

26th ANNUAL REPORT

2011 -2012



For COMBAT DRUGS LIMITED

Managing Director

COMBAT DRUGS LIMITED

Regd. Office: 185,186, Yellampet, Medchal Mandal, R.R.District,
Andhra Pradesh, INDIA

26th**Annual General Meeting**

Date : 29.09.2012
Day : Saturday
Time : 11:30 AM
Venue : 185,186, Yellampet, Medchal Mandal,
R.R.District, AP, INDIA

A REQUEST

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

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No Gifts will be distributed at the meeting.

For COMBAT DRUGS LIMITED



Managing Director

BOARD OF DIRECTORS

Sri SUCHIT MOHAN LAL
Managing Director

Shri ANJANI KUMAR AGARWAL
Shri SUSHANT MOHAN LAL
Shri SANJAY AGARWAL
Shri S.S.MARTI
Shri B.N.GNANA PRAKASH

Auditors:

Anandam & Company
Chartered Accountants
Secunderabad.
Andhra Pradesh, India.

Registered Office:

185,186, Yallampet,
Medchal Mandal,
R.R.District
Andhra Pradesh, India.

Bankers

HDFC Bank Limited
Secunderabad.
Andhra Pradesh, India

Corporate Office:

203, Kabra Complex,
61, M.G.Road,Secunderabad-3

Central Bank of India
Secunderabad.
Andhra Pradesh, India

Legal Advisors:

N. Rajeshekar Reddy
Advocates
Flat No. 204, 2nd Floor
HilinePratap Apartments
Kachiguda 'X' Road, Hyderabad

NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the members of Combat Drugs Limited will be held on **Saturday, 29th day of September, 2012 at 11:30 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, 2012 (for the 6 months period, 1st October 2011 to 31st March, 2012) and the Profit and Loss Account for the period ended as on that date and the Report of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Anjani Kumar Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Sushanth Mohanlal, who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint M/s **Anandam & Company**, the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of next Annual general Meeting and to authorize the Board of Directors to fix their remuneration.

By the Order of the Board

For **COMBAT DRUGS LIMITED**

Sd/-

Place: Secunderabad
Date: 07.09.2012

SUCHIT MOHAN LAL
MANAGING DIRECTOR

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, 2012 to 29th September, 2012 (both days inclusive).
3. Members / Proxies are requested to bring their copies of Annual Report with them to 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.

By the Order of the Board

For **COMBAT DRUGS LIMITED**

Sd/-

Place: Secunderabad
Date: 07-09-2012

SUCHIT MOHAN LAL
MANAGING DIRECTOR

**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 Sri Dayanand Agarwal aged about 36 years, is a resident of Plot No. 68, A.P. Text Book Colony, Gunrock, Karkhana, Secunderabad – 500 009. He completed his graduation in Management Studies. He has vast experience in the field of Logistics, Customer Relationship Management and Marketing as he is presently handling the Marketing activities of a multi faceted organization and has created Brands of repute in Logistics and education sectors.

He is also a Director on the boards of DRS Logistics Private Limited., DRS Education Private Limited, DRS Labs (India) Private Limited, and other companies.

Shareholding in the Company as on 31st March, 2012: **10,00,000 Equity Shares.**

SHRI SUSHANT MOHAN LAL:

Shri Sushant Mohan Lal s/o Shri Suchit Mohan Lal, aged about 33 years, is a resident of 126/2RT, Sanjeeva Reddy Nagar, Hyderabad – 500038.

He is an MBA from the Kansas University, U.S.A and possesses rich experience in marketing and Management.

He is not a member of any Committee(s) other than that of Combat Drugs Limited.

Shareholding in the Company as on 31st March 2012: **613828 Equity Shares**

DIRECTORS' REPORT

Dear Members,

Your Directors feel pleased to present before you the **Twenty Sixth Annual Report** of the Company for the financial year (06 months) ended 31st March, 2012.

FINANCIAL RESULTS:

(Rs. In Lakhs)

Particulars	(FY 2011-2012) (6 Months period ended 31 st March, 2012)	(FY 2010-2011) (18 Months period ended 30 th September, 2011)
Net Sales	92.56	156.65
Other Income (including sundry balances written back)	0.32	0.98
Total Expenditure (including depreciation)	134.27	154.65
Profit before Depreciation & Tax	(34.22)	10.29
Depreciation	7.17	7.31
Profit before Tax	(41.39)	2.98
Provision for Tax	-----	----
Provision for FBT	-----	----
Net Profit (After Tax)	(41.39)	2.98

FINANCIAL YEAR:

As you are aware, your Company has entered into a Scheme of Arrangement with its Creditors & its Members as sanctioned by the Hon'ble High Court of Andhra Pradesh. For effective implementation of the said Scheme, your company had to extend the Financial Year 2010-11 by a period of 6 months, i.e. upto 30th September, 2011. In order to bring the current Financial Year in tune with other Statutory Regulations, it has been resolved to close the current FY on 31st March, 2012.

In view of the aforesaid, the attached Accounts pertains to 6 months period (i.e. From 1st October, 2011 to 31st March, 2012)

DIVIDEND:

The Company has restructured its equity and is in the process of restructuring its business and reviving itself, which would help it turn the corner and yield results in the long run. In view of the above said, Your Directors do not recommend any dividend for the financial year (6 months) ended 31st March, 2012.

OPERATIONS & PROSPECTS FOR THE FUTURE:

During the year under review your company has successfully implemented Scheme of Arrangement sanctioned by the Hon'ble High Court of Andhra Pradesh by its order dated 26.07.2011. The said Scheme of Arrangement is implemented by the company in order to reconstruct the financial position of the Company.

CORPORATE RESTRUCTURING:

Your Directors are pleased to inform that the Scheme of Arrangement, contemplating, inter alia, the Reduction of Capital and issue of fresh shares to the Creditors and others, has been completed in all respects and Shares have been allotted & dispatched to the respective shareholders of the Company.

Considering the cumulative effect of the reduction of Capital and fresh allotment as per the Scheme of Arrangement, the Paid up Capital of the Company stands restructured at Rs.8 Crores, divided into 80,00,000 equity shares of Rs.10 each.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, Shri Anjani Kumar Agarwal and Shri Sushant Mohan Lal, Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer 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 Anandam & Co., Chartered Accountants, as Statutory Auditor of the Company expires at the conclusion of the ensuing Annual General Meeting. However, being eligible they offer themselves for reappointment.

The Company has received a declaration from M/s Anandam & Co., Chartered Accountants, 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.

EXPLANATION TO AUDITORS OBSERVATIONS / REMARKS:

With reference to clause ix(a) in the annexure to Auditors Report it may be noted that the reported delay in non payment of taxes occurred due to the contemporary liquidity crunch and the same shall be paid in due course of time.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i. The applicable accounting Standards have been followed in the preparation of Annual Accounts for the Financial Year (6 months) ended 31st March, 2012
- 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, 2012 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 as laid under 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:

The Equity Shares of the Company are listed at The Bombay Stock Exchange Limited, Mumbai. However, the trading in your Company's Shares has been suspended due to Procedural reasons, in view of the implementation of Scheme of Arrangement. In this regard, the Company has made an Application to the said Exchange to enlist the fresh equity shares issued by it along with the shares forming part of the reduced capital, as envisaged in the Scheme of Arrangement. The said Application is being processed by the Stock Exchange and In Principal Approval has been received from BSE subject to the confirmation of ISIN by NSDL & CDSL.

Your Directors are happy to inform you that the ISIN: INE643N01012 has been allotted to the company by CDSL and the approval from NSDL is awaited.

PARTICULARS OF EMPLOYEES:

There are no employees whose particulars are required to be furnished under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975, and as amended from time to time as remuneration of none of the employees is in excess of Rs.5,00,000/- per month, if employed for the part of year or Rs.60,00,000/- per annum during the financial year 2011-2012.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as prescribed under sub section (1)(e) of Section 217 of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are given in the "Annexure A" to this Report.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their gratitude to the Company's shareholders, customers, vendors and bankers for their continued support to the Company's growth initiatives. Your Directors also appreciate the contribution made by the Employees at all levels through their competence, sincerity hard work and dedicated support.

For and on behalf of the Board

Place: Secunderabad	Sd/-	Sd/-
Date: 07.09.2012	SUCHIT MOHANLAL MANAGING DIRECTOR	SUSHANT MOHAN LAL DIRECTOR