

18th ANNUAL REPORT
2011-12



Resilience...

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Purnandu Jain	- Chairman and Managing Director
Mr. Girraj Vijayvargiya	- Wholetime Executive Director
Mr. Dileep Shinde	- Non Executive Director - Independent
Mr. Ramesh Batham	- Non Executive Director - Independent
Mr. Anilkumar Khadke	- Nominee Director - Independent w.e.f August 14, 2012

COMPANY SECRETARY

Mr. S. C. Rane

AUDITORS

M. G. Vashi & Co.
Chartered Accountants, Mumbai

BANKERS

Allahabad Bank
Axis Bank Limited
Bank of Bahrain & Kuwait B.S.C.
Central Bank of India
CitiBank N.A.
Corporation Bank
Development Credit Bank Limited
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
Indian Overseas Bank
IndusInd Bank Limited
Oriental Bank of Commerce
Punjab National Bank
Punjab and Sind Bank
State Bank of India
State Bank of Patiala
Syndicate Bank
The HSBC Bank Limited
The Kalyan Janata Sahakari Bank Limited
The Saraswat Co-op. Bank Limited
The Shamrao Vithal Co-op Bank Limited
The South Indian Bank Limited
Union Bank of India
UCO Bank

EIGHTEENTH ANNUAL GENERAL MEETING

Day : Monday
Date : December 31, 2012
Time : 9:00 a.m.
Venue : Time & Again Banquet
9, Raheja Classique,
Next to Cinemax, Off Link Road,
Lokhandwala, Andheri [West],
Mumbai - 400 053.

REGISTERED OFFICE

C-306, Crystal Plaza, Andheri Link Road,
Andheri [West], Mumbai - 400 053
Tel : +91-22-40682300
Fax : +91-22-40682323
Email : srane@ankurdrugs.com

MANUFACTURING UNITS

Daman Unit

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

Himachal Unit I

Village Manakpur,
P. O. Lodhimajra,
Tehsil - Nalagarh - 174 101
District : Solan, H P

Himachal Unit II

Village Makhnu Majra, P.O. Bhud,
Tehsil - Baddi - 173 205
District : Solan, H P

REGISTRAR & SHARE TRANSFER AGENT

Ajel Limited
106, Link Plaza Commercial Complex,
2nd Floor, New Link Road, Oshiwara,
Jogeshwari [West], Mumbai - 400 102
Tel : +91-22-26393197
Fax : +91-22-26349264
Email : choksh@rediffmail.com
Website : www.ajel.in

CONTENT	Page No.
~ Notice	1
~ Directors' Report	3
~ Corporate Governance Report	8
~ Auditors' Report	16
~ Annexure to Auditors' Report	17
~ Balance Sheet	19
~ Statement of Profit & Loss	20
~ Cash Flow Statement	21
~ Notes to Financial Statements	22
~ E-Communication Registration Form	
~ Nomination Form	
~ Attendance Slip	

Resilience...

is the ability to recover from misfortune, to perform in the most trying times and bounce back after a crises..

..... At Ankur the journey of Resilience has started.....

NOTICE TO MEMBERS

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of ANKUR DRUGS AND PHARMA LIMITED will be held on Monday December 31, 2012 at 9:00 a.m. at Time & Again Banquet, 9, Raheja Classique, Next to Cinemax, Off Link Road, Lokhandwala, Andheri [West], Mumbai 400 053, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2012 and Statement of Profit and Loss of the Company for the year ended on that date with the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ramesh Batham, who retires by rotation and being eligible, offers himself for re-appointment.
3. 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/s. 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 the Directors of the Company and the Auditors, in addition to reimbursement of service tax and out of pocket expenses incurred by them for carrying out the Audit."

Registered Office :
C-306, Crystal Plaza, Andheri Link Road,
Andheri [West], Mumbai - 400 053.

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

S. C. Rane
Company Secretary

Date : November 10, 2012

NOTES:

1. 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.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, December 24, 2012 to Monday, December 31, 2012 [both days inclusive] for the purpose of the Annual General Meeting, in terms of Section 154 of the Companies Act, 1956.
3. Members/Proxies for Members should bring the Attendance Slips duly filled in, for attending the Meeting along with the Annual Report. Members/Proxies for Members holding shares in dematerialised form should bring their latest statement of account with the concerned depository participant for attending the meeting.
4. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative/s to attend and vote at the meeting.
5. Members wishing to seek further information or clarification of the annual accounts or operations of the Company are requested to send their queries at least 10 days before the date of meeting addressed to the Company Secretary at registered office of the Company.
6. Members are requested to note that the Equity Shares of the Company are compulsorily traded in dematerialised mode. Members are therefore advised to immediately dematerialise their shareholding to avoid any inconvenience in future. ISIN allotted to the Company for this purpose is INE238D01012.
7. The registration at AGM venue shall be strictly open only upto the time AGM starts. Shareholders are requested to be present before the AGM time and are also requested not to bring with them any person who is not a Shareholder.
8. Briefcase, Bag/s, Carry Bag/s, Helmet, Eatables, Drinks etc. will not be allowed in the meeting hall.
9. Shareholders are requested to immediately notify any change in their address or bank mandate to the depository participant/s with whom they maintain their demat account or to the Company's Registrar and Transfer Agents [RTA], viz. Ajel Limited Unit: Ankur Drugs And Pharma Limited, 106, Link Plaza Commercial Complex, New Link Road, Oshiwara, Jogeshwari [West], Mumbai 400 102 if shares are held in physical form.
10. Brief resume and other particulars of Mr. Ramesh Batham as required under para IV of Clause 49 of the Listing Agreement is annexed to the notice.

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

S. C. Rane
Company Secretary

Date : November 10, 2012

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE EIGHTEENTH ANNUAL GENERAL MEETING
[In pursuance of clause 49 of the Listing Agreement]

Name of the Director	Mr. Ramesh Batham
Date of Birth	January 21, 1967
Date of Appointment	October 14, 2010
Director Identification Number [DIN]	01846197
Qualification	M.Com; FCA; AICWA; ACS
Expertise in specific Functional Areas	Finance & Taxation
Directorship held in other public companies	None
Chairmanship/Membership of committees of other public companies, if any	None
Relationship between Directors inter-se	Not related to any Director of the Company
Number of Equity Shares held in own name/jointly	Nil

Registered Office :
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Andheri [West], Mumbai - 400 053.

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

Date : November 10, 2012

S. C. Rane
Company Secretary

DIRECTORS' REPORT

To the members

Your Directors present before you the Eighteenth Annual Report on the business and operations along with the Audited Statement of Accounts of the Company for the year ended March 31, 2012.

I. FINANCIAL RESULTS :

[₹ in Lacs]

Particulars	For the Year ended March 31, 2012	For the Year ended March 31, 2011
Revenue from Operations [Net]	15,148.99	82,484.95
[Loss]/Earnings before interest, depreciation and tax	[2,781.87]	13,482.84
[Add]/Less : Finance Costs	[5,835.57]	12,079.69
[Add]/Less : Depreciation & Amortisation	[6,603.08]	6,079.70
Profit/[Loss] before tax	[15,210.52]	[4,676.54]
Add : Exceptional Items	[13,636.71]	-
Add : Provision for earlier year Taxation	[28,847.23]	[4,676.54]
Add : Provision for Deferred Tax	[282.15]	[141.07]
Profit/[Loss] after tax	[1,620.01]	[2,063.18]
	[30,749.39]	[6,880.80]

The Ministry of Corporate Affairs [MCA] vide notification no. S.O.447[E] dated February 28, 2011 amended the existing schedule VI to the Companies Act, 1956. The Revised Schedule VI is applicable from financial year commencing from April 1, 2011. The Financial Statements of your Company for the year ended March 31, 2012 have been prepared in accordance with the Revised Schedule VI and accordingly the company has regrouped/reclassified/recasted the previous year figures in accordance with the requirement for the current period.

OVERVIEW OF OPERATIONS :

The year under review was the toughest in the history of the company. The last four years of the last decade saw the business expanding with huge opportunities on the horizon. The Company incurred huge Capex for capacity expansion mainly by short term borrowings and leveraged its strengths with focus on the future. The Company was on an inflexion point by the end of 2010 and had sincerely taken up the challenge of high growth. With a view to complete the expansion project at Baddi within the regulatory timeline; the Company funded the last two stages of project with short term funds at high rate of interest. It also had to re-strategise the on going and future activities in tune with money, efforts and manpower to avail the various tax benefits available, but the circumstances proved to be otherwise and as a result situations was difficult in 2011 and deteriorated in 2012.

As a consequence of downsizing the business, the total income of the Company for the reporting year was ₹ 15,167.59 Lacs which is not comparable with that of last year. The Net loss for the year was ₹ 30,749.39 Lacs.

The lull of the last two years and may be one more year has made us more *Resilient*.

So what down we are, but not out. We believe that being focused towards growth, nothing is difficult. We are determined and geared to succeed again. A good range of products for contract manufacturing has been developed and validation of MNC pharma companies has been pursued.

The proposal for restructuring of debts under Corporate Debt Restructuring [CDR] mechanism was approved by the CDR Empowered Group at their meeting held on June 30, 2011 and August 30, 2011. The critical conditions as put forth in the letter of approval of CDR have been complied with by the Management and a sum of ₹ 1,500 Lacs has been brought in by the promoters. Majority of the bankers have restructured their loans.

AUTHORISED CAPITAL :

During the year special resolutions to raise the authorised share capital from ₹ 2,800 Lacs to ₹ 18,500 Lacs were passed vide Postal Ballots on March 13, 2012 and July 06, 2012 respectively.

ISSUE OF OPTIONALLY CONVERTIBLE CUMULATIVE REDEEMABLE PREFERENCE SHARES [OCCRPS] AND EQUITY SHARES :

Pursuant to the scheme of CDR, the Company passed a resolution through Postal Ballot to issue 1,32,19,790, 0.001% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each and to convert unsecured loans of Promoters into Equity Share Capital by issue of 3,13,63,000 Equity Shares of ₹ 10/- each at a premium of ₹ 36/- per share. However the company has not made any allotment in respect thereof during the year under review.

DIVIDEND :

In view of the loss for the year and the accumulated losses of the previous year, your Directors are unable to recommend any dividend for the year ended March 31, 2012.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

Pursuant to clause 49(VI) of the Listing Agreement with the BSE Limited, Management Discussion and Analysis Report is given below and a Report on Corporate Governance is annexed to this report. A declaration in regard to compliance with the Code of Conduct by the Directors and Senior Management Personnel signed by the Managing Director forms part of the Annual Report.

A certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance is also annexed.

Macro Economic Industry and Development :

Not much has changed from last year in terms of opportunities in the contract manufacturing space in pharma industry. In fact the scope has widened. Increase in Input cost and high finance charges are major areas of risk and concern. The future outlook still remains favourable **on comparable factors**.

Overview :

The pharma industry in India is the third largest in terms of volume and fourteenth in terms of value globally. The industry is growing at a CAGR of average 6%+globally and at CAGR 11%+in the developing countries like India, China, South Korea, Indonesia and Malaysia.

Threats, Risks and Concerns :

The business and operations of the company are susceptible to specific risks which are inherent to pharma business. Apart from these, there is always an exposure to general commercial risks which are common to any business. In addition to these risks, there are risk of government price control and regulation [through DPCO] ; foreign exchange fluctuations ; increase in input cost ; increase in interest rates; Patent regime, etc.

The Company was in preparation to attain the growth in the future years, however factors beyond the management's control overpowered the situation in 2011 and 2012. The capex was funded out of short term borrowings at high rate of interest in anticipation of better leverage and expected profitability. The Company made a reference to the CDR cell in January 2011 for restructuring of the debts and for sanction of adequate working capital. The restructuring was approved by CDR EG in its meeting held on June 30, 2011 and August 30, 2011 and communicated to the Company in September 2011. Though the existing debt of the Company was restructured, unfortunately some of the participating banks of the consortium did not agree to take further exposure not withstanding additional working capital facilities appraised by lead bank, SBI . Some of the members of the consortium of bankers who initially agreed to provide relief for our short term/working capital funding also did not release their share of additional working capital due to which liquidity problems were aggravated. However, the Company was given a go ahead signal for raising the residual portion of the assessed working capital outside the banking system. The Company made efforts to raise external funds but on account of global economic down turn particularly economic crises in the Euro Zone, defaults in serving FCCB's of several Indian Companies, increase in interest rates, paralysis in govt. policy making etc, it could not raise the necessary funds despite receiving in principle approval from a foreign fund. As a consequence the Company suffered production delays at the new plant/s, liquidity crunch and working capital problems. There was a plethora of problems to be faced all at once. We are *Resilient* to overcome the problems and have taken considered decisions. We visualize the joy of bright future with hope and anticipation of great things to come and we are working towards it.

Outlook :

The company has initiated various steps to improve its operational performance and remove the bottlenecks relating to production. The Company is also exploring various options to raise the resources to raise the working capital requirement so very essential for overcoming from the ongoing financial woes of the company. The company is sanguine to raise the resources and based of the current business plan, the company is confident that it would be able to meet its financial commitment.

Accordingly, the financial statements has been prepared on a going concern basis. We are *Resilient* to overcome the current crises with an improved performance in the next year.

Internal Control Systems and their Adequacy :

The Company conducts its business with integrity and high standards of ethical behavior and in compliance with the laws and regulations that governs its business. It has a well established framework of internal controls in operation, supported by standard operating procedures, policies and guidelines. Considering the growing capital expenditure program, the company continuously reviews the documented approval policy besides the Capex Budget being approved by the Audit Committee and the Board of Directors. These controls are constantly reviewed and revised with the changing business dynamics. The management duly considers and takes appropriate action on recommendations made by the statutory auditors and the Audit committee of the Board of Directors.

Human Resources :

The Company strongly believes that the growth of the organization can be sustained through the continuous development of its people who contribute to the business success. Employees are the key to achievement of the Company's objectives and growth strategies. The Company provides employees with a fair and equitable work environment and support to develop their capabilities. With the added emphasis placed on 'safe operation', the training given to employees not only covers knowledge and technical skills but also lays stress on behavioral areas, like creating a 'safety mindset', and 'attitude building'. A number of HR initiatives have been taken for the well being and continuous development of the employees. We are continuously striving in bringing new talent, improving competencies of people in the organisation and building the existing strength of the employees to transform the Company to be a key player in the Indian market. The relations between the employees and the Company continue to be cordial and healthy at all the three Manufacturing Units. As on March 31, 2012 the employee strength of your Company was around 1245 [including contract work force].

Cautionary Statement :

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, expectations and estimates regarding future performance may be "forward looking statements" and are based on currently available information. The Management believes these to be true to the best of its knowledge at the time of preparation of this report. However, these statements are subject to certain future events and uncertainties, which may cause actual results to differ materially from those indicated in such statements. The Company assumes no responsibility to publically amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

LISTING OF SHARES :

Your Company's Equity Shares are listed on BSE Limited and The National Stock Exchange of India Limited.

PUBLIC DEPOSITS :

The Company has accepted deposits of ₹ 2,941.83 Lacs from public in pursuance of section 58A of the Companies Act, 1956 and rules framed under the Companies [Acceptance of Deposits] Rules, 1975. The Company could not service interest on the deposits from February 2012 and also could not make payment of matured deposits from October 2011 on account of severe liquidity constraints. However, the Company intends to service pending interest as well as matured deposit payments on improvement in financials.

DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Ramesh Batham, 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.

Mr. Anilkumar Khadke, representative of Central Bank of India, has been appointed as a Nominee Director on the Board with effect from August 14, 2012.

AUDITORS :

M/s. M. G. Vashi & Co, Chartered Accountants, Firm Registration No. 128577W Statutory Auditors of the Company retires at the ensuing 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.

AUDITORS' QUALIFICATION :

- Qualification 1 : *The provisions of accrued gratuity liability [amount not ascertainable in the absence of Actuarial Valuation report] has not been made. [Auditors Report 'e']*
- Explanation-Q1 : The provision of gratuity as per AS15 is proposed to be undertaken from the upcoming Financial Year.
[read along with explanation to Q-2 below]
- Qualification 2 : *Provision has not been made in respect of interest amounting to ₹ 9,52,77,286/- on some of the unsecured loans resulting in understatement of the loss and liability by an equivalent amount. Had the company provided for the same, the loss for the year would have been ₹ 3,17,02,15,848/-. [Auditors Report 'f']*
- Explanation-Q2 : Since the order for winding up has been passed, wherein the Company was directed by the Hon'ble High Court of Bombay to file a scheme of arrangement/compromise with all creditors, the Company has initiated the process of filling the scheme of arrangement and looking at the current financial crunch, it appears that the Company will not be in position to pay the accrued/unpaid interest and waiver of the same is being requested by the Company under the scheme of arrangement.
- Qualification 3 : *The company is not regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance fund, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues wherever applicable to it. [Annexure to Auditors' Report ix (a)]*
- Qualification 4 : *In our opinion and according to the information and explanations given to us, the Company has accepted the deposit from the public to which the directives issued by the Reserve bank of India, provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies [Acceptance of Deposits] Rules, 1975 are applicable. However, the Company has not complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies [Acceptance of Deposits] Rules, 1975 in relation to the following issues :*
- The company has defaulted in repayment of public deposits and also on payment of interest on the public deposits.*
 - The company has accepted new public deposits after making default in repayment of earlier deposits.*
 - The company has not repaid these new deposits within 30 days of acceptance of such deposits.*
 - The company has not filed annual return of deposits for the year ended on 31.03.2012 with the Registrar of Companies and Reserve Bank of India, which were required to be filed on or before 30.06.2012.*
 - The fixed deposit receipts with scheduled bank as are required to be kept as liquid assets in respect of public deposit maturing on or before 31.03.2012 are not free of charge/lien.*
 - As on the Balance Sheet date, proceedings for violation of provisions of Section 58A and Companies [Acceptance of Deposit] Rules, 1975 were pending before the Company Law Board consequent to the complaints filed by the depositors. An order was passed on 09.04.2012 by the Company Law Board for repayment of deposits to the extent of ₹ 32,87,000/- by 30.04.2012. [Annexure to Auditors' Report vi]*

Qualification 5 : *On the basis of our examination and according to the information and explanation given to us, we are of the opinion that during the year the company has defaulted in repayment of dues to the banks and financial institution. The amount defaulted is ₹ 70,34,76,343 [Term Loans : ₹ 38,75,30,629 and Interest : ₹ 31,59,45,714]. The company has not obtained any borrowings by way of debentures. [Annexure to Auditors' Report xi]*

Explanation : The Company is facing severe liquidity problems on account of continued cash losses, which are being attended to. As soon as the Q3/4/5 same are eased out, the outstanding Statutory dues and other defaulted amounts will be paid.

The Company is also vigorously exploring various options to raise funds to overcome the financial crises.

COST AUDIT :

Pursuant to the provisions of Section 233B of Companies Act, 1956, the Central Government has prescribed Cost Audit for the industry in which your Company operates. Based on the recommendation of the Audit Committee, M/s. Avnesh Jain & Co., Cost Accountants [PROP/00642] were appointed as the Cost Auditors of the Company for the Financial Year 2011-12 in accordance with the requirements of the Companies [Cost Accounting Records] Rules, 2011.

EXTENSION OF AGM DATE :

The Registrar of Companies, Mumbai - 400 002, Maharashtra vide its letter dated September 03, 2012 has granted permission for holding the Annual General Meeting of the Company for the Financial Year ended March 31, 2012 up to December 31 2012.

INDUSTRIAL RELATIONS :

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

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 :

Pursuant to amended Section 217[2AA] of the Companies Act, 1956, the Directors of the Company confirm that :

1. in the preparation of Annual Accounts, the applicable Accounting Standards have been followed and there has been no material departure;
2. 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. 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. the attached Annual Accounts for the year ended March 31, 2012 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	2011-2012	2010-2011
Earned	1.12	--
Used	83.24	500.60

PARTICULARS OF EMPLOYEES

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

None of the employee 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.

ACKNOWLEDGMENTS

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, depositors, shareholders and employees at all levels.

Registered Office :

C-306, Crystal Plaza, Andheri Link Road,
Andheri [West], Mumbai - 400 053.

For and on behalf of the Board of Directors

Date : November 10, 2012

Purnandu Jain
Chairman and Managing Director

ANNEXURE - I FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2012

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, 2012.

A] ENERGY CONSERVATION MEASURES TAKEN :

I] Power and Fuel Consumption	Unit	2011-2012	2010-2011
a] Electricity			
Consumed	KWH	22,985,951	26,339,859
Total Amount	in ₹	1,17,011,585	1,46,939,969
Average rate per unit	₹/KWH	5.09	* 5.58
b] L.D.O. / Diesel			
Consumed	Ltrs	901,520	1,792,398
Total Amount	in ₹	33,450,328	62,787,731
Average rate per unit	₹/Ltr.	37.10	35.03

* During the Financial Year 2010-11 H.P.S.E.B. has collected additional charges of ₹ 349.27 Lacs. Therefore average rate per unit of Electricity consumed for the Financial Year 2010-11 was higher than the Current Year 2011-12

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.

Registered Office :

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Andheri [West], Mumbai - 400 053.

Date : November 10, 2012

For and on behalf of the Board of Directors

Purnandu Jain

Chairman and Managing Director

ANNEXURE - II FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2012

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE CODE :

Clause 49 of the Listing Agreement incorporates certain disclosure requirements related to "Corporate Governance" with the purpose of enhancing statutory compliances and disclosure related thereto, together with a thrust on the Company's value system.

The Company is generally in compliance with the requirements of Corporate Governance mentioned under clause 49 of the Listing Agreement with BSE Limited. Your Company is committed to the consistent adherence to the said corporate governance code to maintain a greater degree of responsibility and accountability.

II. BOARD OF DIRECTORS :

1] COMPOSITION

The Board of Directors comprises of:

- One Chairman and Managing Director [CMD-Promoter]
- One Whole-time Executive Director [WED]
- Two Non-Executive Directors [NED-I]
- One Nominee Non-Executive Director [N-NED-I]

The Non Executive Directors are professionals with specialisation in their respective fields who bring in a wide range of skill and experience. The composition and attendance of Director's at Board Meetings and the AGM held in the year are as under :

Name of Director	Category	Number of Directorships in Other Public Cos.	No. of other Committee Memberships		Board Meetings attended during the year	Attendance at last AGM
			As Chairman	As Member		
Mr. Purnandu Jain	[CMD - Promoter]	-	1	1	14	Yes
Mr. Girraj Vijayvargiya	WED	-	1	2	14	Yes
Mr. Dileep Shinde	NED-I	1	2	1	14	Yes
Mr. Ramesh Batham	NED-I	-	-	3	14	No
Mr. Anilkumar Khadke [w.e.f August 14, 2012]	N-NED-I	NA	NA	NA	NA	NA

2] MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2011-12, the Board met 14 [Fourteen] times on

April 07, 2011	April 19, 2011	May 14, 2011	June 10, 2011	June 27, 2011
June 30, 2011	August 12, 2011	September 03, 2011	September 29, 2011	November 14, 2011
December 17, 2011	January 16, 2012	February 01, 2012	March 20, 2012	

At least one Board Meeting was held during every quarter.

III. THE BOARD COMMITTEES :

1] AUDIT COMMITTEE

Terms of Reference :

The terms of reference covers the matters specified under section 292A of the Companies Act, 1956 and clause 49 of the listing agreement.

The Committee oversees, discusses and reviews inter alia the following matters :

- a) Internal control system.
- b) Compliance with accounting standards.
- c) Related party transactions.
- d) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval of payment for any other services.
- e) Quarterly financial statements with a view to comply with all legal requirements.
- f) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.