1,211,619	2,995,869	1,148,681	3,017,796
Expected return on plan assets	-	(2,936,888)	-	(1,588,275)
Net actuarial losses / [gains] in the period	352,183	1,369,589	374,231	1,929,549
Past Service Cost	-	-	-	-
Net expenses / [benefits]	<b>3,975,014</b>	<b>5,126,763</b>	3,513,149	6,945,681
<b>G Movement in net liabilities recognised in Balance Sheet :</b>				
Opening net liability	16,040,473	9,784,205	14,500,464	12,609,345
Expenses as above [ P & L Charge ]	3,975,014	5,126,763	3,513,149	6,945,681
Adjustment to Fund	-	-	-	18,813,932
Employer's contribution	(2,164,434)	(9,790,603)	(1,973,140)	(28,584,753)
Liabilities / [Assets] recognised in the Balance Sheet	<b>17,851,053</b>	<b>5,120,365</b>	16,040,473	9,784,205



**BIOCHEM PHARMACEUTICAL INDUSTRIES LIMITED**  
**Notes to the Financial Statements**

**Note: 5-Long Term Provisions-Continued:**

	INR			
	As at March 31			
	2014		2013	
	Pri. Leave	Gratuity	Pri. Leave	Gratuity
<b>H Principal actuarial assumptions as at Balance sheet date:</b>				
Discount rate	9.10%	9.10%	8.10%	8.10%
[The rate of discount is considered based on market yield on Government Bonds having currency and terms consistence with the currency and terms of the post employment benefit obligations]				
Expected rate of return on plan Assets	0.00%	9.15%	0.00%	9.15%
[The expected rate of return assumed by the Insurance company is generally based on their Investment patterns as stipulated by the Government of India ]				
Annual increase in salary cost	6.00%	6.00%	6.00%	6.00%
[The estimates of future salary increases considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market]				
<b>I The categories of plan assets as a % of total plan assets are:</b>				
Insurance plan	0.00%	100.00%	0.00%	100.00%

	INR	
	As at March 31	
	2014	2013

**Note: 6-Short Term borrowings:**

Loans repayable on demand:		
Working Capital Loan [Secured] [*]	18,447,886	
Foreign Currency Loan from Bank [Secured] [**]	-	74,279,867
<b>Total</b>	<b>18,447,886</b>	<b>74,279,867</b>

[\*] Working Capital Loan is secured against first charge by way of hypothecation of entire stocks, book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to HDFC Bank Limited repayable on demand, and carries interest @ base rate plus 2% p.a.

[\*\*] Foreign Currency Loans are export packing credit which is sub limit of the Cash Credit limit availed by the company. It carries interest @ 2.4614 %. The Loan is repayable within 180 days from the date of its origination, viz, February 22, 2013. The Loan is secured against first charge by way of hypothecation of entire stocks & book debts of the Company.

**Note: 7-Trade Payables:**

Micro, Small and Medium Enterprises [*]	7,654,117	4,067,525
Others	309,567,849	377,864,264
<b>Total</b>	<b>317,221,966</b>	<b>381,931,789</b>
[*] Disclosure in respect of Micro, Small and Medium Enterprises:		
A Principal amount remaining unpaid to any supplier as at the year end	7,654,117	3,630,683
B Interest due thereon	131,704	74,891
C Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the year		-
D Amount of interest due and payable for the period of delay in making payment which have been paid but beyond the appointed day during the year but without adding the interest specified under the MSMED	227,440	361,951
E Amount of interest accrued and remaining unpaid at the end of the accounting year	359,144	436,842
F Amount of further interest remaining due and payable in succeeding years	-	-
The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company.		

**Note: 8-Other Current Liabilities:**

Other Payables :		
Bank Book Overdraft	5,528,957	-
Provision for Expenses	61,760,167	57,506,751
Payable to Statutory Authorities	20,558,133	14,094,455
Others	12,294,240	10,784,072
<b>Total</b>	<b>100,141,497</b>	<b>82,385,278</b>

**Note: 9-Short Term Provisions:**

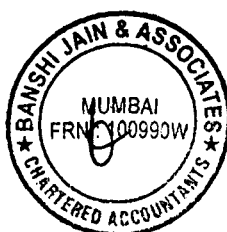
Provision for Employee Benefits	45,757,564	48,244,112
Others:		
Interim Dividend	-	150,000,000
Proposed Dividend	11,250,000	-
Corporate Dividend Tax on Dividend	1,911,938	25,492,500
Provision for claims for product expiry and return of goods [*]	18,301,806	18,788,272
<b>Total</b>	<b>31,463,744</b>	<b>194,280,772</b>
	<b>77,221,308</b>	<b>242,524,884</b>

[\*] Provision for claims for product expiry and return of goods :

A Provision for product expiry claims in respect of products sold during the reporting period is made based on the management's estimates considering the estimated stock lying with retailers. The Company does not expect any reimbursement of such claims in future.

B The movement in such provision is stated as under :

a Carrying amount at the beginning of the year	18,788,272	4,680,179
b Additional provision made during the year	18,301,806	18,788,272
c Amount used	18,788,272	4,680,179
d Carrying amount at the end of the year	18,301,806	18,788,272



**BIOCHEM PHARMACEUTICAL INDUSTRIES LIMITED**  
**Notes to the Financial Statements**

**Note: 10-Fixed Assets:**

INR

**A Tangible Assets:**

	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Total
Gross Block:						
As at March 31, 2012	131,914,976	104,242,597	6,926,206	2,161,006	8,247,797	253,492,582
Additions	-	364,475	45,900	1,522,579	265,796	2,198,750
Disposals/Write off	-	-	-	(1,593,716)	-	(1,593,716)
Other adjustments	-	-	-	-	-	-
As at March 31, 2013	131,914,976	104,607,072	6,972,106	2,089,869	8,513,593	254,097,616
Additions	163,443,836	5,234,218	34,034,573	1,456,773	2,926,249	207,095,648
Disposals/Write off	-	(887,926)	(1,914,964)	(342,757)	-	(3,145,647)
Other adjustments	-	-	-	-	-	-
As at March 31, 2014	295,358,812	108,953,364	39,091,715	3,203,885	11,439,842	458,047,617
Depreciation:						
As at March 31, 2012	28,961,421	40,174,073	3,766,085	1,758,128	5,671,173	80,330,880
Depreciation for the year	10,294,049	9,212,226	574,258	333,263	829,602	21,243,398
Disposals/Write off	-	-	-	(1,574,400)	-	(1,574,400)
As at March 31, 2013	39,255,470	49,386,299	4,340,343	516,991	6,500,775	99,999,878
Depreciation for the year	16,665,558	8,331,534	3,174,977	576,774	917,310	29,666,153
Disposals/Write off	-	(562,674)	(1,517,568)	(282,153)	-	(2,362,395)
Other adjustments	-	-	-	-	-	-
As at March 31, 2014	55,921,028	57,155,160	5,997,752	811,612	7,418,085	127,303,636
Net Block:						
As at March 31, 2013	92,659,506	55,220,773	2,631,763	1,572,878	2,012,819	154,097,739
As at March 31, 2014	239,437,784	51,798,204	33,093,963	2,392,273	4,021,757	330,743,981

**B Intangible Assets:**

	Computer Software	Total
Gross Block:		
As at March 31, 2012	7,865,749	7,865,749
Additions	534,375	534,375
Disposals/Write off	-	-
Other adjustments	-	-
As at March 31, 2013	8,400,124	8,400,124
Additions	-	-
Disposals/Write off	-	-
Other adjustments	-	-
As at March 31, 2014	8,400,124	8,400,124
Amortisation:		
As at March 31, 2012	3,993,553	3,993,553
Amortisation for the year	1,762,628	1,762,628
Disposals/Write off	-	-
As at March 31, 2013	5,756,181	5,756,181
Charge for the year	1,057,577	1,057,577
Disposals/Write off	-	-
As at March 31, 2014	6,813,758	6,813,758
Net Block:		
As at March 31, 2013	2,643,943	2,643,943
As at March 31, 2014	1,586,366	1,586,366

**Note: 11-Deferred Tax:**

**A Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:**

	As at March 31, 2012	Charge for the previous year	As at March 31, 2013	Charge for the current year	As at March 31, 2014
Deferred Tax Liabilities:					
Depreciation	4,244,830	(1,135,143)	3,109,687	3,025,882	6,135,569
Others	-	-	-	-	-
Total	4,244,830	(1,135,143)	3,109,687	3,025,882	6,135,569
Deferred Tax Assets:					
Employee benefits	8,795,778	(436,816)	8,358,962	(1,338,035)	7,020,927
Others	-	305,833	305,833	3,118,253	3,424,086
Total	8,795,778	(130,983)	8,664,795	1,780,218	10,445,013
Net Deferred Tax Liabilities/ (Assets)	(4,550,948)	(1,004,160)	(5,555,108)	1,245,664	(4,309,444)

**B The net Deferred Tax Liabilities of Rs.1,245,664/- [Previous year: reversal of Rs.1,004,160/-] for the year has been provided in the statement of Profit and Loss.**

INR	
As at March 31	
2014	2013
1,801,410	12,202,597
6,199,508	5,227,720
6,501,225	4,009,225
6,550,182	5,830,582
19,250,915	15,067,527
21,052,325	27,270,124

**Note: 12-Long Term Loans and Advances:**

[Unsecured, Considered Good unless otherwise stated]

Security Deposits

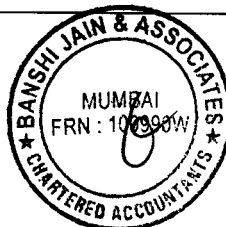
Other Loans and Advances:

Advance payment of Tax [Net of provisions - INR 186,715,720/- (as at March 31, 2013 - INR 205,509,880/-)]

Balances with Statutory/ Government Authorities

Advance recoverable in cash or in kind or for value to be received

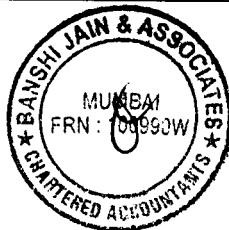
**Total**





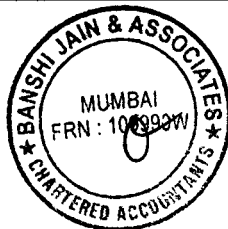
**BIOCHEM PHARMACEUTICAL INDUSTRIES LIMITED**  
Notes to the Financial Statements

	INR	
	As at March 31	
	2014	2013
<b>Note: 13-Inventories:</b>		
[The Inventory is valued at lower of cost and net realisable value as valued and certified by management]		
Classification of Inventories :		
Raw Materials	96,281,879	115,505,380
Work-in-progress	15,859,939	98,772,347
Finished Goods	185,486,380	154,238,578
Stock-in-Trade	44,012,342	24,210,303
Others:		
Packing Materials	34,668,664	26,952,114
<b>Total</b>	<b>376,309,204</b>	<b>419,678,722</b>
Goods in transit included above is as under:		
Raw Materials	-	5,394,454
Finished Goods	20,997,866	23,301,464
Stock- In -Trade	870,541	985,824
Packing Materials	-	1,288,170
<b>Note : 14 - Trade Receivables :</b>		
[Unsecured]		
Outstanding for a period exceeding six months from the date they are due for payment:		
Considered Good	5,637,647	7,169,922
Considered doubtful	9,258,667	-
	14,896,314	7,169,922
Less: Provision for doubtful debts	9,258,667	-
	5,637,647	7,169,922
Others - Considered good	415,014,665	431,128,172
<b>Total</b>	<b>420,652,312</b>	<b>438,298,094</b>
<b>Note: 15-Cash and Bank Balances:</b>		
Balances with Banks [*]	11,935,612	16,737,456
Cash on Hand	165,555	82,103
<b>Total</b>	<b>12,101,167</b>	<b>16,819,559</b>
[*] Includes deposits with original maturity of more than 12 months	4,417,493	1,758,405
<b>Note: 16-Short Term Loans and Advances:</b>		
[Unsecured, Considered Good]		
Security Deposits	21,111,293	7,837,772
Others :		
Balances with Statutory/ Government Authorities	11,776,287	6,216,070
Advances recoverable in cash or in kind or for value to be received	4,207,858	4,917,699
<b>Total</b>	<b>15,984,145</b>	<b>11,133,769</b>
<b>Total</b>	<b>37,095,438</b>	<b>18,971,541</b>
<b>Note: 17-Other Current Assets:</b>		
[Unsecured, Considered good]		
Export Incentive Receivables	794,798	476,083
Prepaid Expenses	2,191,600	1,208,278
<b>Total</b>	<b>2,986,398</b>	<b>1,684,361</b>
<b>Note : 18 - Contingent Liabilities and commitment to the extent not provided for :</b>		
Contingent Liabilities:		
a In respect of guarantees given by Banks and / or counter guarantees given by the Company.	9,182,045	9,781,043
b Other money for which the company is contingent liable :		
i In respect of the demands raised by the Central Excise, State Excise and Service Tax Authorities	378,777,650	223,051,474
ii In respect of the demands raised by the Ministry of Chemicals & Fertilizers, Govt. of India under Drug Price Control Order, 1979/ 1995 for difference in actual price and price of respective bulk drug allowed while fixing the price of certain formulations and disputed by the Company, based on the legal advice the Company does not foresee the crystallization of the liability.	28,933,694	36,294,984
iii In respect of Sales Tax matters pending before appellate authorities/ Court which the Company expects to succeed, based on decisions of Tribunals / Courts.	11,216,478	9,620,189
iv In respect of Income Tax matters pending before Appellate Authorities	1,575,000	1,575,000
v In respect of Provident Fund matters pending before Appellate Authorities	8,341,590	8,341,590
vi In respect of cases pending in Labour Court	4,339,746	3,706,283
<b>Note: 19-Proposed Dividends:</b>		
The Board of Directors, at meeting held on May 12, 2014 recommended the final dividend of Rs.1.50 per equity share of Rs.10/- each		
	INR	
	Year ended March 31	
	2014	2013
<b>Note: 20-Revenue from Operations:</b>		
Sale of products - Gross [*]	2,805,233,955	2,799,082,195



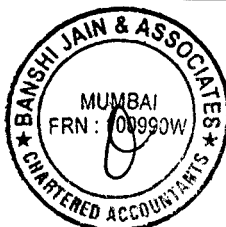
**BIOCHEM PHARMACEUTICAL INDUSTRIES LIMITED**  
**Notes to the Financial Statements**

	INR		
	Year ended March 31		
	2014	2013	2012
<b>Note: 20-Revenue from Operations: Continued:</b>			
[*] Categorywise break up of Gross sales under broad heads:			
Dry Powder Injections	865,026,431	840,302,573	
Tablets and Capsules	1,172,953,955	1,170,094,165	
Liquid Injections	326,461,243	238,609,169	
Dry/ Liquid Syrup/ Drop	345,390,600	238,859,906	
Others	95,401,726	311,216,382	
<b>Total</b>	<b>2,805,233,955</b>	<b>2,799,082,195</b>	
<b>Note: 21-Other Operating Revenues:</b>			
<b>A Details of Other Operating Revenues of the Company are as under :</b>			
a Net Gain on foreign currency transactions and translation	-	1,285,156	
b Miscellaneous Income	13,835,755	4,783,377	
c Total	<b>13,835,755</b>	<b>6,068,533</b>	
<b>Note: 22-Other Income:</b>			
<b>Interest Income [Gross]:</b>			
From Others [Other than long term/ current investment][includes Prior period Interest Income of Rs.2,85,170/- (Previous year Rs.Nil)]	9,017,367	13,055,945	
Net Gain on Assets [ Net of loss of Rs.Nil (Previous year: Rs.Nil)]	-	100,506	
Other Non-operating Income	814,001	693,927	
<b>Total</b>	<b>9,831,368</b>	<b>13,850,378</b>	
<b>Note: 23- Cost of Materials Consumed:</b>			
Raw Materials :			
Stock at commencement	115,505,380	120,202,316	
Add : Purchases	604,379,154	560,260,035	
	<b>719,884,534</b>	<b>680,462,351</b>	
Less : Stock at close	96,281,880	115,505,380	
<b>Total</b>	<b>623,602,654</b>	<b>564,956,971</b>	
Packing Materials Consumed	194,771,320	202,559,870	
<b>Total</b>	<b>818,373,974</b>	<b>767,516,841</b>	
Details of Raw/ Packing Materials consumed:			
a Cefotaxime Sodium I.P./U.S.P. (Sterile)	68,708,074	65,720,586	
b Others	554,894,581	499,236,385	
c Packing Material Consumed	194,771,319	202,559,870	
d Total	<b>818,373,974</b>	<b>767,516,841</b>	
<b>Note: 24- Purchase of Stock-in-Trade:</b>			
Purchase of Stock-in-Trade	941,871,286	832,402,985	
<b>Total</b>	<b>941,871,286</b>	<b>832,402,985</b>	
Details of Purchase of Stock-in-Trade under broad heads:			
a Tablets and Capsules	427,456,026	359,122,313	
b Dry/ Liquid Syrup/ Drop	234,087,391	221,259,756	
c Others	280,327,869	252,020,916	
d Total	<b>941,871,286</b>	<b>832,402,985</b>	
<b>Note: 25- Changes in Inventories:</b>			
Stock at commencement:			
Work-in-progress [*]	98,772,346	57,454,768	
Finished Goods [**]	154,238,578	289,553,979	
Stock-in-Trade [***]	24,210,303	17,265,002	
	<b>277,221,227</b>	<b>364,273,749</b>	
Less Stock at close:			
Work-in-progress [*]	15,859,939	98,772,347	
Finished Goods [**]	185,486,380	154,238,578	
Stock-in-Trade [***]	44,012,342	24,210,303	
	<b>245,358,661</b>	<b>277,221,228</b>	
	<b>31,862,566</b>	<b>87,052,521</b>	
Differential Excise Duty on Opening and Closing stock of Finished Goods	3,425,622	(5,812,666)	
<b>Total</b>	<b>35,288,188</b>	<b>81,239,855</b>	
	INR		
	As at March 31		
	2014	2013	2012
[*] Details of Work-in-Progress under broad heads:			
Dry Powder Injections	9,450,808	42,290,945	28,239,539
Tablets and Capsules	6,305,494	36,110,726	22,741,723
Dry/ Liquid Syrup/ Drop	-	1,117,712	1,211,750
Liquid Injections	103,637	19,252,963	5,261,756
<b>Total</b>	<b>15,859,939</b>	<b>98,772,346</b>	<b>57,454,768</b>



**BIOCHEM PHARMACEUTICAL INDUSTRIES LIMITED**  
**Notes to the Financial Statements**

	INR		
	As at March 31		
	2014	2013	2012
[**] Details of Finished Goods under broad heads:			
Dry Powder Injections	89,841,945	79,437,096	136,034,275
Tablets and Capsules	59,717,508	41,990,735	86,675,662
Dry/ Liquid Syrup/ Drop	6,951,192	7,049,614	13,421,903
Liquid Injections	28,975,735	25,761,133	53,422,139
Total	185,486,380	154,238,578	289,553,979
[***] Details of Stock-in-Trade under broad heads:			
Dry Powder Injections	25,330,412	10,602,263	2,700,457
Tablets and Capsules	17,177,986	12,746,465	13,556,374
Dry/ Liquid Syrup/ Drop	1,503,944	861,575	1,008,171
Total	44,012,342	24,210,303	17,265,002
	INR		
	Year ended March 31		
	2014	2013	
<b>Note: 26-Employee Benefits Expense:</b>			
Salaries and wages		281,814,472	267,044,697
Contribution to provident and other funds		15,429,108	14,101,482
Staff welfare expenses		2,634,616	2,331,134
<b>Total</b>		<b>299,878,196</b>	<b>283,477,313</b>
<b>Note: 27-Finance Cost:</b>			
Interest Expense [*]		37,033,527	44,515,899
Bank commission & charges		1,440,633	1,988,823
Net loss / [gain] on foreign currency transactions and translation		64,942	(106,442)
<b>Total</b>		<b>38,539,102</b>	<b>46,398,280</b>
[*] The break up of interest cost into major heads is given below:			
On Bank Loans		666,457	206,066
Others		36,367,070	44,309,833
		<b>37,033,527</b>	<b>44,515,899</b>
<b>Note: 28- Other Expenses:</b>			
Analytical Expenses		425,621	577,897
Auditors Remuneration [*]		550,000	535,000
Consumption of Stores and spare parts		10,780,286	8,641,596
Power & fuel		19,901,755	15,904,063
Rent		7,364,333	7,960,000
Repairs to Buildings		1,902,804	1,745,103
Repairs to Plant and Machinery		989,906	914,921
Repairs to Others		2,982	15,399
Insurance		3,286,994	4,144,183
Rates and Taxes [excluding taxes on income]		11,297,239	12,949,686
Processing Charges		22,560,942	36,434,183
Traveling Expenses		7,414,949	5,574,589
Legal and Professional Fees [Includes Prior year Expenses :Rs.1,25,000/- (Previous year: Rs.Nil)]		10,584,697	10,352,572
Net Loss on foreign currency transactions and translation		5,335,942	-
Commission on sales		35,645,714	37,444,542
Freight and forwarding on sales		40,863,884	28,611,136
Representative Allowances		116,814,757	91,136,653
Other marketing expenses		62,306,793	40,081,506
Bad Debts			
Bad Debts Written off		1,578,520	-
Provision for Doubtful Debts		9,258,667	-
		10,837,187	-
Less: Transferred from Provision for Doubtful Debts		-	-
		10,837,187	-
Net Loss on Assets		283,393	-
Sundry Assets Written Off		57,705	-
Donations		56,301	6,000
Miscellaneous Expenses		46,750,838	58,305,661
<b>Total</b>		<b>416,015,022</b>	<b>361,334,690</b>
[*] Auditors Remuneration [Excluding Service Tax]:			
I Audit Fees		415,000	400,000
II Tax Audit Fees		135,000	135,000
III Total		550,000	535,000
<b>Note: 29-Calculation of Earnings per Equity Share [EPS]:</b>			
The numerators and denominators used to calculate the basic and diluted EPS are as follows:			
Profit after tax attributable to Shareholders			
A Profit attributable to Shareholders	INR	75,145,348	199,979,134
B Basic and weighted average number of Equity shares outstanding during the year	Numbers	7,500,000	7,500,000
C Nominal value of equity share	INR	10	10
D Basic & Diluted EPS	INR	10.02	26.66



**BIOCHEM PHARMACEUTICAL INDUSTRIES LIMITED**  
**Notes to the Financial Statements**

	INR	
	#REF!	
	2014	2013
<b>Note: 30-Value of Imports calculated on CIF basis:</b>		
Raw materials	51,254,408	141,007,741
Packing Materials	12,102,289	12,225,298
Finished goods	93,530,595	80,630,032

<b>Note: 31-Expenditure in Foreign Currency:</b>		
Others	1,083,620	2,409,511

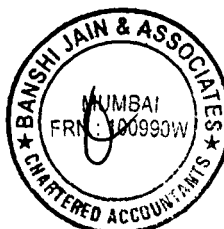
<b>Note: 32-Earnings in Foreign Exchange:</b>		
Export of goods calculated on F.O.B. basis	107,580,571	132,855,911

	Year ended March 31.			
	2014		2013	
	INR	% to Total	INR	% to Total
<b>Value of Raw Materials Consumed:</b>				
Imported	71,574,660	11	155,239,111	27
Indigenous	552,027,994	89	409,717,860	73
<b>Total</b>	<b>623,602,654</b>	<b>100</b>	<b>564,956,971</b>	<b>100</b>

	Year ended March 31.			
	2014		2013	
	INR	% to Total	INR	% to Total
<b>Value of Stores &amp; Spare Parts Consumed:</b>				
Imported	-	-	-	-
Indigenous	10,780,286	100	8,641,596	100
<b>Total</b>	<b>10,780,286</b>	<b>100</b>	<b>8,641,596</b>	<b>100</b>

	Currency	As at March 31	
		2014	2013
<b>Note: 35--Particulars of Foreign Currency Exposure:</b>			
Receivables, Bank Balances and Advances to Suppliers	USD	494,152	415,392
	EUR	23,279	32,595
Payables including borrowings	USD	112,232	2,188,762
	EUR	-	17,756

<b>Note: 36-Related Party Transactions:</b>	
<b>A Name of the Related Party and Nature of the Related Party Relationship :</b>	
<b>a Holding Company :</b>	Cadila Healthcare Limited
<b>b Fellow Subsidiary Companies:</b>	<p>Nesher Pharmaceuticals (USA) LLC [USA]                      Zydus Healthcare (USA) LLC [USA]                      Zydus Noveltech Inc. [USA]                      Zydus Healthcare S.A. (Pty) Ltd [South Africa]                      Simayla Pharmaceuticals (Pty) Ltd [South Africa]                      Script Management Services (Pty) Ltd [South Africa]                      Zydus Nikkho Farmaceutica Ltd.                      Zydus Pharmaceuticals Mexico SA De CV [Mexico]                      Zydus Pharmaceuticals Mexico Services Company SA De CV[Mexico]                      ZAHL B.V. [the Netherlands]                      ZAHL Europe B.V. [the Netherlands]                      Bremer Pharma GmbH [Germany]                      Zydus Lanka (Private) Limited [Sri Lanka]                      Zydus Healthcare Philippines Inc [ Philippines]                      Hercon Pharmaceuticals LLC</p>
<b>c Directors and their relatives:</b>	<p>Mr. Ganesh Narayan Nayak Director                      Mr. Nitin Dalsukhray Parekh Director                      Mr. Savyasachi Sengupta Director                      Mr. O. P. Singh Director Operations (w.e.f. 19-Feb-2014)                      Mr. T.S. Parmar Director Operations (upto 31-Jul-2013)                      Mr. Mayank Jashwantal Shah Non-Executive Director                      Mr. Jashwantal Shantilal Shah Relative of Director                      Mr. Shreyans Jashwantal Shah Relative of Director                      Mrs. Shruti Mayank Shah Relative of Director                      Mrs. Mangalaben Jashwantal Shah Relative of Director</p>
<b>d Enterprises significantly influenced by Directors and / or their relatives:</b>	<p>Prabti Trading Pvt. Ltd.[Formerly known as Biochem Pharmaceuticals Private Limited ]                      Toyochem Pharma [Bombay] Private Limited                      Gajendra Investments Limited (Proprietorship of W. B. Distributors)                      M/s. Bharat Pharmaceuticals                      M/s. Toyochem Laboratories                      M/s. V. Pech &amp; Co.</p>



**BIOCHEM PHARMACEUTICAL INDUSTRIES LIMITED**  
**Notes to the Financial Statements**

**B Transactions with Related Parties:**

The following transactions were carried out with the related parties in the ordinary course of business :

a Details relating to parties referred to in items 36- A (a, b, c & d ):

Nature of Transactions	Value of the Transactions (INR)				Enterprises significantly influenced by Directors and/ or their relatives	
	Holding Company / Fellow Subsidiary Companies		Directors		2014	2013
	2014	2013	Year ended March 31,			
	2014	2013	2014	2013		
<b>Services Rendered:</b>						
Cadila Healthcare Limited	9,540,818	1,200,122				
Total	9,540,818	1,200,122	-	-	-	-
<b>Purchases:</b>						
<b>Goods :</b>						
Cadila Healthcare Limited	3,289,874	150,964				
Zydus Wellness Limited	595,856	-				
Total	3,885,730	150,964				
<b>Services :</b>						
Mr. Mayank J. Shah			2,025,000	2,180,000		
Mr. Shreyans J. Shah					1,800,000	1,830,000
Pratiti Trading Pvt. Ltd. [Formerly known as Biochem Pharmaceuticals Private Limited ]					2,140,000	2,540,000
Toyochem Pharma [Bombay] Pvt. Ltd.					450,000	600,000
M/s. V. Pech & Co.					289,333	-
M/s. Toyochem Laboratories					225,000	300,000
Total	-	-	2,025,000	2,180,000	4,904,333	5,270,000
<b>C &amp; F/ CSA Commission paid:</b>						
M/s. V. Pech & Co.					-	2,025,953
M/s. Bharat Pharmaceuticals					-	1,693,753
Gajendra Investments Limited. [W.B.Distributors]					4,909,360	6,003,280
Total	-	-	-	-	4,909,360	9,722,986
<b>Fixed Assets (Purchase):</b>						
Cadila Healthcare Limited	589,560	-			-	-
Total	589,560	-	-	-	-	-
<b>Fixed Assets (Sale):</b>						
M/s. Pratiti Trading Private Limited					222,222	-
Total	-	-	-	-	222,222	-
<b>Finance:</b>						
<b>Loans Received :</b>						
Cadila Healthcare Limited	167,500,000	-			-	-
Dialforhealth India Limited	200,000,000	-			-	-
Total	367,500,000	-	-	-	-	-
<b>Loans Repaid :</b>						
Mr. Jashwantal S. Shah					-	208,765,478
Mr. Mayank J. Shah				143,612,870	-	-
Mr. Shreyans J. Shah					-	48,963,410
Mrs. Mangalaben J. Shah					-	83,012,275
Mrs. Shruti M. Shah					-	1,880,972
Pratiti Trading Private Limited. [Formerly known as Biochem Pharmaceuticals Private Limited ]					-	4,380,221
Cadila Healthcare Limited	37,500,000	-			-	-
Toyochem Pharma [Bombay] Private Limited					-	1,970,198
Total	37,500,000	-	-	143,612,870	-	348,972,554
<b>Interest paid/ payable on Loan :</b>						
Cadila Healthcare Limited	11,720,342	-			-	-
Dialforhealth India Limited	17,511,233	-			-	-
Mr. Jashwantal S. Shah					-	25,544,990
Mr. Mayank J. Shah				17,210,475	-	-
Mr. Shreyans J. Shah					-	5,763,458
Mrs. Mangalaben J. Shah					-	10,303,078
Mrs. Shruti M. Shah					-	239,973
Pratiti Trading Private Limited. [Formerly known as Biochem Pharmaceuticals Private Limited ]					-	521,858
Toyochem Pharma [Bombay] Private Limited					-	244,591
Total	29,231,575	-	-	17,210,475	-	42,617,947
<b>Outstanding :</b>						
<b>Loan Payable :</b>						
Cadila Healthcare Limited	130,000,000	-			-	-
Dialforhealth India Limited	200,000,000	-			-	-
Total	330,000,000	-	-	-	-	-

**Note: 37** Trade receivables and Trade payables are subject to confirmation and reconciliation if any.

**Note: 38** Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classifications/ disclosure.

**Signatures to Significant Accounting Policies and Notes 1 to 38 to the Financial Statements**

As per our report of even date  
For Banshi Jain & Associates  
Chartered Accountants  
Firm Registration No. 100990W

*(Signature)*  
Anil B. Golecha  
Partner  
Membership Number: 117617  
Mumbai, Dated: May 12, 2014

*(Signature)*  
Kirit B. Shah  
Financial Controller

*(Signature)*  
Swati Gadgil  
Company Secretary

*(Signature)*  
Ganesh Nayak  
Chairman  
*(Signature)*  
O. Singh  
Director Operations

