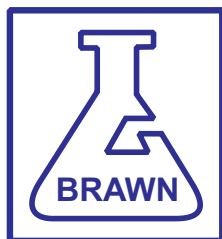




25th Annual Report 2009-2010



Brawn Pharmaceuticals Limited
New Delhi

**25th Annual General Meeting****Date**

28th September, 2010

Day

Tuesday.

Time

9.30 A.M.

Place

"The Executive Club"
439, Vill-Shahoorpur,
P.O. – Fatehpur Beri
New Delhi – 110074

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. Bal Kishan 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.

CORPORATE OFFICE

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

REGISTRAR AND TRANSFER AGENT

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

Contents*Page No.*

1. Notice -----	2
2. Directors' Report -----	5
3. Management Discussion & Analysis -----	8
4. Report on Corporate Governance -----	8
5. Compliance Certificate on Corporate Governance -----	13
6. Auditors' Report -----	14
7. Balance Sheet -----	17
8. Profit & Loss Account-----	18
9. Schedules to the Accounts-----	19
10. Cash Flow Statement -----	26
11. Balance Sheet Abstract-----	27



NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Members of Brawn Pharmaceuticals Limited will be held on Tuesday, the 28th September, 2010 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, 2010 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 Mrs. Brij Bala Gupta, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mrs. Urmila Gupta, who retires by rotation and being eligible, offers herself for re-appointment.
4. 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."

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 subject to such consents and permissions, if any, as may be necessary, approval of the Company be and is hereby accorded in terms of Section 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and the Schedule(s) thereto, including any statutory amendment or re-enactment thereof, to the re-appointment of Brij Raj Gupta as Managing Director for a fresh tenure of five years effective from 28-09-2010 on the terms, conditions and remuneration, including minimum remuneration as are hereinafter specifically given:-

TENURE:

Five years with effect from 28/09/2010.

FUNCTIONS:

Subject to the direction, control and superintendence of the Board of Directors, Brij Raj Gupta shall have the overall responsibility for looking after the day to day management of the Company.

REMUNERATION:

Subject to the overall limit or remuneration payable to all the managerial personnel taken together, the remuneration payable to Brij Raj Gupta shall comprise salary, perquisites and commission, as may be decided by the Board/Remuneration Committee within an overall ceiling of 5% of the net profits of the Company, computed in the manner laid down in Section 349 of the Companies Act, 1956.

REMUNERATION FOR A PART OF THE YEAR

Remuneration for a part of the year shall be computed on pro-rata basis.

MINIMUM REMUNERATION

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to Brij Raj Gupta shall be decided by the Remuneration Committee subject to the provisions of the Companies Act, 1956 and such approval, if any, as may be required.

TERMINATION

The appointment of Brij Raj Gupta as Managing Director may be terminated by either party, giving to the other, three calendar months notice in writing.



In the event of termination of this appointment of Brij Raj Gupta by the Company, he shall be entitled to receive compensation in accordance with the provisions of the Companies Act, 1956 or any statutory amendment or re-enactment thereof.

RESOLVED FURTHER THAT the Board/Remuneration Committee be and is hereby authorized to alter, vary and increase the remuneration in the event of any liberalization/revision in the levels of permissible managerial remuneration, notwithstanding the overall remuneration set out as above, as may then be prescribed/permissible.

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT subject to the provisions of section 21 and 31 of the Companies Act, 1956 and other applicable provisions, if any, and subject to the approval of Central Government and other authorities as may be required the name of the Company be and is hereby changed from **Brawn Pharmaceuticals Limited to Brawn Biotech Limited.**

Resolved further that the Clause I of the Memorandum of Association of the Company be substituted with the following new Clause:

- I. The Name of the Company is **BRAWN BIOTECH LIMITED.**

RESOLVED FURTHER THAT the name Brawn Pharmaceuticals Limited wherever it appears in the Memorandum and Articles of Association of the Company be substituted by the Brawn Biotech Limited.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to add, delete or change the main objects of the Company, if required, and to do all such acts, deeds, matters and things that may be necessary, proper or expedient, to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to agree to such changes/modifications as may be suggested by the Registrar of Companies or other competent authority or that may otherwise deem fit by the Board and to take such other steps as may be required to give effect to this resolution.”

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

“RESOLVED THAT Mr. Mahesh Kumar Nanchal, who was appointed as an Additional Director of the Company to hold office till the date of the Annual General Meeting, be and is hereby appointed as an ordinary Director of the Company whose office shall be liable for determination through retirement by rotation.”

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

“RESOLVED THAT Mr. Manohar Lal, who was appointed as an Additional Director of the Company to hold office till the date of the Annual General Meeting, be and is hereby appointed as an ordinary Director of the Company whose office shall be liable for determination through retirement by rotation.”

For and on behalf of the Board of Directors

Sd/-

Place : New Delhi
Date : 28-08-2010

(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 Thursday, the 23rd September, 2010 to Tuesday, the 28th September, 2010 (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 enclosed 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.
- g.) Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item nos. 5 to 8 is enclosed herewith.

For and on behalf of the Board of Directors
Sd/-

(B.R. Gupta)

Chairman-Cum-Managing Director

Place : New Delhi

Date : 28-08-2010

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956**Item No. 5:**

The tenure of Mr. Brij Raj Gupta to serve the Company as Managing Director of the Company expires this year. Thus, he is re-appointed as Managing Director of the Company for a further period of Five Years with effect from the date of Annual General Meeting. Therefore, the members' approval is sought to the re-appointment. The terms of his re-appointment and remuneration are set out in the resolution.

Mr. Brij Raj Gupta is interested in the resolution. Mrs. Brij Bala Gupta and Mrs. Urmila Gupta, who are relatives of Mr. Brij Raj Gupta, may be deemed to be interested in the resolution.

Item No. 6:

Our Company is seeing the window of opportunity for capitalizing on the new set of ideas and technologies. There is huge potential of growth in Biotechnology products and our Company wants to utilize its present goodwill to take advantage of this opportunity. Therefore it is proposing to change the name of Company to Brawn Biotech Limited to reflect an image that we are dealing in biotechnology products in pharmaceutical industry. Most of the traditional pharmaceutical Companies are tying up with new biotechnology entrants in order to provide new technology products to their old market network.

None of the Directors is concerned / interested in the resolution.

Item No. 7:

The Board is proposing to appoint Mr. Mahesh Kumar Nanchal as an ordinary director in the ensuing AGM. Accordingly, the resolution is placed before the members for their consideration and approval. The Board recommends the proposed resolution for adoption in the larger interest of the Company.

Mr. Mahesh Kumar Nanchal is interested and concerned in the proposed resolution.

Item No. 8:

The Board is proposing to appoint Mr. Manohar Lal as an ordinary director in the ensuing AGM. Accordingly, the resolution is placed before the members for their consideration and approval. The Board recommends the proposed resolution for adoption in the larger interest of the Company.

Mr. Manohar Lal is interested and concerned in the proposed resolution.

For and on behalf of the Board of Directors
Sd/-

(B.R. Gupta)

Chairman-Cum-Managing Director

Place : New Delhi

Date : 28-08-2010



DIRECTORS' REPORT

Dear Shareholders,

The Directors of your Company have pleasure in presenting to you the Twenty Fifth Annual Report on the business & operations of the company and Audited Statement of Accounts for the year ended 31st March, 2010 along with the Auditor's Report thereon.

FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31st March 2010 are as follows:

Particulars	<i>(Rs. in Lakh)</i>	
	Year ended 31.03.2010	Year ended 31.03.2009
Gross Sales and other Incomes	125.65	409.94
Profit before Depreciation & Interest	12.06	41.52
Interest	0.10	0.02
Depreciation	0.18	0.09
Profit/(Loss) before Tax	11.78	41.41
Excess Provision for Income Tax of previous year written back	-	-
Provision of Gratuity	-	0.24
Provision for Income Tax	0.82	4.39
Provision for Deferred Tax	(37.22)	-
Net Profit/(Loss) after Tax	48.18	36.78
Profit/Loss brought forward	(165.57)	(202.35)
Amount Available for Appropriation	(117.39)	(165.57)
Appropriations		
Transfer to General Reserve	NIL	NIL
Balance carried to Balance Sheet	(117.39)	(165.57)

OPERATIONS AND PERFORMANCE

During the year 2009-10, your Company's total sales and other income were Rs 125.65 Lacs and it earned profit of Rs 12.06 Lacs in contrast to previous years sales of Rs 409.94 Lacs where it earned profits of Rs 41.52 lacs. At the face of it, it looks that Company is moving backwards but in reality, last year company has made major strategic decisions because of which the results of the first 2 quarters of current year are very impressive with the sales of Rs 374.85 Lacs covering almost 90% of the sales of year ended 31st March 2009. Next half year is still remaining and we are looking for far better results.

FUTURE PROSPECTS:

Considering the present situation, the Company has started aggressive marketing activities as a result of which the Company has shown better results during the quarter ending on 30th June 2010 with the sales of Rs 350.34 Lacs earning profits of Rs 48.36 Lacs. The Company has registered its products in international markets and has expanded its presence. Presently, the Company is also acting as consignee agent for the supplies to Government Hospitals and institutions.

As a result of major market analysis, the Company has also decided to take advantage of biotechnology and is entering into new line of biotech products for which it is proposing to change the name of the Company to Brawn Biotech Limited to reflect the image of new product range with higher profit prospects. This time the Company is going to shine in the eyes of its stakeholders.

DIVIDEND

Your Directors regret their inability to recommend any dividend for the year 2009-2010 to cover up the losses of the past years.

DIRECTORS

Mr. Brij Raj Gupta is proposed to be re-appointed as Managing Director of the Company for a further period of 5 years. The Board recommends the resolution for his re-appointment.



Mrs. Brij Bala Gupta and Mrs. Urmila Gupta retires by rotation and being eligible offers themselves for re-appointment. Directors recommend their re-appointment.

Appointment of Mr. Mahesh Kumar Nanchal and Mr. Manohar Lal as an ordinary Director of the Company is placed before the Members for consideration. The Board recommends the resolution(s) for adoption by the members.

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 of the Auditors when read together with the relevant notes to the accounts and accounting policies are self-explanatory.

DEVELOPMENT

One of the main objectives of the company in the current financial year is to improve and develop good export market. Also, the aggressive marketing campaign launched by the Company is reaping fruitful results. Company is also entering into new biotechnology products range which will increase the profitability of the Company. Presently, the Company is also acting as consignee agent for the supplies to Government Hospitals and institutions.

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 2010 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. Detailed 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.

PARTICULARS 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 the Companies (Particular of Employees) Rules, 1975.

FIXED DEPOSIT

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

ACKNOWLEDGMENT

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

Sd/-

(B.R. Gupta)

Chairman-Cum-Managing Director

Place : New Delhi

Date : 28-08-2010



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	Rs. 58.72 Lac
(Rs. In Lacs)		

	Year ended 31 st March 2010	Year ended 31 st March 2009
a) Total foreign Exchange earned	58.72	246.72
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

Sd/-

(B.R. Gupta)

Chairman-Cum-Managing Director

Place : New Delhi
Date : 28-08-2010



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 sector. 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 publicity and it may amend, modify or revise any forward working statements, on the basis of any subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

The Company continues to implement the code of Corporate Governance during the year under reference in terms of clause 49 of the Listing Agreement with Stock Exchanges.

1. BRIEF NOTE ON COMPANY'S PHILOSOPHY

Corporate Governance primarily involves transparency, full disclosure, independent monitoring of the state of affairs and being fair to all stakeholders. A good Corporate Governance lead to long term shareholders value and enhances interest of other stakeholders. It brings in to focus the fiduciary and trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value.

The Company has always believed in good Corporate Governance and Standard Corporate Practice. The company has always remained prompt and regular in discharging its statutory obligations and duties.

The Board of Directors has constituted various committees such as Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievances Committee. The meetings of the Board and Committees thereof have been held as frequently as required for proper and effective control over the affairs of the Company. All the directors attending the Board and Committee Meetings, actively participate in the proceedings.