

CHAIRMAN'S MESSAGE

Dear Shareowners,

“The secret of success is consistency of purpose”

- Benjamin Disraeli

I am pleased to report that your Company continues to achieve new milestones in its journey towards growth and excellence. The Company ended the year 2009-10 by successfully achieving a total income of ₹ 1069.40 crores and a net profit after tax [PAT] of ₹ 86.18 crores, indeed a remarkable phenomenon in its own capacity.

Over the period of time, we have gained the expertise, acquired the know how and have installed state-of-art facilities to enhance our horizon of activities. For the forthcoming years, our focus is to achieve *“Growth... level next”*

Ankur today is in the forefront of Contract Manufacturing for various dosage of pharmaceuticals formulations and is also manufacturing for leading national and multinational pharma companies. The newly setup world class production facilities at Baddi have been recognised and accredited by the pharma fraternity. During the year, the operations have been further consolidated. We have continued to work towards increasing the productivity and efficiency and to build and improve our exposure both domestically and internationally.

As against our initial estimation, the rate of growth of GDP has fared well at approximately 7.4% for the year 2009-2010. Even for the current year of 2010-2011, with the monsoon fairing well in most parts of India and the fear of hyper inflation no longer intimidating, the GDP growth can be expected in the range of about 8 to 8.5%.

Your Company has effectively incurred capex worth more than ₹ 700 Crores in the last five years. Our vision and mission of *Growth... level next* envisages enhanced utilisation of installed capacities. Your Company after setting up state-of-art manufacturing facilities at Baddi is poised to commence supplies to the Regulated Markets and Direct Exports thereby expecting to boost the top and bottom line growth variables.

Before I conclude, I would like to assure our stakeholders of our steady and resolute commitment to create value for them.

We at Ankur, value the confidence that our stake holders have reposed in us and earnestly look forward to your continued support and encouragement in the journey of *Growth... level next*.

I also take this opportunity to thank the Board for their invaluable guidance and support and the employees of Ankur for their undaunted commitment, incredible dedication and valuable contribution.

Warm regards,

Purnandu Jain

Chairman and Managing Director

September 01, 2010

Board of Directors

Mr. Purnandu Jain
Chairman and Managing Director

Mr. Girraj Vijayvargiya
Wholetime Executive Director

Mr. Dileep Shinde
Non Executive Director - Independent

Dr. Clifton Zimmermann
Non Executive Director - Independent

Company Secretary

Mr. S. C. Rane

Auditors

M. G. Vashi & Co.
Chartered Accountants

Working Capital Bankers

Axis Bank Limited
Barclays Bank PLC
Cental Bank of India
Corporation Bank
ICICI Bank Limited
IDBI Bank Limited
Indian Overseas Bank
Punjab National Bank
Punjab and Sind Bank
State Bank of India
State Bank of Patiala
Syndicate Bank
Union Bank of India

Registrar & Share Transfer Agent

Ajel Infotech Limited
Unit : Ankur Drugs and Pharma Limited
106, Oshiwara Link Plaza Commercial Complex,
2nd Floor, New Link Road, Oshiwara,
Jogeshwari [West], Mumbai - 400 102.
Tel : +91-22-26303348, 26303342
Fax : +91-22-26349264
Email : choksh@vsnl.com
Website : www.ajel.in

Registered Office

20th Floor, Lotus Business Park,
Off. Andheri Link Road,
Andheri [West], Mumbai - 400 053.
Tel : +91-22-40682300
Fax : +91-22-40682323
Email : srane@ankurdrugs.com
Website : www.ankurdrugs.com

Manufacturing Units

Himachal Unit I

Village Manakpur, P.O. Lodhimajra,
Taluka - Nalagarh - 174 101
District : Solan, Himachal Pradesh

Himachal Unit II

Village Makhnu Majra,
Taluka - Baddi - 173 205
District : Solan, Himachal Pradesh

Daman Unit

Plot No. 3 & 4, Survey No. 168,
Dabhel Industrial Co-operative Society Ltd.,
Village Dabhel - 396 210
Nani Daman, Daman

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SIXTEENTH ANNUAL GENERAL MEETING

Day : Thursday :: Date : September 30, 2010 :: Time : 11.30 a.m.

Venue : Garden Court, Veera Desai Road, Andheri [West], Mumbai - 400 053.

NOTICE TO MEMBERS

NOTICE is hereby given that the **Sixteenth** Annual General Meeting of the Members of **ANKUR DRUGS AND PHARMA LIMITED** will be held on Thursday, September 30, 2010 at Garden Court, Veera Desai Road, Andheri [West], Mumbai 400 053, at 11.30 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010 and the Profit & Loss Account of the Company for the year ended on that date along with the Reports of Directors and Auditors thereon.
2. To declare Dividend on the Equity Shares for the Financial Year 2009-10.
3. To appoint a Director in place of Dr. Clifton Zimmermann, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint the Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 224 and all other applicable provisions, if any, of the Companies Act, 1956, M. G. Vashi & Co., Chartered Accountants, having Firm Registration No. 128577W registered with ICAI, retiring Auditors, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors, in addition to re-imbursalment of service tax and out-of-pocket expenses incurred by them for carrying out the Audit.”

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification[s], the following resolution as an Ordinary Resolution :

“RESOLVED THAT the Consent of the Company be and is hereby accorded to the Board of Directors pursuant to Section 293[1][d] of the Companies Act, 1956 to borrow monies from time to time, either by way of rupee loans or by way of foreign currency loans or by way of issue of debentures or by issue of any other instruments and either from Company's Bankers or from any other Bank/Financial Institution or from any other Lending Institution or Bodies Corporate or other persons, on such terms and conditions and covenants stipulated and as may be considered appropriate by the Board of Directors, not exceeding in the aggregate at any point of time ₹ 1250 crores [Rupees One Thousand Two Hundred Fifty Crores] notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company [apart from temporary loans obtained from the Company's Bankers in the ordinary course of business] exceeds the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the resolution, the Board of Directors of the Company be and is hereby authorized to finalize and execute all documents/deeds/agreements etc. as may be required, to take all necessary steps and to do all acts, matters and things, as it may in its absolute discretion deem necessary, expedient, proper and desirable.”

Registered Office :
20th Floor, Lotus Business Park,
Off. Andheri Link Road,
Andheri [West], Mumbai - 400 053.

For Ankur Drugs and Pharma Ltd
By Order of the Board of Directors

Date : September 01, 2010

S. C. Rane
Company Secretary

NOTES :

1. The Relative Explanatory Statements pursuant to Section 173[2] of the Companies Act, 1956, in respect of the business under Item No. 5 set out above and the relevant details in respect of Item No. 3 as set out above pursuant to Clause 49 of the Listing Agreement with the Stock Exchange(s) are annexed below.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED AND SIGNED NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.**
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, September 23, 2010 to Thursday, September 30, 2010 [both days inclusive] for the purpose of the Annual General Meeting.
4. Members/ Proxies should bring the Attendance Slips duly filled in, for attending the Meeting alongwith the Annual Report.
5. Corporate Members intending to send their authorised representative/s to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative/s to attend and vote at the meeting.
6. Queries on accounts, if any, should reach the Registered Office of the Company at least Seven days prior to the date of the Meeting so that the required information is made available at the Meeting.
7. As members are aware that Equity Shares of the Company are traded in electronic form only. Members who hold shares in physical form may dematerialise the same. ISIN allotted to the Company for this purpose is **INE238D01012**.
8. Shareholders are requested to immediately notify any change in their address or bank mandate to the depository participants with whom they are maintaining their demat account or to the Company's Registrar and Transfer Agents, namely, Ajel Infotech Limited Unit : Ankur Drugs And Pharma Limited, 106, Oshiwara Link Plaza Commercial Complex, 2nd Floor, New Link Road, Oshiwara, Jogeshwari [West], Mumbai 400 102 if shares are held in physical form.
9. Payment of Dividend as recommended by the Board of Directors, if approved at the Meeting, will be made on or after September 30, 2010 to those Members, whose names appear on the Register of Members as on September 22, 2010.
10. Brief resume and other particulars of Dr. Clifton Zimmermann as required under para IV of Clause 49 of the Listing Agreement is annexed to the notice

Registered Office :
20th Floor, Lotus Business Park,
Off. Andheri Link Road,
Andheri [West], Mumbai - 400 053.

Date : September 01, 2010

For Ankur Drugs and Pharma Ltd
By Order of the Board of Directors

S. C. Rane
Company Secretary

ANNEXURE TO NOTICE

As required by section 173[2] of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to business mentioned under Item no 5 of the accompanying notice dated September 1, 2010.

Item No. 5

Section 293[1][d] of the Companies Act, 1956 requires the consent of the shareholders in General Meeting for authorizing the Board of Directors to borrow money from time to time, for the purposes of the Company, where money to be borrowed together with the money already borrowed by the Company [apart from temporary loans/facilities obtained from the Company's Bankers in the ordinary course of Business] will exceed the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes.

The members in the Fourteenth Annual General Meeting of the Company held on September 27, 2008 had authorised the Board of Directors to borrow money up to a sum of ₹ 1000 crores. [Rupees One Thousand Crores]. Keeping in view the capital expenditure requirements and extensive growth plans of the Company, the existing borrowing powers of the Board needs to be enhanced. Therefore approval of the members is sought enabling the Board of Directors to borrow amount up to ₹ 1250 crores [Rupees One Thousand Two Hundred Fifty Crores]

None of the Directors of the Company is in anyway, concerned or interested in the proposed resolution.

Your Directors recommend the resolution for your approval.

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE SIXTEENTH ANNUAL GENERAL MEETING.

[In pursuance of Clause 49 of the Listing Agreement]

Item No. 3

Name of the Director	Dr. Clifton Zimmermann
Date of Birth	July 13, 1950
Date of Appointment	April 28, 2007
Qualification	Doctorate in Pharmacy
Expertise in specific Functional Areas	Pharma Research
Directorship held in other public companies	NIL
Chairmanship / Membership of Committees across other public companies, if any.	NIL
Relationship between Directors inter-se	NIL
Number of Equity Shares held	NIL

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For Ankur Drugs and Pharma Ltd
By Order of the Board of Directors

Date : September 01, 2010

S. C. Rane
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Sixteenth Annual Report on the business and operations together with the Audited Statement Accounts of the Company for the year ended March 31, 2010.

FINANCIAL RESULTS

[₹ in Lacs]

Particulars	For the Year ended March 31, 2010	For the Year ended March 31, 2009
Total Income	1069,39.74	968,25.65
Earnings before Depreciation, Interest and Tax	214,18.21	182,17.65
Less :		
Depreciation	26,63.98	20,66.68
Interest and Finance Charges	80,74.98	54,10.32
Exchange Difference on Foreign Currency Loans	[15,43.06]	26,13.06
Provision for Premium on Redemption of FCCBs	3,43.72	20,93.89
Provision for Diminution in value of Investments / [Write Back of Excess Provision]	[1,21.43]	1,42.06
PROFIT BEFORE TAX :	120,00.02	58,91.64
Less :		
Provision for Current Year Tax	17,05.36	7,40.75
Provision for Deferred Tax	12,01.39	14,39.16
Prior Period Adjustments	4,75.51	[0.91]
PROFIT AFTER TAX :	86,17.76	37,12.64
Surplus brought forward from Previous Year	101,57.38	89,45.30
Amount Available for Appropriation Total	187,75.14	126,57.94
APPROPRIATIONS :		
Proposed Dividend on Equity Shares	4,35.19	4,27.85
Tax on Proposed Corporate Dividend	78.00	72.71
Transfer to General Reserve	50,00.00	20,00.00
Surplus carried over to Next Year	132,61.95	101,57.38
Total	187,75.14	126,57.94

OPERATIONS

The Company concluded the year 2009-10 with an impressive all time high performance. The Company has emerged stronger with higher sales and profitability. Sales / income from operations [Net] increased to an all time high of ₹ 1069,39.74 Lacs compared to ₹ 968,25.65 Lacs in the previous year registering a growth of 10.45%. Earning before depreciation, interest and tax is ₹ 214,18.21 Lacs as compared to ₹ 182,17.65 Lacs in the previous year- an improvement of 17.57% over the previous year. The profit after tax is ₹ 86,17.76 Lacs as compared to profit of ₹ 37,12.64 Lacs in the previous year. The increase in profitability was partially on account of write back of provisions of ₹ 1543.06 Lacs on exchange difference as against provision of ₹ 2613.06 Lacs in corresponding previous year as also on account of higher

provisions for premium on redemption of FCCBs in the previous year. The Earning Per Share [EPS] improved to ₹ 44.56 per Equity Share in the year 2009-2010 as compared to EPS of ₹ 19.94 per Equity Share in the previous year.

The Company has embarked upon Capital Expenditure for the two units in the state of Himachal Pradesh to take benefit of the Industrial Package available in the state. The Industrial Package was culminating on March 31, 2010 but it was expected to be extended for a further period of at least one year. However when no positive signals were available till January 2010 the Company having made substantial investments had to expedite the balance spending before March 31, 2010 to take advantage of the various benefits. Since no term loans were tied up for the same, the Company had to commit internal accruals and also part of the short term funds to complete the Capital Expenditure. In view of the above development, the Company has experienced some liquidity crunch which is expected to be eased in the current year.

DIVIDEND

The Board of Directors are pleased to recommend a dividend of ₹ 2.25 per Equity Share of ₹ 10 each [22.5%] for the year ended March 31, 2010 subject to approval of shareholders in Annual General Meeting. The dividend if approved, at the Annual General Meeting will be tax free in the hands of the shareholders. The payment of dividend will entail a cash outflow of ₹ 513.19 Lacs including dividend distribution tax of ₹ 78.00 Lacs.

RESERVES

The reserves at the end of the year were ₹ 337,94.03 Lacs up from ₹ 243,01.36 Lacs at the beginning of the year.

MACRO ECONOMIC INDUSTRY STRUCTURE AND DEVELOPMENT

The fiscal year 2009-10 began on a difficult note. The growth rate of the gross domestic product (GDP) in 2008-09 was 6.7%. Yet, over the span of the year, the economy posted a remarkable recovery, not only in terms of overall growth figures but, more importantly, in terms of certain fundamentals, which justify optimism for the Indian economy in the medium to long term. The real turnaround came in the second quarter of 2009-10 when the economy grew by 7.9%. Allowing for factors beyond the reach of domestic policymakers, such as the performance of the monsoon and rate of recovery of the global economy, the Indian GDP can be expected to grow around 8.5 [+/- 0.25%] with a full recovery, even breaching the 9% mark in 2011-12.

OVERVIEW

During the year under review, on a quarter to quarter basis we have consolidated our operations by increasing production capacity of all the products that we manufacture. All the three manufacturing units of your Company have become more efficient and as a result of economies of scale, the average cost of production has started decreasing steadily. During the year under review, there has been addition to the Gross Block including Capital Work-in-Progress of ₹ 179,45.89 Lacs. The manufacturing units of your Company in Himachal Pradesh conform to international cGMP standards and comply with all the regulatory requirements. Your Company has been successful to tie-up with five major pharma companies out of which four are pharma MNC's for whom we have started manufacturing high value products on contract basis.

Your Company's top most priority is "safety first" and follows strict environmental norms to establish itself as a leader in its chosen field. Your Company has already reached the productivity level comparable to the best globally.

OUTLOOK

A stringent price control regime exists in developed markets and of late, there has been increased pressure from the US Federal government on Pharmaceutical Companies to bring down their drug prices. Not just that; with several patents expiring in a phased period and generics occupying the place of several patented drugs, large Companies face tremendous pressure on margins. The need to bring down the R&D expenditure is thus being felt acutely in developed markets.

Against this backdrop, more and more companies are outsourcing manufacturing to countries like India, which offer a slew of advantages. Apart from the relatively low development cost and skilled manpower, the easy availability of raw materials at competitive prices makes India attractive. The Indian pharmaceutical sector manufactures more than 400 bulk drugs belonging to several therapeutic segments. Bulk drug production recorded a CAGR of 20% over the last 10 years. On the export front, formulations account for as much as 50% of the total pharmaceutical exports from India. With several players in the fray and fiercely competitive market, it has been possible to produce pharma products in India at lower costs. Additionally, the capabilities are also growing. India has the unique distinction of having maximum number of US FDA approved plants outside US.

Your Company is a known name in the business of contract manufacturing of pharma formulations in various dosage forms. The

manufacturing facilities have now extended the scope of alliance with almost all pharma multinationals operating in India. Our contract manufacturing facility is cGMP Certified and can fulfill all contract manufacturing needs of our trade associates. Your Company is now fully geared to not only meet but also exceed our customers' expectations.

ALLOTMENT OF EQUITY SHARES

During the year under review, the Company has allotted 7,26,199 Equity Shares out of which [a] 4,00,000 Equity Share of ₹ 10 each at a premium of ₹ 165 per Share on May 12, 2009 on account of conversion of 4,00,000 Equity Share Warrants. [b] 3,26,199 Equity Shares of ₹ 10 each on November 13, 2009 on conversion of US \$ 1 million FCCBs [1000 Bonds of US \$ 1000 each] at a rate of ₹ 165 per share out of the balance of US \$ 9 million FCCBs outstanding at the beginning of the year.

During the year out of the total 21,24,400 Equity Share Warrants allotted on September 5, 2007; 17,24,400 Equity Share Warrants were forfeited on May 12, 2009 on account of non-exercise of the right of conversion into Equity Shares, by the Equity Share Warrant holders and consequent non payment of the amount due on conversion by them as per the terms of issue of Equity Share Warrants.

LISTING OF SHARES

Your Company's Equity Shares continue to be listed on The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. The annual listing fee for the year 2010-11 has been duly paid to both the Stock Exchanges.

PUBLIC DEPOSITS

The Company has not accepted deposits from the public within the meaning of section 58A of the Companies Act, 1956 and as such no amount of principal or interest was outstanding on the date of the Balance Sheet.

DIRECTORS

In accordance with the provision of the Companies Act, 1956 and the Company's Articles of Association, Dr. Clifton Zimmermann, retires by rotation at the ensuing Annual General Meeting, and being eligible offers himself for re-appointment. His re-appointment forms part of the Notice of the Annual General Meeting and the resolution is recommended for your approval.

AUDITORS

M/s. M. G. Vashi & Co., Chartered Accountants, Firm Registration No. 128557W Statutory Auditors of the Company who retire at the forth coming Annual General Meeting are eligible for re-appointment and have expressed their willingness to accept office if re-appointed. The Company has received confirmation from them that their re-appointment, if made, would be within the limits prescribed under Section 224[1-B] of the Companies Act, 1956, and that they are not disqualified for such re-appointment within the meaning of section 226 of the said Act. Your directors' recommend their re-appointment.

INDUSTRIAL RELATIONS

The industrial relations continue to be cordial and harmonious at all the three manufacturing units of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report as required under the listing agreement with The Bombay Stock Exchange Limited, Mumbai and The National Stock Exchange of India Limited, Mumbai is annexed as Annexure II forming part of this report.

CORPORATE GOVERNANCE

In terms of corporate governance disclosures as required by Clause 49 of the listing agreement, details are provided in this report as Annexure III. The certificate from the Company's Auditors confirming the compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is also annexed.

CODE OF BUSINESS CONDUCT

As prescribed by the listing guidelines of the Stock Exchanges, the Board has framed a "Code of Conduct" for the Board Members and Senior Management. The said code has been implemented. A declaration by the Chairman and Managing Director affirming compliance with the code of conduct is also annexed.

RELATED PARTY DISCLOSURES

The Company has made disclosures in compliance with the Accounting Standards on related party disclosures as required by Clause 32 of the listing agreement with the Stock Exchanges.

DIRECTORS' RESPONSIBILITY STATEMENT

[As per amended Section 217[2AA] of the Companies Act, 1956]

The Board of Directors of the Company confirms:

1. that in the preparation of Annual Accounts, the applicable Accounting Standards have been followed and there has been no material departure;
2. that they have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and for the Profit and Loss account for that period;
3. that they have taken proper and sufficient care 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; and
4. that the attached Annual Accounts for the year ended March 31, 2010 are prepared on going concern basis.

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

[A] Conservation of Energy and Technology Absorption

Particulars as required under Section 217 [1] [e] of the Companies Act, 1956 read with rule 2 of the Companies [Disclosure of Particulars in the Report of the Board of Directors] Rules, 1988 are given in the Annexure I to this report.

[B] Foreign Exchange Earned and Used

[₹ in Lacs]

Particulars	2009-2010	2008-2009
Earned	1.58	209.89
Used	4682.97	5485.69

PARTICULARS OF EMPLOYEES

[Information as per Section 217 [2A] [b] [II] read with Companies [Particulars of Employee's] Rule, 1975]

Name	Age	Designation	Date of Employment	Remuneration [Incl. P.F. & Other Benefits] ₹ in Lacs	Qualification	Experience	Previous Employment
Mr. Purnandu Jain	46 years	Chairman & MD	Aug. 23, 2003	188.16	B. Com, FCA	20 Years	Self Employed
Mr. Girraj Vijayvargiya	41 Years	Wholetime Executive Director	April 02, 2006	25.92	B. Com, FCA	16 Years	Self Employed
Mr. Asraf Hossain	52 years	President - Technical	April 18, 2007	50.00	M. Pharm.	27 Years	Montajat Vet. Pharma Ltd., Dammam, Saudi Arabia
Mr. Jayesh Trivedi	52 years	Chief Operating Officer	July 4, 2008	48.00	M. Pharm.	31 Years	Ranbaxy Laboratories Limited
Mr. Shantilal Jagetia	55 Years	General Manager - Marketing	April 1, 2008	39.00	B. Com.	31 Years	Self Employed

None of the other employees of the Company are in receipt of remuneration in excess of the limits prescribed under Section 217 [2A] of the Companies Act, 1956 read with Companies [Particulars of Employees] Rules, 1975.

ACKNOWLEDGEMENTS

The Directors take this opportunity to place on record their appreciation for the continued trust and confidence reposed in the Company by the bankers, business associates, regulatory authorities, customers, vendors, shareholders and employees at all levels.

Registered Office :
20th Floor, Lotus Business Park,
Off. Andheri Link Road,
Andheri [West], Mumbai - 400 053.

For and on behalf of the Board of Directors

Date : September 01, 2010

Purnandu Jain
Chairman and Managing Director

ANNEXURE - I FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2010

Information 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 and forming part of the Directors' Report for the year ended March 31, 2010.

A] ENERGY CONSERVATION MEASURES TAKEN :

I] Power and Fuel Consumption	Unit	2009-2010	2008-2009
a] <u>Electricity</u>			
Consumed	KWH	14179221	11638575
Total Amount	₹	6,59,21,336	4,76,71,525
Average rate per unit	₹/KWH	4.65	4.10
b] <u>L.D.O. / Diesel</u>			
Consumed	Ltrs	1659543	1390667
Total Amount	₹	5,44,33,010	4,28,12,279
Average rate per unit	₹/Ltr.	32.80	30.79

II] Consumption per unit of Production

Since the Company manufactures various types of pharmaceutical formulations, it is not practicable to give consumption per unit of production.

B] TECHNOLOGY ABSORPTION :

At the Quality Control Laboratory maintained by the Company, normal quality control activities are carried out with reference to quality of raw materials and finished goods.

The Company continues to run its Plant on Time Tested Standard Technology. However, no capital expenditure for technology has been incurred except for some routine and necessary revenue expenditure.

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For and on behalf of the Board of Directors

Date : September 01, 2010

Purnandu Jain
Chairman and Managing Director