

Combat Drugs Limited

23rd ANNUAL REPORT 2008-2009

For COMBAT DRUGS LIMITED



Managing Director

COMBAT DRUGS LIMITED

REGD. OFFICE : 185, 186, YELLAMPET, MEDCHAL MANDAL,
R.R. DIST., ANDHRA PRADESH

CORP. OFFICE : 203, KABRA COMPLEX, 61, M.G. ROAD,
SECUNDERABAD-500 003.

Combat Drugs Limited

**23rd
Annual General Meeting**

Date : 30-09-2009
Day : Wednesday
Time : 11-00 a.m.
Venue : 185, 186, Yellampet, Medchal Mandal,
R.R. Dist., Andhra Pradesh

A REQUEST
SHAREHOLDERS
ARE REQUESTED TO BRING
THEIR COPY OF THE
ANNUAL REPORT
TO THE MEETING

Contents	No.
Notice	3
Director's Report	7
Auditor's Report	25
Balance Sheet	29
Profit & Loss Account	30
Schedule 1 to 17	31
Proxy Form	43

Combat Drugs Limited

BOARD OF DIRECTORS

Sri SUCHIT MOHAN LAL

Managing Director

Sri S.S. MARTHI

Sri SUSHANT MOHAN LAL

Sri A.K. AGARWAL

Sri SANJAY KUMAR AGARWAL

Sri B.N. GNANA PRAKASH

Auditors:

Mahesh, Virender & Sriram

Chartered Accountants

Ameerpet, Hyderabad.

Andhra Pradesh, India.

Bankers:

Karnataka Bank Limited

Raj Bhavan Road, Hyderabad,

Andhra Pradesh, India.

HDFC Bank Limited

Secunderabad.

Andhra Pradesh, India.

Central Bank of India

Secunderabad.

Andhra Pradesh, India.

Registered Office:

185, 186, Yellampet,

Medchal Mandal,

R.R. Dist.

Andhra Pradesh, India.

Corporate Office:

203, Kabra Complex,

61, M.G. Road, Secunderabad-3.

Legal Advisers:

N. Rajashekar Reddy

Advocates

Flat No. 204, 2nd Floor,

Hiline Pratap Apartments,

Kachiguda 'X' Road, Hyderabad.

Andhra Pradesh, India.

Combat Drugs Limited

NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of Combat Drugs Limited will be held on Wednesday, the 30th day of September, 2009 at 11.00 A.M. at the Registered Office of the Company at 185, 186, Yellampet, Medchal. R.R. District, A.P. to transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2009 and the Profit and Loss account for the year ended as on that date and the Report of Directors' and the Auditors' thereon.
2. To appoint a Director in place of Shri Sanjay Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Anjani Kumar Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit to pass the following resolution with or without modification as an Ordinary Resolution:

"RESOLVED THAT M/s Mahesh, Virender and Sriram, Chartered Accountants be and are hereby reappointed as Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, on such remuneration as may be fixed by the Board of Directors."

By the Order Of the Board
For **COMBAT DRUGS LIMITED.**

Sd/-

SUCHIT MOHAN LAL
MANAGING DIRECTOR

PLACE: HYDERABAD
DATE: 07-09-2009

Combat Drugs Limited

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books shall remain closed from 26th September, 2009 to 30th September 2009 (both days inclusive).
3. Members / Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and attendance slip duly filled in for attending the Meeting.
4. Members are requested to quote their Registered Folio No. on all correspondence(s) with the Company.
5. The information pursuant to Clause 49 of the Listing Agreement with respect to the details of the Directors seeking appointment / re-appointment in this Annual General Meeting is given under the head "Additional Information", which is annexed herewith.

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By the Order Of the Board
For **COMBAT DRUGS LIMITED.**

PLACE: HYDERABAD
DATE: 07-09-2009 -

Sd/-
SUCHIT MOHAN LAL
MANAGING DIRECTOR

Combat Drugs Limited**ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-APPOINTMENT AT THE
ENSUING ANNUAL GENERAL MEETING**

(Pursuant to Clause 49 IV (G) of the Listing Agreement)

SRI ANJANI KUMAR AGARWAL:

Sri Anjani Kumar Agarwal, S/o Shri Dayanand Agarwal aged about 33 years is resident of Plot No. 68, A.P. Text Book Colony. Gunrock, Karkhana, Secunderabad – 500 009. He completed his graduation in Management Studies.

He has rich experience in the field of logistics segment on strategy formation since last 12 years. Marketing, Media, Information Technology, Customer Relationship Management, etc are some of the areas where he commands specialization.

He was co-opted in the Board as Additional Director w.e.f. 17.01.2008. He is also a Director on the Boards of DRS Logistics Private Limited, DRS Education Private Limited and DRS Labs (India) Private Limited. He is not a member of any committee other than that of Combat Drugs Limited.

Shareholding in the Company: Nil

SRI SANJAY KUMAR AGARWAL:

Sri Sanjay Kumar Agarwal, S/o Shri Dayanand Agarwal aged about 30 years, is a resident of Plot No. 68, A.P. Text Book Colony. Gunrock, Karkhana, Secunderabad – 500 009. He is a technical graduate and occupies himself into business. He was co-opted as Additional Director on the Board considering his expertise and knowledge, which would help the Company in its operations at large in the long run.

Combat Drugs Limited

He has experience in handling and operating the purchase and credit control departments and is specialized in ventures like real estate, infrastructure and credit control.

He is also a Director on the Boards of DRS Logistics Private Limited, DRS Education Private Limited and DRS Labs (India) Private Limited. He is not a member of any committee.

Shareholding in the Company: Nil

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Combat Drugs Limited**DIRECTORS' REPORT**

Dear Members,

The Directors have pleasure in presenting before you the Twenty Third Annual Report of the Company for the Financial year ended 31st March, 2009.

FINANCIAL RESULTS:

Particulars	(Rs. In Lakhs)	
	2008 – 2009	2007 – 2008
Net Sales	38.51	38.39
Other Income		
(including sundry balances written back)	1.10	7.84
Total Expenditure	33.68	39.53
Profit before Interest, Depreciation & Tax	5.93	6.70
Interest and Financial Charges	0.16	0.36
Depreciation	4.23	4.76
Profit before Tax	1.54	1.59
Provision for Tax	-	-
Provision for FBT	0.31	0.14
Net Profit (After Tax)	1.23	1.45

DIVIDEND:

Your Directors are unable to recommend any dividend for the financial year 2008-2009 due to inadequate profits during the year.

OPERATIONS & PROSPECTS FOR THE FUTURE:

During the year under review your Company, concentrated on consolidating few Brands and appointing Distributors and Marketing Franchise Partners and Completion of Renovations and additions to the buildings and Machinery as required for W.H.O. GMP Unit.

Your Directors take pleasure in informing you that the Company has successfully established the Full fledged manufacturing facilities of Tablets and Capsules with the latest Automated Manufacturing Machinery along with Full fledged Quality Assurance Laboratory which has received the required approvals and is expected to start Production by October 2009.

Your Directors also take pleasure in informing you that the Company has already obtained the Manufacturing Licence for 21 Betalactum Products of Tablets and Capsules and has also successfully obtained the GMP Certification for this section.

The work on the Non Betalactum sections is progressing in full swing with the latest WHO GMP approved Modular Paneling which will be fitted with the latest automated Machinery which is planned on the concept of Untouched by Hand operations. This section will house the Tablets, Liquid Orals, Ointment and Capsules sections and is expected to be completed

Combat Drugs Limited

by December 2009. The full fledged production in the unit is expected to start by January 2010.

Your Directors have drawn up plans to restructure the equity and operations of the Company as all the liabilities of the Banks, Financial Institutions and Statutory Liabilities have been satisfied and the Company is now ready for take off and regain its lost glory.

CORPORATE RESTRUCTURING:

During the year in the month of July your company has filed a scheme of arrangement with the Bombay Stock Exchange & revocation of suspension in trading of its share. However, due to some practical difficulties, the Board thought it would be appropriate if the Scheme of Arrangement is done consequent to the Revocation of Suspension and withdrew the scheme.

REVOCATION OF SUSPENSION IN BSE: Your Directors take pleasure in informing you that the relentless efforts of the Directors has finally been appreciated by the Bombay Stock Exchange and the suspension on trading of equity of the Company in BSE has been revoked with effect from 21-07-2009 and the Shares were allowed to be listed and traded from 27-07-2009.

Your Directors are in the process of designing a new plan of restructuring of the Company, that will be best in the interest of the company, its shareholders, creditors and others persons interested in the Company.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, Shri Sanjay Agarwal and Shri Anjani Kumar Agarwal, Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

FIXED DEPOSITS:

The company has neither accepted nor renewed any deposits falling within the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 from the public during the financial year.

AUDITORS:

The term of office of M/s Mahesh, Virender & Sriram, Chartered Accountants, as Statutory Auditor of the Company expires at the conclusion of the ensuing AGM. However being eligible they offer themselves for re-appointment.

The Company has received a certificate from M/s Mahesh, Virender & Sriram, stating that their re-appointment, if made for another term, will be within the limits laid down under Section 224(1B) of the Companies Act, 1956.

The Board recommends their re-appointment.

Combat Drugs Limited**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that:

- i. The applicable accounting Standard have been followed in the preparation of Annual Accounts for the Financial Year 2008-09.
- ii. The accounting policies selected were applied consistently and the judgments and estimates made 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 31st March 2009 and of the Profit of the Company for year ended on that date;
- iii. Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for the preventing and detecting fraud and other irregularities;
- iv. The annual accounts have been prepared on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report, pursuant to Clause 49 of the Listing Agreement, forms part of this Report and is annexed hereto as "Annexure B".

CORPORATE GOVERNANCE:

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance enunciated in Clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance is annexed herewith, as a part of the Annual Report along with the Auditor's Certificate on its compliance as "Annexure C".

LISTING & TRADING :**Disclosure about Re-Listing:**

The Equity Shares of the Company are listed on The Bombay Stock Exchange Limited, Mumbai, and Hyderabad Stock Exchange Ltd., Hyderabad.

The Equity Shares of the Company were listed on BSE on 27-07-2009 while the suspension was revoked on 21-07-2009 and the Equity Shares were listed.