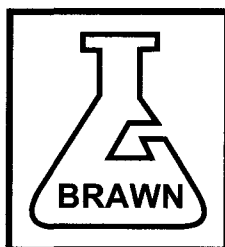




***26th Annual Report  
2010-2011***



**Brawn Biotech Limited**  
**(Formerly Brawn Pharmaceuticals Limited)**  
**New Delhi**

**26th Annual General Meeting**

**Date** 30th September, 2011

**Day** Friday.

**Time** 4.00 P.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. Amit Bansal

**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.)

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## **NOTICE**

Notice is hereby given that the 26th Annual General Meeting of the Members of Brawn Biotech Limited (Formerly Brawn Pharmaceuticals Limited) will be held on Friday, the 30th September, 2011 at 04:00 P.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, 2011 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 Lai, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Bal Kishan Sharma, who retires by rotation and being eligible, offers himself 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."

Place : New Delhi  
Date : 03-09-2011

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 Saturday, the 24<sup>th</sup> September, 2011 to Friday, the 30<sup>th</sup> September, 2011 (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.

Place : New Delhi  
Date : 03-09-2011

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 Sixth Annual Report on the business & operations of the company and Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2011 along with the Auditor's Report thereon.

**FINANCIAL RESULTS**

The Financial Results of the Company for the year ended 31<sup>st</sup> March 2011 are as follows:

<b>Particulars</b>	<b>(Rs. in Lakh)</b>	
	<b>Year ended 31.03.2011</b>	<b>Year ended 31.03.2010</b>
Gross Sales	1613.05	125.65
Profit before Depreciation & Interest	45.79	12.06
Interest	4.26	0.10
Depreciation	0.32	0.18
Profit/(Loss) before Tax	41.21	11.78
Excess Provision for Income Tax of previous year written back	-	-
Provision for Gratuity	6.36	0.33
Provision for Leave Encashment	4.09	-
Provision for Income Tax	6.38	0.82
Provision for Deferred Tax	13.48	(37.22)
Net Profit/(Loss) after Tax	21.35	48.18
Profit/Loss brought forward	(117.39)	(165.57)
Amount Available for Appropriation	(96.04)	(117.39)
<b>Appropriations</b>		
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	(96.04)	(117.39)

**OPERATIONS AND PERFORMANCE**

During the year 2010-11, your Company's total sales and other income were Rs. 1613.05 Lacs and it earned profit of Rs. 41.21 Lacs in contrast to previous year's sales of Rs. 125.65 Lacs where it earned profits of Rs. 12.06 Lacs. It is apparent from the financials shown above that the sale of the Company has been increased by more than 1200 % and the net profit has also increased by more than 300 % in comparison with the previous year's results. As the performance of the company in the first two quarters of the current year is on the higher side, we are expecting better results in the future.

**FUTURE PROSPECTS:**

The Company is into aggressive marketing activities as a result of which the Company is showing better results from the past years. The Company has registered its products in international markets and has expanded its presence, as a result of which the export sale was of Rs. 70.87 Lacs during the year under report. Presently, the Company is also acting as consignee agent for the supplies to Government Hospitals and institutions. The Company is also planning to expand its business operations in the other states of territory of India, currently in which the company is not in operation.

**DIVIDEND**

Your Directors regret their inability to recommend any dividend for the year 2010-2011 to cover up the losses of the past years.

**CHANGE OF NAME OF THE COMPANY**

The name of the Company has been changed from Brawn Pharmaceuticals Limited to **Brawn Biotech Limited** w.e.f. 18.11.2010.

**DIRECTORS**

Mr. Manohar Lai and Mr. Bal Kishan Sharma retires by rotation and being eligible offers themselves for re-appointment. Directors recommend their re-appointment.

**AUDITORS**

The Statutory Auditors, M/s Satinder Saini & Co., Chartered Accountants, New Delhi retires at the forthcoming Annual General Meeting and offers 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.

**DEVELOPMENT**

One of the main objectives of the company in the current financial year is 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 judgment 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 31<sup>st</sup> March 2011 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.



**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 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.

Place : New Delhi  
Date : 03-09-2011

For and on behalf of the Board of Directors  
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 Rs. 70.87 Lac

(Rs. In Lacs)

		Year ended 31 <sup>st</sup> March 2011	Year ended 31 <sup>st</sup> March 2010
a)	Total foreign Exchange earned	70.87	58.72
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.	-	-

Place : New Delhi  
Date : 03-09-2011

For and on behalf of the Board of Directors  
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 marketing strengths to its full capacity 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 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.