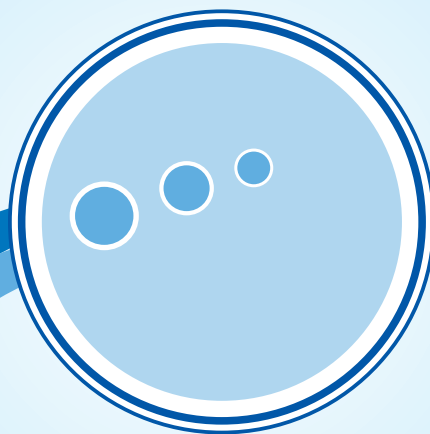
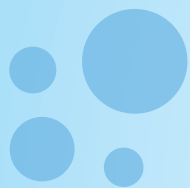


29th Annual Report
2012-2013



*Care,
Concern
and Cure...*



PARENTERAL DRUGS (INDIA) LIMITED

CONTENT

Company Information	02
Notice of Annual General Meeting	03
Directors' Report	06
Management Discussion and Analysis Report	12
Report on Corporate Governance	15
Auditors' Certificate on Corporate Governance	28
Certificate from Managing Director	29
Independent Auditors' Report	30
Balance Sheet	34
Profit and Loss Statement	35
Cash Flow Statement	36
Notes to Financial Statement	37
Statement of Subsidiary Companies	53
Independent Auditors' Report on Consolidated Financial Statement	55
Consolidated Balance Sheet	56
Consolidated Profit & Loss Statement	57
Consolidated Cash Flow Statement	58
Notes to Consolidated Financial Statement	59
Attendance Slip & Proxy Form	75

Company Information

Board of Directors

Executive Directors

- **Mr. Manoharlal Gupta**
Chairman
- **Mr. Vinod Kumar Gupta**
Managing Director
- **Mr. Govind Das Garg**
Whole-Time Director
- **Mr. Anil Mittal**
Whole-Time Director & Chief Executive

Non-Executive Directors

- **Mr. Satish Chandra Consul**
Independent Director
- **Mr. Dharam Pal Khanna**
Independent Director
- **Mr. Dilip Kumar Panchaity**
Independent Director
- **Mr. Dilip Kumar Sinha**
Independent Director
- **Mr. Yogesh Khakre**
Company Secretary & Compliance Officer

Registered Office

340, Laxmi Plaza, Laxmi Industrial Estate,
New Link Road, Andheri (West),
Mumbai-400 053 (Maharashtra)
e-mail: pdpl@pdindia.com
website: www.pdindia.com

Corporate Office & Investors Grievances Centre

Shree Ganesh Chambers,
Navlakha Crossing, A. B. Road,
Indore-452 001 (Madhya Pradesh)
e-mail: investor@pdindia.com

Auditors

M/s. T.N.Unni & Co.
Chartered Accountants,
402, Alankar Point, Geeta Bhawan Square,
Indore-452 001 (M.P.)

Bankers

State Bank of India
Punjab National Bank

Registrar And Share Transfer Agent

Link Intime India Private Limited
C-13, Kantilal Maganlal Estate,
Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai - 400 078
Tel No: 022 - 25946970
Fax No: 022 - 25946969
e-mail : rnt.helpdesk@linkintime.co.in

Manufacturing Locations

- **Madhya Pradesh**
Village Asrawad,
Post Dudhia, Nemawar Road,
Indore- 452 016
- **Himachal Pradesh**
Village Bhud,
Tehsil Nalagarh,
Dist. Solan- 173 205

N O T I C E

NOTICE is hereby given that the 29th Annual General Meeting of the members of Parenteral Drugs (India) Limited will be held on Monday, the 30th day of September, 2013, at 9.30 a.m. at The Classique Club, Behind Infinity Mall, Link Road, Oshiwara, Andheri (West), Mumbai- 400 053, Maharashtra to transact the following business:-

ORDINARY BUSINESS

1. To consider, approve and adopt the Balance Sheet of the Company as on 31st March, 2013, and the Profit and Loss Account for the year ended on that date and the reports of the Directors' and the Statutory Auditors' thereon.
2. To re-appoint Mr. Anil Mittal, a director of the Company, who retires by rotation and being eligible offers himself for re-appointment.
3. To re-appoint Mr. Dharam Pal Khanna, a director of the Company, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint the Statutory Auditors of the Company and to fix their remuneration. The retiring Auditors of the Company M/s. T.N. Unni & Co., Chartered Accountants, Indore, are eligible for re-appointment.

SPECIAL BUSINESS

ITEM NO.5

AUTHORITY TO THE BOARD TO CREATE CHARGE OVER THE ASSETS OF THE COMPANY

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

"RESOLVED THAT in terms of provisions of Section 293(1)(a) of the Companies Act, 1956 approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to create such mortgages and charges in addition to the existing mortgages and charges already created or to be created by the Company, as the Board may decide, on the assets of the Company, whether movable or immovable, both present and future, in favour of State Bank of India and Punjab National Bank, the Bankers of the Company to secure various financial facilities extended by them to the Company to the tune of Rs. 451.93 crore (Rupees Four Hundred Fifty One Crore and Ninety Three Lac);

RESOLVED FURTHER THAT all monies already borrowed within the aforesaid limit and charges already created and satisfied and other steps taken in respect of the financial facilities availed by the Company during the financial year from the above Bankers and also from any other bank or financial institution and the documents executed by the Board of Directors of the Company in respect of the said financial facilities be and are hereby ratified and confirmed."

ITEM NO.6

APPOINTMENT OF SHRI MANOHARLAL GUPTA AS CHAIRMAN OF THE COMPANY

To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT approval of shareholders of the Company as required under Section 269, 198 and 309 read with provisions of Schedule XIII to the Companies Act, 1956, be and is hereby accorded for appointment of Shri Manoharlal Gupta as Chairman of the Company for a period of five years w.e.f. 1st January, 2014 on a consolidated monthly remuneration of Rs.2,00,000/- and contribution to Provident and Gratuity Fund as may be applicable."

ITEM NO.7

APPOINTMENT OF SHRIVINOD KUMAR GUPTA AS MANAGING DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT approval of shareholders of the Company as required under Section 269, 198 and 309 read with provisions of Schedule XIII to the Companies Act, 1956, be and is hereby accorded for appointment of Shri Vinod Kumar Gupta as Managing Director of the Company for a period of five years w.e.f. 1st January, 2014 on a consolidated monthly remuneration of Rs.2,00,000/- and contribution to Provident and Gratuity Fund as may be applicable."

Indore

Date: 13th August, 2013

BY ORDER OF THE BOARD

Vinod Kumar Gupta
Managing Director

NOTES

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Businesses at serial No. 5 to 7 to be transacted at the Annual General Meeting are annexed hereto and forming part of the notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of proxy, in order to be valid, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting.
3. Members holding shares in physical form are requested to forward all applications for transfers and all other shares-related correspondence (including intimation for change of address) to the Registrar and Share Transfer Agent of the Company M/s. Link Intime India Private Limited, C-13, Kantilal Maganlal Estate, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400 078.
4. The members are requested to:
 - a) Intimate to the Registrar/ Company, changes if any in their registered address at an early date along with the PIN code.
 - b) Please Quote Registered folio/client ID and DP ID in all their correspondence.
5. Members holding shares in dematerialized form (electronic form) are requested to intimate any change in their address, bank mandate etc., directly to their respective depository participants.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 27th September, 2013 to Monday, 30th September, 2013 (both days inclusive) for the purpose of annual general meeting.
7. Corporate members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.
8. Shareholders seeking any information or having queries with regard to accounts and operations of the company are requested to write to the Company at an early date to enable the company to keep the information ready.
9. A member who has not claimed his/her dividend for the years 2006-07 to 2009-10 is requested to write to the Registrar and Share Transfer Agent to claim his dividend. Any dividend remaining unpaid for a period of 7 years from the date of its transfer to separate bank account is required to be transferred to Investor Education and Protection Fund.
10. A member may avail the facility of nomination by nominating in the prescribed "Nomination Form", a person to whom his/her shares in the Company shall vest in the event of his/her death.

EXPLANATORY STATEMENTS:

The following explanatory statements set out all material facts relating to the business mentioned under Item No. 5 to 7 in terms of provisions of Section 173 (2) of the Companies Act, 1956:

Item No.5

The Bankers of the Company, State Bank of India and Punjab National Bank (hereinafter collectively referred to as 'the Bankers of the Company') have sanctioned various financial facilities to the Company during the year to the tune of Rs.451.93 crore (Rupees Four hundred fifty one crore and ninety three lacs) to meet various financial requirements of the Company for its business purposes, in respect of which necessary security and charge documents have already been executed in favor of the lenders.

In terms of provisions of Section 293(1)(a) of the Companies Act, 1956, approval of the members of the Company is sought to ratify the security so created and/or to be created by the Company in future in favour of the Bankers of the Company, by way of passing the proposed resolution as an ordinary resolution. The Board recommends passing of the resolution. None of the Directors of the Company is interested in the resolution.

Item No. 6

Shri Manoharlal Gupta is aged 59 years and a promoter director of the Company and has been managing the affairs of the Company from the very beginning and has been instrumental in bringing the Company to this stage.

He has almost 35 years of working experience in pharmaceutical industry and has wide experience in various business activities and was appointed as Chairman Cum Managing Director on 30th September, 2008 for a period of five years starting from 1st January, 2009 and his tenure as Chairman Cum Managing Director is coming to an end on 31st December, 2013.

In terms of provisions of Sections 198, 269, 309 read with the provisions of Schedule XIII to the Companies Act, 1956, approval of the members of the Company is required for his appointment as Chairman of the Company for a period of five years by way of passing the proposed resolution as an Ordinary Resolution.

Shri Manoharlal Gupta for himself, Shri Vinod Kumar Gupta and Shri Govind Das Garg may be deemed interested in the resolution.

This explanatory statement is and should be considered as explanatory note under Section 302 of the Companies Act, 1956. The Board recommends passing of the resolution.

Item No. 7

Shri Vinod Kumar Gupta is aged 63 years and a promoter Director of the Company and has been managing the affairs of the Company from the very beginning and has been instrumental in bringing the Company to this stage. Shri Vinod Kumar Gupta holds almost 41 years of working experience of various business activities including experience in pharmaceutical industry.

Shri Vinod Kumar Gupta was appointed as Managing Director on 30th September, 2008 for a period of five years starting from 1st January, 2009 and his tenure as Managing Director is coming to an end on 31st December, 2013.

In terms of provisions of Sections 198, 269, 309 read with the provisions of Schedule XIII to the Companies Act, 1956, approval of the members of the Company is required for his appointment as Managing Director of the Company for a period of five years by way of passing the proposed resolution as an Ordinary Resolution.

Shri Vinod Kumar Gupta for himself, Shri Manoharlal Gupta and Shri Govind Das Garg may be deemed interested in the resolution.

This explanatory statement is and should be considered as explanatory note under Section 302 of the Companies Act, 1956. The Board recommends passing of the resolution.

Indore**Date: 13th August, 2013****BY ORDER OF THE BOARD****Vinod Kumar Gupta
Managing Director**

DIRECTORS' REPORT

To

The Members

M/s. Parenteral Drugs (India) Limited

The Directors of your Company have pleasure in presenting their 29th Annual Report on the performance of the Company for the year ended 31st March, 2013:

FINANCIAL RESULTS

A summarized statement of the financial results of the current year and that of the previous year is given below:

(Rs. in Lacs)

Particulars	Standalone		Consolidated	
	F.Y. 12-13	F.Y. 11-12	F.Y. 12-13	F.Y. 11-12
Sales and Other Income	18735.29	22283.73	32767.23	33294.91
Profit/(Loss) before Interest, Depreciation & Tax	(2213.71)	883.27	(1377.43)	1435.47
Less:				
Interest and Financial outlay	4222.44	3919.01	5584.68	4840.64
Depreciation	1733.84	1284.43	2299.58	1446.78
Provision for Taxation	-	-	18.42	25.85
Deferred tax Liability	349.54	461.43	1500.48	458.51
Tax adjustment for previous year	-	-	3.14	-
Net Profit/(Loss) after Tax	(8519.53)	(4781.59)	(10783.73)	(5336.31)
Balance brought forward from previous year	1034.12	5815.72	415.91	5753.73
Surplus/(Deficit)	(7485.41)	1034.12	(10367.82)	417.42
Appropriation:				
Transferred to General Reserve	-	-	-	-
Proposed Dividend	-	-	-	-
Tax on Distributed Profit	-	-	-	-
Minority Interest	-	-	-	1.51
Balance carried to Balance Sheet	(7485.41)	1034.12	(10367.82)	415.91
Earning per share (EPS of Face Value of Rs. 10/-)	(32.94)	(18.49)	(41.69)	(20.64)

PERFORMANCE REVIEW

The consolidated turnover for the year under review was Rs.327.67 crores as compared to Rs.332.95 crores in the previous year. The turnover on standalone basis stood Rs.187.35 crores as against Rs.222.84 crores in the previous year.

On consolidated basis, the Company recorded a loss before interest and depreciation of Rs.13.77 crores during the year as against profit of Rs.14.35 crores in the previous year and recorded a loss before tax of Rs.92.62 crores during the year as against the loss of Rs.48.52 crores during the previous year.

On standalone basis, the Company recorded a loss before interest and depreciation of Rs.22.13 crores during the year as against profit before interest and depreciation Rs.8.83 crores in the previous year and recorded a loss before tax of Rs.81.69 crores during the year as against a loss of Rs.43.20 crores during the previous year. The loss is on account of short realization on sales, as the Company had to compromise on its realization by extending extra heavy discounts to the customers to sustain in the severe adverse liquidity crisis conditions.

A review of the performance during the year is given under the section Management Discussion and Analysis Report which forms part of this Annual Report.

DIVIDEND

Due to continued adverse market conditions, the Board does not wish to recommend any dividend for the year under review.

CORPORATE DEBT RESTRUCTURING

Due to several adversities, the Corporate Debt Restructuring Cell, Mumbai, on the recommendation of the Bankers of the Company, vide its letter dated November 08, 2012 has approved debt restructuring package and the same has been successfully implemented with the above step, the operations of the Company are expected to turn around from this year.

SUBSIDIARY COMPANIES

As on the date of the report, the Company has ten (10) subsidiaries viz:

(1) M/s. Goa Formulations Limited, (2) M/s. Punjab Formulations Limited, (3) M/s. Parentech Healthcare Limited, (4) M/s. Parenteral Surgicals Limited, (5) M/s. Parenteral Biotech Limited, (6) M/s. Parenteral Impex Limited, (7) M/s. Abhay Drugs Limited, (8) M/s. Anjaney Pharmaceuticals Limited, (9) M/s. Mascareignes Pharmaceutical Manufacturing Company Limited; and (10) M/s. Parenteral Drugs Kazakhstan.

All the subsidiary companies are non-material and non-listed subsidiary companies as defined under Clause 49 of the Listing Agreement. A statement under section 212 of the Companies Act, 1956 is attached and forming part of the report of the Board of Directors of the Company.

DIRECTORS

Mr. Anil Mittal and Mr. Dharam Pal Khanna, Directors of the Company are retiring by rotation at the forthcoming annual general meeting and as they are eligible for re-appointment the Board recommends their re-appointment.

As required under the Listing Agreement, particulars of the directors seeking re-appointment at the ensuing Annual General Meeting have been given under the report of the Corporate Governance.

REPORT ON CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the standards set out by SEBI and has implemented several best corporate governance practices as generally prevalent. A report on corporate governance as required under Clause 49 of the Listing Agreement forms part of the annual report. The requisite certificate from a Practicing Company Secretary confirming compliance with the conditions of the corporate governance as stipulated under the aforesaid Clause 49 is attached to this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed review of operations, performance and future outlook of the Company and its business is given in the Management's Discussion and Analysis, which forms part of this Report.

COMPLIANCE OFFICER

Mr. Yogesh Khakre, an Associate Member of the Institute of Company Secretaries of India has been appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 01.04.2013.

AUDITORS

M/s. T.N. Unni & Co., Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing annual general meeting and are recommended for re-appointment. A Certificate from the Statutory Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956 and that they are not disqualified from reappointment within the meaning of section 226 of the said Act.

AUDITORS' REPORT

The report of the Statutory Auditors do not bear any qualification and the same is self explanatory and do not call for any further comments from the Board.

COST AUDIT

M/s. A. Goyal & Co., Cost Accountants, Jaipur have been appointed as Cost Auditors of the Company. The Cost Auditors have furnished a certificate to the Company to the effect that their appointment shall be within the limits prescribed under section 224(1)(b) and they are not disqualified from re-appointment within the meaning of section 226 of the Companies Act, 1956.

The Report of the Cost Auditors for the year under review would be filed with the Central Government in due course of time.

SAFETY, HEALTH AND ENVIRONMENT

The Company's products and processes are developed in accordance with strictly defined rules to ensure safety and health of workers as well as the environment.

HUMAN RESOURCE

The company believes in the concept of human empowerment. It firmly believes that human resource is the most important assets of the organization and the same can be appreciably seen in the growth of the company in spite of all odds. During the year, the company continued its efforts aimed at improving the human resource policies and processes to enhance its performance. During the year under review, the industrial relations continue to be cordial.

INSURANCE

All the assets of the company including buildings, machineries, fixtures and other fixed assets, stocks, raw-materials, work in progress, finished goods etc. have been adequately insured.

FIXED DEPOSIT

The Company has not accepted deposits from public. No amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

UNCLAIMED DIVIDEND

The amount transferred by the Company to the separate bank accounts towards payment to the shareholders is lying unclaimed in some cases. The shareholders, who have not claimed their dividend up till now, are requested to immediately approach the Registrar and Share Transfer Agent of the Company for claiming their dividend.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO AND RESEARCH & DEVELOPEMENT

Particulars pertaining to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo and Research & Development as prescribed under 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 given in the annexure and the same is forming part of this report.

PARTICULARS OF EMPLOYEES

During the year under review, none of the employees of the Company was in receipt of remuneration requiring disclosure under section 217(2A) of the Companies Act, 1956.

LISTING

The equity shares of the Company continue to be listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The annual listing fee for the year 2013-2014 has been paid to the Exchange(s).

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- i) In the preparation of annual accounts for the year ended 31st March, 2013, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have in selection of the accounting policies, consulted with the statutory auditors and applied these policies consistently, making 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 on 31st March, 2013 and of the profit of the Company for the financial year ended 31st March, 2013;
- iii) The Directors have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts for the financial year ended 31st March, 2013 on a going concern basis.

ACKNOWLEDGEMENTS

The Directors would like to place on record their appreciation for the assistance and co-operation received from Bankers and Government Authorities during the year. The Directors also wish to place on record their deep sense of appreciation for the committed services of executives, staff and workers of the Company.

Indore

Date: 13th August, 2013

FOR AND ON BEHALF OF THE BOARD

Manoharlal Gupta

Chairman