



**BAL PHARMA LIMITED**

Your Preferred Partner in  
**Quality Health Care**



**23<sup>rd</sup>** ANNUAL REPORT 2009-2010

**Board of Directors**

Mr. Shailesh Siroya	- Managing Director
Dr. S. Prasanna	- Whole-time Director
Mr. Shrenik Siroya	- Non-executive Director
Dr. G.S.R. Subba Rao	- Independent Director
Mr. Arun Bhan	- Independent Director
Mr. David Rasquinha	- Nominee Director

**Company Secretary**

Mr. S. Ramji

**Registered Office**

# 21 & 22, Bommasandra Industrial Area,  
Hosur Road, Bangalore - 560 099.

**Plant Locations****Unit I : Formulations**

# 21 & 22, Bommasandra Industrial Area,  
Hosur Road, Bangalore - 560 099.

**Unit II : R & D Centre & Bulk Drugs**

# 61/B, Bommasandra Industrial Area,  
Hosur Road, Bangalore - 560 099.

**Unit III : Parenterals**

# 732/735, Off. National Highway, No. 4,  
Village Kenjal, Dist. Bhor, Maharashtra - 412 217.

**Unit IV : Formulations plant at Uttarakhand**

Plot # 1,2,3 & 69, Sector 4, IIE-Pantnagar,  
Rudrapur, Udham Singh Nagar, Uttarakhand - 263 153.

**Bankers**

Canara Bank  
Punjab National Bank  
EXIM Bank

**Statutory Auditors**

Ostawal & Jain

**Internal Auditors**

Ishwar & Gopal

**Registrar & Share Transfer Agent**

TSR Darashaw Limited,  
# 6-10, Haji Moosa Patrawala Industrial Estate,  
20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.

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## NOTICE

**NOTICE IS HEREBY GIVEN THAT** the 23rd (Twenty third ) Annual General Meeting of the members of Bal Pharma Limited, will be held at 10.00 AM, on Monday, the 27th September, 2010 at Bharatiya Vidya Bhavan, Race Course Road, Bangalore - 560001 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010, and the Profit and Loss Account for the financial year ended on that date and the Reports of the Directors and the Auditors thereon;
2. To appoint a Director in place of Mr.Shrenik Siroya, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr.G.S.R Subba Rao, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to authorize the Board to fix their remuneration.

By order of the Board

Bangalore  
09-08-2010

**S. Ramji**  
Company Secretary

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE ON HIS/HER BEHALF A PROXY NEED NOT BE A MEMBER.**

Proxy, in order to be effective must be deposited the proxy instrument duly filled, at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. Proxy Form is forwarded as detachable part of Annual Report;

2. Corporate Members intending to send their authorised representative to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. For convenience of the Members and for proper conduct of the meeting, entry to the place of meeting will be regulated by an attendance slip, which is forwarded as detachable part of Annual Report. Members are requested to affix their signature at the place provided in the attendance slip and hand it over at the entrance;
4. The Register of Members and Share Transfer Books of the Company will remain closed on 27-09-2010.
5. Members, who hold shares in dematerialized form, are requested to bring in their Client ID and DP ID nos. for easier identification of attendance at the meeting and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
6. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least 7 days prior to the meeting, so that, the required information can be made available at the meeting.

7. Members holding shares in physical form are requested to notify immediately any change in their address to the Company's Registrar and transfer Agent TSR Darashaw Limited. Members holds shares in electronic form may intimate any such changes to their respective Depository participants (DPs).
8. Members holding more than one share certificate in different folios are requested to kindly apply for consolidation of the folios and send the relative share certificates to the Company's Registrar and Share Transfer Agent, TSR Darashaw Limited, 503, Barton Centre, 84, M.G. Road, Bangalore – 560 001
9. Members are kindly requested to bring Annual Report 2009-10 along with them to the 23rd Annual General Meeting, since extra copies will not be supplied at the meeting.
10. In order to protect the investors from fraudulent encashment of their dividend warrants or Demand Drafts, the Company hereby offers Electronic Clearing Services (ECS) facility to the shareholders having Bank Accounts at Centers notified for ECS by RBI. RBI is continuously adding more centers for ECS and Members are kindly requested to check with their banker whether their place has been notified by RBI for the purposes of ECS. ECS mandate form is forwarded as detachable part of Annual Report. The Members from the ECS notified centers desirous of payment of dividend through ECS are requested to forward the ECS mandate form duly signed with the required annexure to Company's present Registrar and Share Transfer Agent, TSR Darashaw Limited, Bangalore, on or before 07.09.2010.
11. Pursuant to Section 205A (5) of the Companies Act, 1956, as amended, any money transferred to Unpaid Dividend Account and remaining unclaimed for a period of 7 (seven) years from the date of such transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, and thereafter, the shareholders shall not be able to claim any Unpaid Dividend from the said fund or from the Company. The Company has since transferred the amount lying in the credit of Unpaid Dividend Account for the financial year 2001-02 to Investor Education and Protection Fund established by the Central Government as stipulated under Section 205C of the Companies Act, 1956 read with Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001. The members who have not encashed the Dividend Warrants for the financial years 2003 to 2004 onwards are requested to write to, TSR Darashaw Limited, the Registrars and Share Transfer Agents of the Company.
12. The Members may now avail of the facility of nomination by nominating, in the prescribed form, a person to whom your shares in the company shall vest in the event of death of member. Interested members may write to the Company's Registrar & Share Transfer Agent for the prescribed form.

By order of the Board

Bangalore  
09-08-2010

**S. Ramji**  
Company Secretary


**ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING:**

<b>Name of the Director</b>	<b>Mr. Shrenik Siroya</b>	<b>Dr. G.S.R Subba Rao</b>
Date of Birth	10-09-1964	21-08-1937
Date of Appointment	30-09-1997	08-07-2000
Qualification	B.E ( UK)	B.Sc ( Honors ), M.Sc, D.Sc, PhD, F.A.Sc, F.N.A
Experience / Expertise	He has vast experience in managing huge construction contracts and in managing pharmaceutical Companies.	Formerly Professor and Dean in Indian Institute of Science, (IISc) Bangalore, is also a consultant to many Indian and Foreign Pharmaceutical companies on synthesis of Drugs, intermediates, natural products, Steroid Hormones, combinatorial Synthesis.
Other Directorships	1) Siroya Exports (P) Limited – Director 2) Siroya Developers (P) Limited (Erstwhile Siroya Trading Co. (P) Limited) – Director 3) Mokalsar Stone Private Limited – Director 4) Siroya FM Construction Private Limited – Director 5) Siroya Nabar Housing Private Limited - Director 6) Mannath Developers (P) Limited - Director 7) Siroya FM Infradevelopment (P) Limited - Director 8) Basav Chem Limited – Director 9) Mannath Properites (P) Limited - Director	1) Basav Chem Limited - Director
Other Committee Memberships in the Company	Bal Pharma Limited a) Audit Committee : Member b) Shareholders & Investors Grievances Committee : Member	Bal Pharma Limited : a) Audit Committee : Chairman b) Remuneration Committee : Chairman c) Shareholders & Investors Grievances Committee : Chairman
Number of shares held directly or indirectly	374,700 (3.59%) – Equity Shares	4,000 (0.4%)



## DIRECTORS' REPORT

To  
The Members

Your Directors have pleasure in presenting the 23rd Annual Report together with the Audited Accounts of the Company for the financial year ended on 31st March, 2010.

## I. FINANCIAL RESULTS:

(₹. in Lakhs)

Particulars	2009-10	2008-09
1) Total Income	108,15.16	10667.67
2) Profits before Depreciation and provision for Taxation	195.47	598.59
Less : Depreciation	285.90	188.58
Profits before Taxation and prior year adjustments	(90.43)	410.01
Less :		
3) Provision for Taxation	7.33	3.52
4) Fringe Benefit Tax	-	23.47
5) Deferred Tax	44.94	79.30
6) Extraordinary/ Non Recurring items	-	-
7) Prior year adjustment	(0.18) 52.08	4.44 110.73
Add:		
8) Profit & Loss Account balance at the beginning of the year	142.89	299.28
9) Profit made available for appropriation	906.62	699.32
	763.74	998.60
Less:		
10) Proposed Dividend on Equity Shares	-	78.62
11) Tax on dividends	-	13.36 (-) 91.98
12) Balance Carried to Balance Sheet	763.74	906.62

## 2. DIVIDEND:

In view of the results, your Directors have decided not to recommend payment of dividend for the year, 2009-10.

## 3. MANAGEMENT DISCUSSION AND ANALYSIS:

## Global Pharmaceutical Industry Challenges

The global pharmaceutical business is becoming more complicated than ever before. Older business models are being challenged by competition; new verticals are coming into play. There will be new developments and alliances, as well as new opportunities and challenges. In such an environment only the rapid, clever and nimble will win.

If present industry overview is taken in to consideration, the global pharmaceutical market in 2010 is projected to grow 4% to 6% exceeding US\$ 825 billion. This growth will be largely driven by strong overall growth in the emerging countries, as well as the rising influence of healthcare access and funding on market demand. Moreover, the global market is expected to grow at 4-7% Compound Annual Growth Rate (CAGR) through 2013. Global pharmaceutical market value is expected to expand to \$975 plus billions by 2013.

## EMERGING TRENDS:

Emerging markets are set to play a pivotal role in future pharmaceutical success. Emerging pharmaceutical markets are typically small. However, their rapid growth vis-à-vis the more regulated markets make them attractive prospects for the pharmaceutical industry. Rapidly growing economies, increasing population and greater health awareness combined with larger incomes to spend on healthcare will drive the growth of pharmaceuticals in emerging markets. By 2017, IMS forecasts revenues from emerging markets at US\$ 290 billion to US\$ 320 billion, with a CAGR of 12% to 15%.

## INDIAN PHARMACEUTICAL INDUSTRY:

The Indian Pharmaceutical Industry ranks as a frontrunner among the Country's science based industries with wide ranging capabilities in the complex field of drug manufacture and technology. The industry has been growing at an impressive CAGR in excess of 8-9%, and will touch \$10 billions by 2010.

Indian pharmaceutical industry is the world's 13th largest in terms of value and 14th in terms of volume with over all 60,000 brands in over 60 therapeutic categories. India has world class facilities and expertise in manufacturing with the largest number





of US FDA approved manufacturing units in the world out side US. Ancillary industries are also well developed with support available locally. Quality bulk drugs at competitive prices are assured.

• **Global pharma looks to India: Prospects for growth:**

The huge potential of the Indian pharmaceuticals market is impossible for foreign companies to ignore, given that it will be one of the top 10 sales markets by 2020. India's population is growing rapidly, as is its economy – creating a large middle-class able to afford western medicines. India's epidemiological profile is also changing and the population is ageing, so demand is likely to increase for drugs for cardiovascular problems, disorders of the central nervous system and other chronic diseases such as diabetes which is increasing at an alarming rate. The total market is expected to rise to a value of approximately US \$50 billions by 2020.

#### 4. BUSINESS OPERATIONS:

During the year, 2009-10 your Company has achieved an over all turnover of ₹ 108.15 crores as against ₹ 106.67 crores of the previous year. Thus registering a marginal growth of 1.39% on the top line. Despite a marginal increase in sales, the net results after tax decreased from ₹ 2.99 crores of the previous year to a net loss of ₹ 1.42 crores during the current year. The main reason for the fall in net profit is commissioning of our Uttarakhand plant, difference in product mix, and cut-throat competition from large pharma players in Indian and international markets.

The exports formulations division registered a growth of 42.34% by increasing its turnover from ₹ 22.39 crores in the previous year to ₹ 31.87 crores in the current year. Your Company expanded its presence in many new global markets such as Latin America and many African countries.

The bulk drug business both domestic and exports have been very encouraging with the growth of 44.36% as the turn over of the division reached ₹ 42.24 crores as against ₹ 29.26 crores in the previous year. Utilization of facility at Basav Chem Limited (wholly owned subsidiary Company) has also been to its full capacity. Regular supplies of the products are made to developed markets such as Europe, Japan, Australia and Canada where the products are already registered. Various DMF have been filed across the globe to increase our presence in other markets.

The over all exports of your Company increased (by 54.7%) to ₹ 57.35 crores as against 37.07 crores during the year 2008-09.

The govt. Institutional business made a turnover of ₹ 4.44 crores and the Ayurvedic Division has made a turn over of ₹ 2.04 crores during the year 2009-10.

Your Company's branded formulations divisions mainly consisting of Diabetic and Cardiac Products made a net sale of ₹ 23.36 crores as against ₹ 35.21 crores during the last year. This reduction in sales in branded formulation has affected the profit margins of the Company (34% shortfall during the year). This short fall in sale is due to mass attrition of a number of employees from major divisions of the Company.

Appropriate measures are being taken by your management to overcome the reduction in branded formulation sales and to retain the existing market.

#### 5. RESEARCH & DEVELOPMENT:

The Research and Development division is actively engaged in the development, scale-up and commercialization of processes for the manufacture of high value API's in niche areas. Production of these products has enabled the Company to market them, both nationally and internationally.

All the products manufactured through the processes developed by the R&D division are backed by complete, internationally accepted, documentation and controls. The quality and purity of these products are established and maintained by sophisticated analytical methods and protocols developed in-house by the R&D and QC divisions.

The ready acceptance of our products in the international market is a clear indicator of their high quality. This is further reinforced by tight quality controls at every stage of the manufacturing process, leading to excellent quality characteristics in our APIs.

All this developmental work has resulted in the generation of valuable intellectual property (IP) which the Company is now in the process of patenting. Simultaneously, Bal Pharma has made a beginning in the development of new chemical entities and some promising leads have been obtained in this direction.

#### 6. AUDIT COMMITTEE:

The Audit Committee, a sub-committee of the Board consists of Mr. David Rasquinha (nominee Director of EXIM Bank), Dr. G. S. R. Subba Rao, Independent Director and Mr. Shrenik Siroya, Non-Executive Director.

This Committee headed by Dr.G.S.R Subba Rao, has been discharging its duties under SEBI Guidelines read with the Listing Agreement. The said Committee is also functioning as Audit Committee under Section 292A of the Companies Act, 1956.

**7. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

Your Company has an adequate system of internal controls with clearly defined authority limits. They ensure that the Company's assets are protected against loss from unauthorised use or disposition and all transactions are authorised, recorded and reported in conformity with generally accepted accounting principles. These systems are designed to ensure accuracy and reliability of accounting data, promotion of operational efficiency and adherence to the prescribed management policies. These policies are periodically reviewed to meet current business requirements.

Internal Audit is carried out by Messrs. Ishwar & Gopal an independent firm of Chartered Accountants. They interact with the Audit Committee and have reported to the Directors that there is adequate internal control systems in respect of areas carried out by them.

**8. DIRECTORS' RESPONSIBILITY STATEMENT:**

In compliance to the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors wish to confirm with reference to statement of Accounts for the financial year ended 31.03.2010:

- (i) that in preparing the Annual Accounts, all applicable Accounting Standards have been followed;
- (ii) that the accounting policies adopted are consistently followed and the judgements or estimates made 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 and of the Profit and Loss Account of the Company for the financial year ;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing/detecting fraud and other irregularities;
- (iv) That the Directors have prepared the annual accounts on going concern' basis.

**9. SUBSIDIARY COMPANIES:**

The Company had two wholly owned Subsidiary Companies during the financial year, 2009-10. One of the subsidiary companies, Novosynth Research Labs Private Limited applied for striking off its name from the register under Section 560 of the Companies Act, 1956 and the Amalgamation proceedings of Basav Chem Limited with Bal Pharma Limited is before the Honourable High Court of Karnataka.

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Company's interest in subsidiary company, Basav Chem Limited is as given in Annexure I forming part of the Director's Report.

**10. PARTICULARS OF EMPLOYEES:**

A statement of particulars of employees as required under Section 217(2A) of the Companies Act, 1956, is given as Annexure II and forms part of this report.

**11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

As per provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, details relating to the Conservation of Energy and Technology Absorption and Foreign Exchange Earnings and Outgoings are given in Annexure forming part of the Directors Report.

**12. PUBLIC DEPOSITS:**

As on date of the Report, the Company has not accepted any public deposits.

**13. DIRECTORS:**

As on date, your Board consists of 6 (six) Directors, 3 (three) of whom are Non-Executive Directors and of which 2 (two) are Independent Directors. 1 (one) of who is Nominee Director of Export Import Bank of India. 2 (two) of whom are Executive Directors. Mr. Shrenik Siroya, Non-Executive Director and Dr. G.S.R. Subba Rao, Independent Director of the Company who retire by rotation at the 23rd Annual General Meeting of the Company and being eligible, offer themselves for reappointment. Your Directors have pleasure in recommending their reappointments.

**14. AUDITORS:**

Messrs Ostawal & Jain, Chartered Accountants, Auditors of the Company, retire at the Annual General Meeting and are eligible for re-appointment.

**15. COST AUDIT:**

Pursuant to Section 233B of the Companies Act, 1956, the Central Government has prescribed Cost Audit of the Company's Formulations Division.

Subject to the approval of the Central Government, the Board has appointed Mr. G.I. Srinivasamurthy as Cost Auditor of the Company for the financial year, 2010-11. The Cost Audit is under process and the Company will submit the Cost Auditors' Report to the Central Government in time.



**16. EMPLOYEE STOCK OPTION SCHEME:**

Pursuant to the provisions of Guideline 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999, as amended, the details of stock options as on 31st March, 2010 under the “Bal Pharma Limited Employees Stock Option Scheme, 2006” is set out in the Annexure – III to the Directors Report.

**17. CORPORATE GOVERNANCE AND ADDITIONAL INFORMATION TO SHARE HOLDERS:**

A detailed report on the Corporate Governance System and practices of the Company are given in a separate section in this Annual Report. Detailed information for the shareholders is given in Additional Shareholders information section.

**18. INSURANCE COVERAGE:**

The Board reports that your Company has adequately insured all the assets of the Company.

**19. APPRECIATION:**

Your Directors place on record their sincere appreciation for significant contribution made by the employees through their dedication, hard work and commitment and the trust reposed on us by the medical fraternity and the patients. Your Board also acknowledges the support and wise counsel extended by Canara Bank, Punjab National Bank, Exim Bank, State Bank of Indore and other Banks and financial institutions, government agencies, shareholders and investors at large. The Directors look forward to having the same support in the our endeavor to help people lead healthier lives.

**For and on behalf of the Board of Directors**

**Bangalore**  
**9<sup>th</sup> August, 2010**

<b>Dr. S. Prasanna</b>	<b>Shailesh Siroya</b>
Executive Director	Managing Director



**ANNEXURE TO THE DIRECTORS' REPORT****ANNEXURE I**

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 Directors' Report for the financial year ended on 31<sup>st</sup> March, 2010:

**I. Conservation of Energy:**

<b>A. POWER AND FUEL CONSUMPTION</b>		<b>2009-10</b>	<b>2008-09</b>
<b>I. Electricity</b>			
(a) Purchased Unit	(kwhr)	<b>2,7,86,290</b>	20,88,962
Total Amount	(₹.)	<b>12,852,495</b>	103,11,288
Rate/Unit	(₹.)	<b>4.61</b>	4.94
(b) Own Generation			
(i) Through Diesel Generator Units	(kwhr)	<b>380,107</b>	12,26,027
Units per ltr of Diesel	(kwhr)	<b>3.17</b>	3.28
Cost/unit	(₹.)	<b>16.31</b>	11.01
(ii) Through Steam Turbine / Generator		<b>Nil</b>	Nil

**B. CONSUMPTION PER UNIT OF PRODUCTION**

	Standards * (if any)	<b>2009-10**</b>	<b>2008-09**</b>
i. Electricity			
ii. Furnace Unit			
iii. Coal			
iv. Others			
*	Owing to the range of products manufactured and the ever changing product mix, it has not been possible to establish standards relating to consumption of energy per unit of production;		
**	For the same reasons and as per the Records and Books, maintained by the Company, under the Companies Act, 1956, the Company is not in a position to furnish the required information in the prescribed format for the current year and the previous year.		

**2. Disclosure of Particulars with respect to Technology absorption:**

<b>I. Research and Development (R &amp; D)</b>	
(a) Specific areas in which R & D is carried out by the Company	The Company's Research and Development department is involved in the development of synthetic processes and procedures for new active pharmaceutical ingredients (APIs).
(b) Benefits derived as a result of the above R & D	These efforts of the Research & Development department have resulted in the Company being in a position to introduce relatively new medicines in the market. The therapeutic categories to which these medicines belong are antihistamine, antiseizure, anticancer, and dermatology.

(c) Future plan of action	The Company is now laying greater emphasis on such Research and Development activities with a result of which there will be continued and increased activity in this field.
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(d) Expenditure on R & D:	<b>2009-10</b>	<b>2008-09</b>
(i) Capital	Nil	NIL
(ii) Recurring	85.31	87.34
(iii) <b>Total</b>	<b>85.31</b>	<b>87.34</b>
(iv) Total expenditure as a percentage of total turn over	0.79%	084%

**3. Technology Absorption, Adaptation and Innovation:**

(i) Efforts in brief made towards technology absorption, adaptation and innovation	Several innovative methodologies to prepare new drugs have been developed in-house in the R&D division. These have been absorbed and adopted and made applicable in scale-up operation in pilot plant and manufacturing sections of the company.
(ii) Benefits derived as a result of the above efforts e.g., product improvement, cost reduction, product development, import substitution, etc.	The new drugs so manufactured in the plant, adopting technologies developed in-house, are being offered in international markets where they have found ready acceptance.
(iii) In case of imported technology (imported during the last 5 years from the financial year) following information may be furnished:	
(a) Technology imported	Nil
(b) Year of import	Nil
(c) Has the technology been fully absorbed	Not applicable
(d) If not fully absorbed, areas where this has not taken place, reason therefore and future plan of action:	Not applicable

**4. Total Foreign Exchange Earnings and Outgo: (₹. in 000')**

	<b>2009-10</b>	<b>2008-09</b>
	<b>(in ₹)</b>	<b>(in ₹)</b>
Total Foreign Exchange Earnings	<b>5,73,528.36</b>	349,531.75
Total Foreign Exchange Outgo	<b>329,380.48</b>	199,073.16
(a) Raw Materials	<b>322,103.58</b>	186,572.88
(b) Other Foreign currency payments		
(i) Travelling Expenses	<b>1,612.47</b>	2,462.11
(ii) Export Promotion Expenses	<b>5,612.83</b>	5,421.77
(iii) Others - Capital import	<b>51.60</b>	4,616.40


**5. Statement pursuant to Section 212 of the Companies Act, 1956 :**

(1)	Name of the Company	:	<b>Basav Chem Limited</b>
(2)	The financial year of the subsidiary Company ended on	:	31 <sup>st</sup> March, 2010
(3)	Date from which it became subsidiary	:	16-12-2007
(4)	Number of shares held by Bal Pharma with its nominees in the Subsidiary Company at the end of the financial year of the subsidiary company	:	1,00,000 shares of ₹ 10/- each
(5)	Extent of interest of holding Company at the end of the financial year of the Subsidiary Company	:	100%
(6)	Net aggregate amount of the Subsidiary Company's profits (loss) so far it concerns the members of Holding Company	:	(₹ 879,777)
	a. Not dealt within the holding Company's accounts:		
	(i) for the financial year ended on 31-3-2010	:	Nil
	(ii) for the previous financial years	:	Nil
	b. Dealt within the holding Company's accounts		
	(i) for the financial year ended on, 31-3-2010	:	(₹ 879,777)
	(ii) for the previous financial year	:	(₹ 99,281)

**ANNEXURE II**

Statement pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975

Sl. No.	Name & Designation	Qualification	Age	Gross Remuneration	Date of Commencement	Total Experience	Last Employment	Share holding 31-03-09
I	Shailesh Siroya* Managing Director	MBA (Finance)	44	₹ 40,00,000**	01.08.1994	18 years	Business	6.40%

\* Mr. Shailesh Siroya is relative of Mr Shrenik Siroya, Non- Executive Director of the Company.

\*\* Remuneration includes all costs incurred by the Company on the respective personnel i.e. basic salary & Allowances etc.