

23rd Annual General Meeting

Date 29th September , 2008

Day Monday

Time 9.30 A.M.

Place "The Executive Club"

439, Vill- Shahoorpur,

P.O. – Fatehpur Beri,

New Delhi- 110074

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BOARD OF DIRECTORS

Sh. B.R.Gupta

Chairman-cum-Managing Director

Smt. Urmila Gupta

Director

Smt. Brij Bala Gupta

Director

Sh. Manohar Lal

Director

Sh. Mahesh Kumar Nanchal

Director

Sh. Trilok Chand Sharma

Director

COMPANY SECRETARY

Sh. Jaspreet Singh

AUDITORS

M/s Satinder Saini & Co.

Chartered Accountants

514, Suneja Tower – 1, District Center

Janak Puri

New Delhi- 110058

BANKERS

Punjab National Bank

H-22, Tropical Building,

Connaught Place,

New Delhi- 110001

REGISTERED OFFICE

C-64, Lajpat Nagar-I,
New Delhi – 110024.

**REGISTRAR AND TRANSFER AGENT
FOR BOTH PHYSICAL & DEMAT**

M/s RCMC Share Registry Private Ltd.,
B-106, Sector – 2, Noida – 201301 (U.P.)

CORPORATE OFFICE

Delhi Stock Exchange Building,
4/4B, Asaf Ali Road, New Delhi – 110002.



NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Members of Brawn Pharmaceuticals Limited will be held on Monday, the 29th September, 2008 at 9.30 A.M. at "The Executive Club", 439, Vill – Shahoorpur, P.O. – Fatehpur Beri, New Delhi-110074 to transact the following businesses.

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and Profit and Loss Account for the year ended on that date and the Report of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Manohar Lal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To reappoint Statutory Auditors' of the company and fix their remuneration and for the purpose to consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.

"RESOLVED THAT M/s Satinder Saini & Co., Chartered Accountants, 514, Suneja Tower – 1, District centre, Janak Puri, New Delhi – 110058 be and are hereby reappointed as statutory auditors of the company to hold office from the conclusion of ensuing Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company."

Place: New Delhi
Date: 14-06-2008

For and on behalf of the Board of Directors

Sd/-
(B.R. Gupta)
Chairman-Cum-Managing Director

Notes:

- a.) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY, A BLANK FORM OF PROXY IS ENCLOSED HERewith AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED, DULY FILLED IN, TO THE REGISTERED/CORPORATE OFFICE OF THE COMPANY NOT LESS THAN FOURTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**
- b.) The Register of Members and Share Transfer Book of the Company will remain closed from Friday, the 26th September, 2008 to Monday, the 29th September 2008 (both days inclusive).
- c.) Shareholders are requested to intimate the change of address, if any, to the Company's Registrar & Transfer Agent M/s. RCMC Share Registry Private Limited, B-106, Sector-2, Noida – 201301 (U.P.)
- d.) Members /Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting. Members, who hold shares in dematerialized form are requested to bring their Client ID and DP ID Number for easy identification of attending at the meeting.
- e.) Shareholders seeking any information or having any query with regard to accounts are requested to write to the Company at least seven days before the date of the meeting, so as to enable the management to keep the information ready.
- f.) Members are requested to bring their copies of Annual Reports with them to the meeting, as extra copies of the Annual Reports will not be available for distribution at the meeting.

Place: New Delhi
Date: 14.06.2008

For and on behalf of the Board of Directors

Sd/-
(B.R. Gupta)
Chairman-Cum-Managing Director

DIRECTORS' REPORT

Dear Shareholders,

The Directors of your Company have pleasure in presenting to you the Twenty Third Annual Report on the business & operations of the company and Audited Statement of Accounts for the year ended 31st March, 2008 along with the Auditor's Report thereon.

FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31st March 2008 are as follows:

<i>(Rs. in Lakh)</i>		
Particulars	Year ended 31.03.2008	Year ended 31.03.2007
Gross Sales	92.66	33.51
Profit before Depreciation & Interest	8.00	1.17
Interest	NIL	NIL
Depreciation	NIL	NIL
Profit/(Loss) before Tax	8.00	1.17
Excess Provision for Income Tax of previous year written back	0.13	NIL
Provision of Gratuity	0.01	NIL
Provision for Income Tax	0.33	0.13
Provision for Deferred Tax	(6.84)	6.84
Net Profit/(Loss) after Tax	0.93	7.87
Profit/Loss brought forward	(203.28)	(211.16)
Amount Available for Appropriation	(202.35)	(203.28)
Appropriations		
Transfer to General Reserve	NIL	NIL
Balance carried to Balance Sheet	(202.35)	(203.28)

OPERATIONS AND PERFORMANCE

During 2007-08, your Company made a strategic entry with its generic formulations in the premium markets of Iraq and consolidated its strengths in the less regulated and emerging markets. This was done while striving for leadership position in the domestic market.

All these positive developments helped your Company to improve its top and bottom line. Since, the company has received international orders and have already received US \$ 2,00,000/- in advance during the current year. It has placed huge orders for manufacture and hence the operating profit was much higher over the previous year. Revenues for the year at Rs.92.66 lacs were higher by 176.51%. Brawn Pharmaceuticals Ltd. is effectively facing the challenges of entering into severely competitive markets, prevailing high raw material costs and pressure on product prices. The strengths of the Company's ability to manage resources from end-to-end and capacity to deliver what the customer wants at affordable prices, is helping the company to overcome the constraints.

Your Company sees big potential for its products in the regulated markets, with its large basket of regulatory approved products.

The Company had no manufacturing activities during the year. However the company has obtained drug license on loan license basis of getting its products manufactured from other parties. Also, the pipeline of new products being developed by the team in R&D would add to the offers to the market in the future.

DIVIDEND

In view of marginal profits earned by the Company, your Directors regret their inability to recommend any dividend for the year 2007-2008.

DIRECTORS

In accordance with the provisions of Sections 255 & 256 of the Companies Act 1956 and Articles of Association of the company, Mr. Manohar Lal, Director of the Company, retires by rotation and being eligible offers himself for reappointment.

AUDITORS

The Statutory Auditors, M/s. Satinder Saini & Co., Chartered Accountants, New Delhi retire at the forthcoming Annual General Meeting and offer themselves for re-appointment as the Auditors' of the company.

As required under Section 224 (1B) of the Companies Act, 1956, the company has obtained from them a confirmation to the effect that their appointment, if made, would be in conformity with the limits prescribed in the said section.

AUDITORS' REPORT

Observations to the Auditors when read together with the relevant notes to the accounts and accounting policies are self-explanatory. Without qualifying, auditors have drawn attention to the following points:

1. The realisability of sundry debtors aggregating to Rs.268.16 Lakh outstanding as on 31-03-2008 is dependent upon the legal proceedings initiated by the company and no provision has been made on that account.

Your company is going through the litigation proceedings for the recovery of this amount and the case is pending before Metropolitan Magistrate. Arbitration proceedings are also pending for disposal before the arbitrator appointed by Delhi High Court.

2. Note No. 8 of schedule 12 relating to recognition of deferred tax assets, which read as follows:

Note No. 8 – “The company has unabsorbed depreciation and carry forward of losses under tax laws. The deferred tax assets has not been recognized in absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.”

Management is of the view that orders received from the customers, both overseas and domestic, will convert into actual sales in the current financial year. Hence there will be actual taxable profits in the years to come.

3. Note No. 5 of schedule 12 which read as follows:

“The Company has recognized recoverable claim on account custom duty credit arising out of export of Rs 41.40 lacs (Rs.41.40 lacs) which is considered realizable on receipt of payment of such exports, which is outstanding till date and no provision is considered necessary.”

This is related to the actual realization from the debtors as mentioned in point no. 1 above.

DEVELOPEMENT

One of the main objectives of the company in the current financial year is to manufacture products giving an import substitution and to improve and develop good export market.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of your Company state:

- (a) That in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- (b) That the Directors had 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 and of the profit of the Company for that period;
- (c) That the Directors had 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;
- (d) That the Directors had prepared the annual accounts for the year ended 31st March 2008 on a going concern basis.

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

Particulars in respect of conservation of energy, technology absorption and other particulars required under 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 is enclosed as Annexure 'A' and forms part of this report.

CORPORATE GOVERNANCE

Your Company believes in conducting the business with due compliance of all the applicable laws, rules and regulations. The Company has duly implemented the system of corporate governance as per the requirements of the Listing Agreement. Detail report appears in the Annexure forming part of this report.

EMPLOYEES RELATION

Your Directors wish to express their sincere appreciation of the efficient services rendered by the employees at all levels throughout the company.

PERTICULARS OF EMPLOYEES

None of the Employee of the Company has received remuneration above the limits as prescribed in Sub-section 2A of Section 217 of the Companies Act, 1956 read with Companies (Particular of Employees) Rules, 1975.

FIXED DEPOSIT

The Company has not accepted any fixed deposit from the public during the year under review.

ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude to the Government Authorities, Company's Bankers, Dealers, Customers and its Business Associates for their valued support extended to the company.

For and on behalf of the Board of Directors

PLACE: New Delhi

DATE: 14.06.2008

Sd/-

(B.R. Gupta)

CHAIRMAN-CUM-MANAGING DIRECTOR

ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT OF PARTICULARS UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

(A) Conservation of Energy

- (i) Energy Conservation Measure taken
- (ii)
 - 1) Preventive maintenance of equipment to seal energy wastages. N.A.
 - 2) Regular day to day monitoring of energy Consumption items. N.A.
- (iii) Total and per unit energy consumption
The figure-A(see Rule-A
Form-A (see Rule-2)
Power and fuel consumption N.A.

(B) Technology absorption N.A.

(C) Expenditure on R&D N.A.

(D) Foreign Exchange earnings and outgo.

(Rs. In Lacs)

		Year ended 31 st March 2008	Year ended 31 st March 2007
a)	Total foreign Exchange earned	-	-
b)	Total foreign Exchange used on Import of raw materials, spare parts and capital goods	-	-
c)	Expenditure in Foreign Currencies for travels, subscription, consumables stores, goods for resale, commission on export sales etc.	-	-
d)	Remittance during the year in foreign currency on account of dividend.	-	-

For and on behalf of the Board of Directors

PLACE: New Delhi

DATE: 14.06.2008

Sd/-

(B.R. Gupta)

CHAIRMAN-CUM-MANAGING DIRECTOR

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OUTLOOK

The pharmaceutical industry is core to the Indian economy, a battle ground of major global majors in the pharmaceutical sectors. The industry is increasingly responding to the need to reduce various vulnerable diseases and enhance safety through vast development of life savings drugs and medicines. Its growth is being catalysed by a significant gap between demand and supply. As a result, with increasing competition, consumer preference will become paramount and product differentiation is expected to play a major role in success.

FINANCIAL AND OPERATIONAL PERFORMANCE

The same has been discussed in the Board of Directors' Report.

HUMAN RESOURCES

Adequate facilities and opportunities are also being provided to the staffs to update themselves in the fast changing era of technologies.

COMPANY PERFORMANCE

The company could not leverage its rich technological and production strengths during the period under review due to various constraints. Even in this challenging situation the Company strives to regain its lost vigour and vitality.

INTERNAL CONTROL & ADEQUACY

Your company has a proper and adequate system of internal control. Your company also ensures that transactions are authorized, recorded and reported correctly.

PROSPECTS

In the wake of the ongoing economic reforms, the company is expected to make a strong showing through its current emphasis on high value added jobs, which would require considerable reinforcement in the areas of pharmaceuticals and image building as a reliable supplier with quality assurance.

CAUTIONARY NOTE

The MD&A, detailing the Company's objectives, projections, estimates and expectations, may contain 'forward looking statements' within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectations of future events. The actual results may differ substantially or materially from those expressed or implied. The company assumes no responsibility to publicly amend, modify or revise any forward