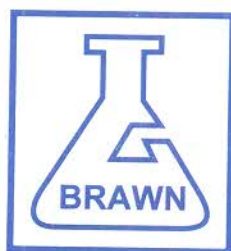




***28th Annual Report  
2012-2013***



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

**28th Annual General Meeting**

**Date** 28th September, 2013

**Day** Saturday

**Time** 3.00 P.M.

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

**Contents**

	<i>Page No.</i>
1. Notice-----	2
2. Directors' Report-----	3
3. Management Discussion & Analysis-----	6
4. Report on Corporate Governance-----	6
5. Compliance Certificate on Corporate Governance-----	12
6. Auditors' Report-----	13
7. Balance Sheet-----	16
8. Profit & Loss Account-----	17
9. Cash Flow Statement-----	18
10. Notes to the Accounts-----	19

**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.)





### NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Members of Brawn Biotech Limited (Formerly Brawn Pharmaceuticals Limited) will be held on Saturday, the 28th September, 2013 at 03:00 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, 2013 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 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."

#### 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 Monday, the 23rd September, 2013 to Saturday, the 28th September, 2013 (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 : 31-08-2013

For and on behalf of the Board of Directors

2

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



**DIRECTORS' REPORT**

Dear Shareholders,

The Directors have pleasure in presenting the Twenty Eighth Annual Report of your company on the business & operations of the company and Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2013 along with the Auditor's Report thereon.

**FINANCIAL RESULTS**

The Financial Results of the Company for the year ended 31<sup>st</sup> March 2013 are as follows:

Particulars	(Rs. in Thousands)	
	Year ended 31.03.2013	Year ended 31.03.2012
Gross Sales	2,59,232.31	1,50,646.63
Profit before Depreciation & Interest	6,650.05	2,614.19
Interest	789.16	505.22
Depreciation	135.19	91.62
Profit/(Loss) before Tax	5,725.70	2,017.35
Provision for Income Tax (MAT)	1,195.59	267.69
Deferred Tax Assets written back	974.06	1517.01
Net Profit/(Loss) from continuing operations	3,523.949	232.66
Profit/Loss brought forward	(9,371.50)	(9604.16)
Amount Available for Appropriation	(5,847.55)	(9371.50)
<b>Appropriations</b>		
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	(5,847.55)	(9371.50)

**OPERATIONS AND PERFORMANCE**

During the year 2012-13, your Company's total sales and other income were Rs. 2,59,232.31 thousand and it earned profit of Rs. 5,725.70 thousand in contrast to previous year's sales of Rs. 1,50,646.63 thousand in which it earned profits of Rs. 2,017.35 thousands. It is apparent from the financials shown above that the sale of the Company has been increased by approximately 60% from the previous year. The profits of the company have also increased manifold and more than double enhancement can be seen. The Company is dealing in Critical Care range of products along with other Pharmaceutical products and also exporting the Pharmaceutical goods to some foreign countries, which results in tremendous growth in sale and profits of the company.

**FUTURE PROSPECTS:**

The Company has diversified its activities and entered into marketing of Critical Care products into various parts of India. The Company is also aggressively making efforts in enhancing the export sale, as a result of which, the sale and profits of the Company have been increased manifold in the previous Financial Year. In the current year also the Company is expecting exceptional growth in the turnover and profits of the Company.

**DIVIDEND**

Your Directors regret their inability to recommend any dividend for the year 2012-2013 to cover up the losses of the past years.

**DIRECTORS**

Mrs. Brij Bala Gupta retires by rotation and being eligible offers herself for re-appointment. Directors recommend her 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 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 31<sup>st</sup> March 2013 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 : 31-08-2013

For and on behalf of the Board of Directors



**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. 1,26,933.53 Thousands

(Rs. In Thousands)

		Year ended 31 <sup>st</sup> March 2013	Year ended 31 <sup>st</sup> March 2012
a)	Total foreign Exchange earned	1,26,933.53	1,500.74
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 : 31-08-2013

For and on behalf of the Board of Directors

(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 catalyzed by a significant gap between demand and supply specifically in the range of critical care products. 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 publicly 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





## 2. BOARD OF DIRECTORS

The Board of Directors comprises one Chairman-cum-Managing Director, two Non Executive Promoter Director and three Non Executive Independent Directors.

During the year, 18 Board Meetings were held.

The particulars regarding composition of the Board of Directors, particulars of Directors, other directorship of other public limited Companies and their attendance in the Meetings held during the year under review are given hereunder:

Name of the Directors & Category of Directorship		Directorship in other public limited companies		Committees Membership held in Other public Companies		No. of Board Meetings during the year		Attend ed Last AGM	No. of share held in the company
		Total	As Chairman	Total	Chairman	Held	Attend ed		
B.R. Gupta	Chairman & M.D	1	NIL	NIL	NIL	18	18	Yes	3,77,650
Brij Ba la Gupta	Non-Executive Promoter Director	1	NIL	NIL	NIL	18	14	No	89,600
Urmila Gupta	Non-Executive Director	1	NIL	NIL	NIL	18	0	No	NIL
Manohar Lal	Non-Executive Independent Director	NIL	NIL	NIL	NIL	18	18	Yes	NIL
Mahesh Kumar Nanchal	Non-Executive Independent Director	NIL	NIL	NIL	NIL	18	18	Yes	3,100
Bal Kishan Sharma	Non-Executive Independent Director	NIL	NIL	NIL	NIL	18	0	Yes	NIL

## 3. COMMITTEE OF THE BOARD

The Board of Directors have constituted the following Committees with adequate delegation of powers.

### A. Audit Committee

Composition of Audit Committee meets all the criteria as prescribed by law. The committee comprises of three Directors, who are Non Executive & Independent. It met four times during the year 2012-13 on 14<sup>th</sup> May, 2012, 13<sup>th</sup> August, 2012, 12<sup>th</sup> November, 2012 and 15<sup>th</sup> February, 2013.

The details of the meeting of Audit Committee attended by the members are as under:-

Members of Audit Committee	Category	Meetings held	Meetings attended
Mr. Manohar Lal	Chairman	4	4
Mr. Mahesh Kumar Nanchal	Member	4	4
Mr. Bal Kishan Sharma	Member	4	4




**B. Share Transfer & Shareholders/Investors' Grievance Committee**

The Share Transfer & Shareholders/Investors' Grievance Committee of the Company looks into the matters like transfer/transmission, issuance of duplicate shares, non-receipt of Annual Reports and declare dividend etc. and investigate the investor's complaints and take necessary steps for redressal thereof.

The details of the meeting of Share Transfer & Shareholders/Investors' Grievance Committee attended by the members are as under:-

Members	Category	Meetings held	Meetings attended
Mr. Manohar Lal	Chairman	7	7
Mr. Mahesh Kumar Nanchal	Member	7	7
Mr. Bal Kishan Sharma	Member	7	7

**C. Remuneration Committee**

Remuneration Committee of the Board of Directors recommends/reviews the remuneration package of Managing Director & Whole Time Directors. The Remuneration Committee comprises of following Directors.

Members	Category
Mr. Manohar Lal	Chairman
Mr. Mahesh Kumar Nanchal	Member
Mr. Bal Kishan Sharma	Member

**1. General Body Meeting**

(i) Location and time where last three AGMs were held:

Year	Date	Location	Time
2011-12	28th September, 2012	Executive Club, 439, Vill -Shahoorpur, P.O., Fatehpur Beri, N.D-110074	3.00 p.m.
2010-11	30 <sup>th</sup> September, 2011	Executive Club, 439, Vill -Shahoorpur, P.O., Fatehpur Beri, N.D-110074	4.00 p.m.
2009-10	28 <sup>th</sup> September, 2010	Executive Club, 439, Vill -Shahoorpur, P.O., Fatehpur Beri, N.D-110074	9.30 a.m.

(ii) Special resolutions passed in the previous 3 AGMs :

28.09.2010: Special resolution for change of name of the Company from Brawn Pharmaceuticals Limited to Brawn Biotech Limited has been passed.

(iii) No Special resolution is proposed to be conducted through Postal Ballot.

**2. Means of Communication**

- Quarterly Results: Dissemination through publication in newspaper as required under Listing Agreement.
- Newspapers wherein results normally published –Business Standards (in Hindi) and Business Standards (in English)
- The financial results and official news releases are also available on the company's website at [www.brawnbiotech.com](http://www.brawnbiotech.com)

**3. GENERAL SHAREHOLDERS INFORMATION**
**(i) Details of Forthcoming Annual General Meeting**

Date 28<sup>th</sup> September, 2013  
 Time 03.00 P.M.  
 Venue The Executive Club", 439, Vill – Shahoorpur,  
 P.O. – Fatehpur Beri, New Delhi-110074