



A Leading
Sterile Injectables
Pharmaceutical Company of India

Annual Report 2011



Our endeavor to help preserve
earth's most precious resources...
Human Lives

Content

Notice to Shareholders	03
Directors' Report	08
Corporate Governance	12
Management Discussion & Analysis	20

Financial Statements

Auditors' Report	27
Annexure to Auditors' Report	28
Balance Sheet	30
Profit & Loss Account Statement	31
Cash Flow Statement	32
Schedules forming part of Balance Sheet	34
Schedules forming part of Profit & Loss Account	38
Significant Accounting Policies	40
Notes to the Financial Statements	42
Balance Sheet Abstract & Company's General Business Profile	54

Consolidated Financial Statements

Auditors' Report	55
Consolidated Balance Sheet	56
Consolidated Profit & Loss Account Statement	57
Consolidated Cash Flow Statement	58
Schedules to the Consolidated Financial Statements	60
Significant Accounting Policies to the	
Consolidated Financial Statements	65
Notes to the Consolidated Financial Statements	67
Information on the Financials of the Subsidiary Companies	74

Attendance Slip & Proxy Form

Corporate Information

BOARD OF DIRECTORS

Dr. Pravin P. Shah

Chairman & Independent Director

Mr. Arjun S. Handa

Managing Director & CEO

Mr. Aditya S. Handa

Director

Mr. Chetan S. Majmudar

Whole Time Director

Mr. Chandrasingh Purohit

Whole Time Director

Mr. Amish Vyas

Whole Time Director

Mr. T.V. Ananthanarayanan

Independent Director

Mr. Surrinder Lal Kapur

Independent Director

Mr. Nikhil Mohta

Director

GM - COMPLIANCE & COMPANY SECRETARY

Rajesh Kumar Modi

AUDITORS

Deloitte Haskins & Sells, Ahmedabad

REGISTERED & CORPORATE OFFICE

Claris Corporate Headquarters, Nr. Parimal
Rly. Crossing, Ellisbridge, Ahmedabad -
380006, India

Tel: +91-79-26563331, 66309330

Website: www.clarislifesciences.com

MANUFACTURING FACILITY

Village: Chacharwadi, Vasna

Taluka: Sanand

Ahmedabad - 382213, India

BANKERS

1. Canara Bank
2. Indian Overseas Bank
3. Punjab National Bank
4. Andhra Bank
5. Allahabad Bank
6. Central Bank of India
7. United Bank of India

Notice to Shareholders

Notice is hereby given that the 17th Annual General Meeting of the Members of CLARIS LIFESCIENCES LIMITED will be held on Monday the 30th April, 2012 at 12.00 Noon at Ahmedabad Management Association, H.T.Parekh Convention Centre, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380015 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at December 31, 2011, the Profit & Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To declare dividend on the equity shares for the financial year ended 31st December, 2011.
3. To appoint a Director in place of Mr. Surrinder Lal Kapur, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Aditya S. Handa, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors to hold office from conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto, Mr. Amish Vyas, be appointed as a Whole Time Director of the Company, for a period of 3 years with effect from 3rd July, 2012 to 2nd July, 2015 upon the terms and conditions, including the remuneration to be paid as mentioned in the explanatory statement annexed."

"RESOLVED FURTHER THAT subject to the provisions of Section 198 and other applicable provisions, if any, of the Companies Act, 1956, the remuneration as set out in the explanatory statement be paid as minimum remuneration to Mr. Amish Vyas, notwithstanding that in any financial year of the Company during his tenure as Whole Time Director, the Company has made no profits or profits are inadequate."

"RESOLVED FURTHER THAT the Board of Directors (hereinafter called the "Board" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) of the Company be and is hereby authorized to alter or vary the terms of appointment of the appointee including relating to remuneration, as it may at its discretion, deem fit from time to time provided the remuneration is within the limit laid down in the then subsisting respective provisions of the Companies Act, 1956."

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

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto, Mr. Chandrasingh Purohit, be appointed as a Whole Time Director of the Company, for a period of 3 years with effect from 3rd July, 2012 to 2nd July, 2015 upon the terms and conditions, including the remuneration to be paid as mentioned in the explanatory statement annexed thereto."

"RESOLVED FURTHER THAT subject to the provisions of Section 198 and other applicable provisions, if any, of the Companies Act, 1956, the remuneration as set out in the explanatory statement be paid as minimum remuneration to Mr. Chandrasingh Purohit, notwithstanding that in any financial year of the Company during his tenure as Whole Time Director, the Company has made no profits or profits are inadequate."

"RESOLVED FURTHER THAT the Board of Directors (hereinafter called the "Board" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) of the Company be and is hereby authorized to alter or vary the terms of appointment of the appointee including relating to remuneration, as it may at its discretion, deem fit from time to time provided the remuneration is within the limit laid down in the then subsisting respective provisions of the Companies Act, 1956."

Notice to Shareholders

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

"RESOLVED THAT in supersession of the earlier resolution passed by the shareholders at an Extra Ordinary General Meeting held on 1st July, 2008 and pursuant to Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956, the consent of the members be and is hereby accorded to the Board of Directors for borrowing any sum or sums of money from time to time from any one or more Banks and/or from any one or more persons, firms, Bodies Corporate or Financial Institutions, Multilateral agencies, Foreign Institutional Investors, Foreign Financial Institutions and from any other persons or combination thereof whether by way of over draft, cash credit, guarantees, advance or deposits, loans, bills discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge of the Company's assets and properties, whether in full or in part, whether immovable, movable or stock in trade (including raw materials, stores, spare parts and components, in stock or in transit) current assets and work in process and all or any of the undertaking(s) of the Company, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will or may exceed at any time the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose so that the total amounts of monies so borrowed at any time shall not exceed the sum of Rs 750 Crores (Rupees Seven Hundred Fifty Crores Only)."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things that may be necessary, desirable or expedient for giving effect to the above resolution."

Place : Ahmedabad
Date : 29th February, 2012

By order of the Board of Directors
For Claris Lifesciences Limited

Registered Office :
Claris Corporate Headquarters,
Nr. Parimal Rly. Crossing, Ellisbridge, Ahmedabad - 380006, Gujarat.

Rajesh Kumar Modi
General Manager-
Compliance & Company Secretary

NOTES:

1. Relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special businesses is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY NEED NOT BE A MEMBER.
3. Members are requested to kindly bring their copy of the Annual Report with them at the Annual General Meeting, as no extra copy of Annual Report would be made available at the Annual General Meeting.
4. The Board of Directors in their meeting held on 29th February, 2012 has recommended a dividend of Rs.2/- per equity share of Rs. 10/- each for the financial year ended 31st December 2011. Dividend, if declared, at the Annual General Meeting, will be paid by the Company on or before 15th May, 2012.
5. The Register of Members and Share Transfer Books will remain closed from 24th to 30th April, 2012 (both days inclusive).
6. The members are requested to intimate immediately, any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts or to the Company's Share Transfer Agent, M/s. Link Intime India Private Limited, if the shares are held by them in physical form.
7. The Company has decided to e-mail Annual Report through electronic mode to all the shareholders whose e-mail addresses has been registered/ updated in the record of Company/ Registrar/ Depositories pursuant to the 'Green Initiative in Corporate Governance' initiated by The Ministry of Corporate Affairs, Government of India vide its Circular Nos. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively. Further, in support to this green initiative, the company has already sent a communication on 5th August, 2011 to all the shareholders that various documents/ notices meant for them will be sent electronically on their e-mail addresses as obtained from the Depositories/ other sources, unless specifically requested to be sent in physical form. The members who have not registered / updated their e-mail addresses so far, are requested to register/ update their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold their shares in physical form and who are desirous of receiving the communication/ documents in electronic form are requested to promptly register their e-mail addresses with the Registrar or the Company.
8. The shares of the Company are at present listed with Bombay Stock Exchange Limited (BSE). The listing fee for the year 2011-2012 has been paid to BSE.
9. Pursuant to the Initial Public offering of Equity shares, the Company had in respect of certain shares allotted therein, in view of mismatch in particulars of those allottees, parked the same in a demat suspense account. The aggregate number of shares so lying initially was 1249 Equity Shares of 16 Investors. The Company has credited 1027 Equity Shares of 13 investors in their demat account since IPO after complete verification. The aggregate number of the shareholders as at the year end whose shares were lying in demat suspense account was 3 for 222 Equity shares. The voting rights of the aforesaid shares have been frozen till the rightful owner of such shares claims the shares.

Notice to Shareholders

10. Pursuant to Section 109A of the Companies Act, 1956, shareholders are entitled to make a nomination in respect of shares held by them in physical form. Shareholders desirous of making a nomination are requested to send their requests in Form No. 2B in duplicate (which will be made available on request) to the Registrar and Share Transfer Agent of the Company.
11. Members desiring any information relating to the accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information available at the meeting.
12. The brief profile of the Directors proposed to be appointed / re-appointed is given in the section on Corporate Governance.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESSES

ITEM NO. 6

Mr. Amish Vyas holds a Bachelor of Electronics and Communication degree and a Master of Business Administration degree from Gujarat University, Ahmedabad. He has been with the Company since February 1, 2003 and has about 16 years of experience in the pharmaceutical industry. He has been responsible for spearheading the Company's foray in the regulated markets such as North America, Europe, Australia, New Zealand and others. Since 2009 he has taken over the additional responsibility for the sales in Latin America. Over and above, he has been actively involved in corporate level strategic assignments. Prior to joining the Company, he was an employee of Core Healthcare Ltd. Mr. Vyas is neither a Managing Director nor a Whole Time Director nor a Manager in any other Company. He is also not in whole time employment elsewhere. He is a citizen of India and also resident of India.

Keeping in view his experience in the pharmaceutical industry, the Board of Directors of the Company on recommendation of the Remuneration/ Compensation Committee and subject to the approval of the members and other approvals if any, re-appoints Mr. Amish Vyas as Whole Time Director of the Company for a further period of 3 years w.e.f. 3rd July, 2012 on the following terms and conditions:

Basic Salary : Rs. 297,500 per month.

Annual Increment : The Board will grant annual increments from time to time upto 40% of the last drawn salary to be decided by the Board of Directors and revise the Salary within the aforesaid range by granting one or more increments in the above scale, having regard to the merits and the Company's performance.

Perquisites:

Besides the above salary, Mr. Amish shall be entitled to the following perquisites:

- (a) Perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with utilities such as gas, electricity, water furnishings and repairs; medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance etc.; in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and Mr. Amish. Such perquisites for each year not to exceed Rs. 600,000/-.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost. Provision of the Company's car and telephone at residence for official duties shall not be included in the computation of perquisites for the purpose of calculating the said ceilings.

- (b) Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or taken together are not taxable under the Income tax Act, gratuity payable as per the Rules of the Company and encashment of leave at the end of his tenure as per the Rules of the Company applicable to senior executives and the same shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

If, in any financial year, the Company has no profits or its profits are inadequate, then in such event, notwithstanding the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956 but subject to the approval of the Central Government as may be required, the remuneration as set out above in paragraphs I, II and III, will be paid as minimum remuneration.

Other terms :

- a) Leave: On full pay and allowances, as per the Rules of the Company, but not exceeding one month's leave for every 11 months of service.
- b) Reimbursement of entertainment and/or travelling, hotel and other expenses actually incurred by him in the performance of duties.
- c) Mr. Amish Vyas shall not be entitled for sitting fees for attending meetings of the Board of Directors of the Company or Board Committees so long as he functions as the Executive Director of the Company.
- d) Subject to the provisions of the Companies Act, 1956, Mr. Amish Vyas shall not, while he continues to hold office, be subject to retirement by rotation of Directors and they shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire.
- e) The re-appointment may be terminated by either party giving to the other party ninety days' notice in writing.
- f) In the event of any dispute or difference arising at any time between Mr. Amish Vyas and the Company in respect of the Agreement or the construction thereof, the same will be submitted to and be decided by Arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996."

None of the Director except Mr. Amish Vyas is deemed to be interested in the above resolution.

Your Directors recommend the resolution for your approval as an Ordinary Resolution.

Notice to Shareholders

ITEM NO. 7.

Mr. Chandrasingh Purohit holds a Master of Commerce degree from Maharaj Shivajirao University, Vadodara. Mr. Chandrasingh Purohit was appointed as an Executive Director of the Company with effect from July 3, 2009. He was previously employed with the Company since April 1, 1999 under various designations including Head – International Operations and Vice-President – Finance. Mr. Chandrasingh Purohit has around 15 years of experience in the pharmaceutical industry. Prior to joining the Company, he was an employee of Core Healthcare Limited. He has been instrumental in setting up the Company's sales and marketing network across key international markets. Mr. Purohit is neither a Managing Director nor a Whole Time Director nor a Manager in any other Company. He is also not in whole time employment elsewhere. He is a citizen of India and also resident of India.

Keeping in view his experience in the pharmaceutical industry and more specially his vast knowledge of marketing and finance, the Board of Directors of the Company on recommendation of the Remuneration/ Compensation Committee and subject to the approval of the Members and other approvals if any, re-appoints Mr. Chandrasingh Purohit as Whole Time Director of the Company for a further period of 3 years w.e.f. 3rd July, 2012 on the following terms and conditions:

Basic Salary : Rs. 297,500/- per month.

Annual Increment : The Board will grant annual increments from time to time upto 40% of the last drawn salary to be decided by the Board of Directors and revise the Salary within the aforesaid range by granting one or more increments in the above scale, having regard to the merits and the Company's performance.

Perquisites:

Besides the above salary, Mr. Purohit shall be entitled to the following perquisites:

- (a) Perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with utilities such as gas, electricity, water furnishings and repairs; medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance etc.; in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and Mr. Purohit. Such perquisites for each year not to exceed Rs. 600,000/-.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost. Provision of the Company's car and telephone at residence for official duties shall not be included in the computation of perquisites for the purpose of calculating the said ceilings.

- (b) Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or taken together are not taxable under the Income tax Act, gratuity payable as per the Rules of the Company and encashment of leave at the end of his tenure as per the Rules of the Company applicable to senior executives and the same shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

If, in any financial year, the Company has no profits or its profits are inadequate, then in such event, notwithstanding the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956 but subject to the approval of the Central Government as may be required, the remuneration as set out above in paragraphs I, II and III, will be paid as minimum remuneration.

Other terms :

- a) Leave: On full pay and allowances, as per the Rules of the Company, but not exceeding one month's leave for every 11 months of service.
- b) Reimbursement of entertainment and/or travelling, hotel and other expenses actually incurred by him in the performance of duties.
- c) Mr. Purohit shall not be entitled for sitting fees for attending meetings of the Board of Directors of the Company or Board Committees so long as he functions as the Executive Director of the Company.
- d) Subject to the provisions of the Companies Act, 1956, Mr. Purohit shall not, while he continues to hold office, be subject to retirement by rotation of Directors and they shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire.
- e) The re-appointment may be terminated by either party giving to the other party ninety days' notice in writing.
- f) In the event of any dispute or difference arising at any time between Mr. Purohit and the Company in respect of the Agreement or the construction thereof, the same will be submitted to and be decided by Arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996."

None of the Director except Mr. Chandrasingh Purohit is deemed to be interested in the above resolution.

Your Directors recommend the resolution for your approval as an Ordinary Resolution.

ITEM NO. 8.

At an extra ordinary general meeting of the company held on 1st July, 2008, the members had approved and empowered the board of Directors to borrow any sum or sums of money from time to time upto Rs.600 Crores (apart from temporary loans obtained from the company's banker in the ordinary course of business) from any one or more of the Banks and/or from any one or more persons, firms, Bodies Corporate or Financial Institutions, Multilateral agencies, Foreign Institutional Investors, Foreign Financial Institutions and from any other persons or combination thereof whether by way of overdraft, cash credit, guarantees, advance or deposits, loans, bills discounting or otherwise.

In view of the proposed growth plan of the Company, there would be enhanced requirement of long-term financial assistance as well as working capital.

Notice to Shareholders

Under Section 293(1)(d) of the Companies Act, 1956, the Board of Directors cannot, except with the consent of the company in general meeting, borrow moneys (apart from temporary loans obtained from the company's banker in the ordinary course of business) in excess of the aggregate of the paid-up capital and free reserves, that is to say, reserves not set apart for any specific purpose. In such circumstance, approval of the shareholders is being requested to enable the Directors to borrow money to the extent of Rs.750 Crores (rupees seven hundred and fifty crores only) from lenders as stated above.

None of the Director is interested or concerned with the resolution. Your Directors recommend the resolution for your approval as an Ordinary Resolution.

Place : Ahmedabad

Date : 29th February, 2012.

By order of the Board of Directors
For Claris Lifesciences Limited

Registered Office :

Claris Corporate Headquarters,

Nr. Parimal Rly. Crossing, Ellisbridge, Ahmedabad - 380006. Gujarat

Rajesh Kumar Modi

General Manager-

Compliance & Company Secretary

Directors' Report

Dear Members,

Your Directors are pleased to present the 17th Annual Report of the Company and audited accounts for the financial year ended 31st December, 2011.

Financial Results:

The financial highlights of the Company for the financial year 2011 as compared to the previous financial year 2010 on consolidated and standalone basis are as given below:

(Rupees in lacs)

Particulars	Consolidated		Standalone	
	2011	2010	2011	2010
Income	74,332.05	76,776.59	65,304.76	64,053.83
Profit before Interest, depreciation and tax	24,041.78	24,338.14	18,353.47	18,029.98
Interest	3,427.90	3,619.59	3,427.80	3,619.40
Depreciation	5,468.24	4,671.59	5,434.14	4,637.79
Provision for tax	2,520.10	1,902.91	2,516.20	1,870.36
Profit after tax	12,625.54	14,144.05	6,975.32	7,902.43
Balance brought forward from previous year	45,738.90	33,708.19	36,520.51	30,731.42
Balance available for Appropriation:				
Proposed Dividend	1,276.35	1,276.35	1,276.35	1,276.35
Corporate tax on dividend	207.06	211.99	207.06	211.99
Transferred to General Reserve	525.00	625.00	525.00	625.00
Tax on Dividend of earlier years reversed	(4.93)	-	(4.93)	-
Balance carried to Balance Sheet	56,360.96	45,738.90	41,492.36	36,520.51

Results of Operations:

Despite of no sales of its products in the US markets due to the import alert and the adverse situations for business in the Middle East and EU, the company has done well to deliver flattish revenue this year. During the financial year under review your company's income from net sales stood at Rs. 73,876.57 Lacs as against Rs 75,233.53 Lacs in the previous year which decreased marginally by 1.80% compared to previous year. Our revenues from international markets stood at Rs. 39,272.83 Lacs as compared to Rs. 43,725.33 Lacs in previous financial year representing 53% of the net revenues as compared to 58.12% of previous financial year.

EBITDA, PBT and PAT reached to Rs. 24,041.78 Lacs, Rs. 15,145.64 Lacs and Rs. 12,625.54 Lacs respectively as against Rs. 24,338.14 Lacs, Rs. 16,046.96 Lacs and Rs. 14,144.05 Lacs respectively, in the previous year. As a percentage of net sales, the EBITDA, PBT and PAT margins stood at 32.54%, 20.50% and 17.09% respectively in fiscal year 2011 compared to 32.35%, 21.33% and 18.80% respectively in the previous year.

Detailed analyses of the financials have been provided in the Management Discussion and Analysis which is a part of this Directors Report.

Product Registrations

Marketing Authorization or Product Registration are an important factors to determine the potential of growth in the coming years. The company is working aggressively toward increasing its reach in newer markets. Your company now sells across 91 countries as compared to 76 in the previous year; and also increasing the product basket in existing markets. During the year the company has received 139 new Product Registrations across various countries, the company has also filed 174 dossiers for approval, this gives us a total approval basket of 1228; including 161 and 25 approvals in the EU and US respectively; and a

pipeline of 357; including 93 and 14 in the EU and US respectively as on 31st December 2011.

IPO Update

Your company had raised Rs. 30000 Lacs from its initial public offering in December 2010; out of the proceeds received, as on 31st December, 2011 your company has utilized Rs. 22326.73 Lacs as per the shareholders approval and the remaining proceeds amounting to Rs. 7673.27 Lacs will be utilized as per the approval received from the shareholders.

Dividend

Your Directors are pleased to recommend a dividend of Rs. 2 per equity share of Rs. 10 each for the year ended December 31, 2011, subject to the approval of the members at the ensuing Annual General Meeting.

Transfer to Reserves

Your Company proposed to transfer Rs. 525.00 Lacs to the General Reserves. This would lead to an amount of Rs. 56,360.96 Lacs to be retained in the profit and loss account in form of accumulated reserves and surplus from previous years.

Subsidiaries:

Your Company has 13 International and 4 Indian Subsidiaries to market the products of the Company across the globe. These subsidiaries are well positioned and generating good revenue in the growth of the Company.

Accounts of Subsidiaries

Pursuant to General Circular No.2/2011 dated 08.02.2011 issued by The Ministry of Corporate Affairs, the Board of Directors of your company in its meeting held on 29th February, 2012 has consented for not attaching accounts of its subsidiaries for the financial year ended 31st December, 2011. However, the Company has presented a consolidated financial statement of holding company and all subsidiaries duly audited by the Statutory Auditors. The annual accounts of the subsidiary companies and the related detailed information will be made available to the shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiaries will also be kept for inspection by any shareholders in the head office of the holding company and of the subsidiary companies concerned.

FDA Update

During the year, the company has worked hard with the consultants toward implementing the Corrective And Preventive Action (CAPA) Plan. The Company has completed it's the entire CAPA plan which was decided post comments received from the FDA, this also include a complete up gradation of the quality policies and systems that the company follows.

The company has submitted its finals reply to the USFDA in the Q4CY11 and is expected a positive result post the FDA re-audit.

Fixed Deposits

Your Company has not accepted any fixed deposit under Section 58A of the Companies Act, 1956.

Insurance

The assets/ properties of the Company are adequately insured against the loss of fire, riot, earthquake, terrorism, etc and other risks that are considered necessary by the management. Apart from the above, your company has also Product as well as Director's and Officer's Liability Insurance Policies.