



Medicamen Biotech Ltd. Annual Report 2010

Redefining Healthcare Worldwide





MD's Vision



Medicamen Biotech Limited is widely accepted company in several countries including Africa & Latin American Countries. Very recently Medicamen Biotech Limited has been accredited as approved supplier for PAHO (Pan American Health Organizations). The Company has embarked upon an aggressive programme of exporting its products to several countries from which there are enormous demand and enquiries for its formulations. Over the next few years there is expected to be an impressive spurt in revenue from export business.

Medicamen Biotech Limited has finalized tie ups with highly reputed pharmaceutical importers and distributors in Africa, Central America, CIS and the South East Asia to market its products.

Medicamen Biotech Limited has a well equipped Regulatory Affairs Department to provide the registration requirements for the Ministries of Health, FDA & Regulatory Authorities of Various Countries.

Medicamen Biotech Limited having an annual growth of 20 to 24% and is planning to export at least US\$ 25 million worth of goods over the next 3 years. **Medicamen Biotech Limited** is planning to intensify its activities in the product segment of Anti-Retroviral, Anti-Malarial, Antibiotics and Anti TB Drugs. Beside these product lines, the company will explore new molecules & formulations so as to meet demand of Medical Fraternity.

Bal Kishan Gupta

A handwritten signature in black ink, appearing to read 'Bal Kishan Gupta', with a horizontal line underneath.

Managing Director



BOARD OF DIRECTORS

Mr. B.K.Gupta (Managing Director)
 Mr. Kim Poul Ginnerup
 Mr. Ashok Nayyar
 Mr. Sanjay Bansal
 Mr.Vidyashankar G.
 Mr. Ashutosh Gupta
 Mr.Rajinder Kr. Gupta
 Dr. M. L. Parnami
 Mr. Piyush Kr. Gupta

COMPANY SECRETARY

Ms. Sharmila Chhikara

AUDITORS

M/s ASHOK SHARMA & ASSOCIATES
 Chartered Accountants
 311, Deep Shikha,
 8, Rajindra Place,
 New Delhi-110 008

BANKERS

UNION BANK OF INDIA
 Industrial Finance Branch,
 Connaught Circus, New Delhi.

REGISTERED OFFICE

10, Community Centre No.2,
 Ashok Vihar, Phase-II,
 Delhi - 110 052.

FACTORIES

Unit-1
 SP-1192 (A&B), Phase-IV,
 R.I.I.C.O., Industrial Area,
 Bhiwadi, RAJASTHAN

Unit-2
 Plot No. 86 & 87, Sector 6A,
 Industrial Estate, IIE, Haridwar
 UTTARAKHAND.

SHARE TRANSFER AGENT

M/s. Link Intime India Pvt. Ltd.
 A-40, IInd Floor,
 Naraina Industrial Area,
 Phase-II, Near Batra Banquet Hall,
 New Delhi-110028

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Chairman's Speech



Dear Shareholders,

It gives me immense pleasure in welcoming you all at the seventeenth Annual General Meeting of your Company. The support and faith shown by you in the Company has allowed us to continue and create value for all stakeholders. However, I must confess that the road hasn't been smooth enough. There have been many ups and downs but we tried and converted our adversities into opportunities with optimistic approach, confidence and your support.

I remember last year, when your Company was struggling through global recession. Today, I am glad that all that hard work has finally paid off and your Company is back on the path of growth & development. As you can see in the Balance Sheet, the turnover during the financial year 2009-2010 has crossed Rs 100 crores in comparison to Rs 86 Crores last year. The profit after tax has also increased from Rs 1.3 crores last year to Rs 3.9 crores this year.

Furthermore, with all your support and gratification, I am pleased to announce that the board has recommended dividend @ 7.5 % per share on the face value (Rs 10/-) of the share, for the first time in the history of the Company.

I take this opportunity to express my sincere thanks to all shareholders, employees, bankers and business associates for their continued support and co-operation in the year gone by and for many years to come.

(Ashok Nayyar)



NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Company will be held at Shree Shah Auditorium, Gujrati Samaj, 2, Rajnivas Marg, Civil Lines, Delhi-110054 on Wednesday, the 29th September, 2010 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March 2010 and the Profit and Loss Account for the year ended as on that date together with the reports of the Auditors and Directors thereon.
2. To declare Dividend for the year ended 31st March, 2010.
3. To appoint a Director in place of Mr. Ashok Nayyar who retires by rotation and being eligible offer himself for re-appointment.
4. To appoint a Director in place of Mr. Sanjay Bansal who retires by rotation and being eligible offer himself for re-appointment.
5. To appoint the Auditors & 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 Mr. Piyush Kumar Gupta who was appointed an Additional Director under Section 260 of the Companies Act, 1956 and Article 123 of the Articles of Association of the Company, and holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company."

7. **To consider and if thought fit to pass with or without modification (s) the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of Central Government (if any) as per Section II of Part II of Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, approval of the members be and is hereby accorded to the appointment of Mr. Piyush Kumar Gupta, as Whole Time Director for a period of three years with effect from 29th September, 2010, upon the terms and conditions including the payment of remuneration, perquisites as are set out in the agreement dated 12th August 2010 entered into between the Company and Mr. Piyush Kumar Gupta, the main terms of which are set out hereunder, with the liberty and power of the board of directors (herein after referred to as "the Board", which term shall be deemed to include remuneration committee constituted for the purpose) to grant increments and alter and vary from time to time the amount and type of perquisites to be provided to Mr. Piyush Kumar Gupta, so as not to exceed the remuneration limits as specified in part II of Schedule XIII of the Companies Act or any amendments thereto or as approved by the Central Government.

The salient features of the agreement w.r.t. the remuneration payable are:

(A). SALARY: Rs 45,000/- P.M. in the scale of Rs 45,000 - 5,000 - 60,000 with effects from 29th September, 2010. The annual increment will be effective from 1st April each year. The Board may revise this pay



scale from time to time and it will be merit based and taking into account the Company's performance.

(B). PERQUISITES: Perquisites will be allowed in addition to salary as under:

- (i) The Company shall pay House Rent Allowance at the rate of 50% of the Basic salary.
- (ii) The Whole -Time Director shall be paid conveyance allowance of Rs 3500/- (Three Thousand Five Hundred) per month along with other miscellaneous allowance of Rs 20,000/- (Twenty Thousand) per month.
- (iii) The Company shall contribute @ 12% of the salary to the Provident Fund or Company's contribution towards Pension / Superannuation Fund provided that such contribution to the Provident Fund shall not exceed the limit laid down under the Income Tax Act, 1961 and it will not be included in the computation of limits for the remuneration or perquisites aforesaid.
- (iv) The Company shall pay gratuity at the rate of half a month's salary for each completed year of service and encashment of leave at the end of tenure and this shall not be calculated in the computation of limits for the remuneration or perquisites.
- (v) The Whole-Time Director shall be entitled to fifteen days privileged leave for every eleven months.
- (vi) The Whole-Time Director shall be entitled for Leave Travel Allowance for himself and his family once in a block of two years, the expenditure incurred on it will be restricted to one month's salary of the Whole -Time Director

(C). MINIMUM REMUNERATION:

Notwithstanding, anything to the contrary

herein contained where in any financial year during the currency of the tenure of the Whole-Time Director, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above.

8. To consider and if thought fit to pass with or without modification (s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 , 310 read with Schedule XIII (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of Central Government (if any) as per Section II of Part II of Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, approval of the members be and is hereby accorded to the re-appointment of Mr. Bal Kishan Gupta as Managing Director for a period of three years with effect from 7th November 2010 upon the terms and conditions including the payment of remuneration, perquisites as are set out in the agreement dated 12th August 2010 entered into between the Company and Mr. Bal Kishan Gupta and the main terms of which are set out hereunder, with the liberty and power of the board of directors (herein after referred to as “the Board” , which term shall be deemed to include remuneration committee constituted for the purpose) to grant increments and alter and vary from time to time the amount and type of perquisites to be provided to Mr. Bal Kishan Gupta, so as not to exceed the remuneration limits as specified in part II of Schedule XIII of the Companies Act or any amendments thereto or as approved by the Central Government.

The salient features of the agreement w.r.t. the remuneration payable are:



(A) SALARY: Rs 2,50,000/- P.M. in the scale of Rs 2,50,000 - 30,000 - 3,40,000 with effect from 7th November, 2010, the annual increment of which will be effective from 1st April each year. The Board may revise this pay scale from time to time and it will be merit based after taking into account the Company's performance.

(B) PERQUISITES : Perquisites will be allowed in addition to salary as under:

- (i) The Company shall provide fully furnished accommodation to the Managing Director. If the Company does not provide the Managing Director accommodation, the Company shall pay House Rent Allowance at the rate of 50% of the salary.
- (ii) The Company shall provide equipments and appliances, furniture and fixtures and furnishing at the residence of the Managing Director at the cost of the Company. The Company shall reimburse expenses of gas, electricity, water etc. The expenditure on these, be valued in accordance with the Income Tax Rules.
- (iii) Medical Expenses for self and family including insurance premium under medical insurance scheme shall be reimbursed by the Company.
- (iv) The Company shall reimburse annual fees for two clubs.
- (v) The Company shall pay personal accident insurance premium upto Rs.10, 000/- per annum.
- (vi) The Company shall contribute @ 12% of the salary to the Provident Fund or Company's contribution towards Pension / Superannuation Fund provided that such contribution to the Provident Fund shall not exceed the limits laid down under the Income Tax Act, 1961 and it will not be included in the computation of limits for the remuneration or perquisites aforesaid.
- (vii) The Company shall pay gratuity at the rate of half a month's salary for each completed year of service and encashment

of leave at the end of tenure and this shall not be calculated in the computation of limits for the remuneration or perquisites.

- (viii) The Company shall provide a car with driver at the entire cost of the Company for office work.
- (ix) The Company shall provide telephone for local as well as long distance official calls, at the residence of the Managing Director at the entire cost of the Company.
- (x) The Managing Director shall be entitled to one month's privilege leave for every eleven month's service.
- (xi) The Managing Director shall also be entitled for reimbursement of entertainment expenses incurred in the course of business of the Company.
- (xii) The Managing Director shall be entitled for Leave Travel Allowance for himself and his family once in a block of two years, the expenditure incurred on it will be restricted to one month's salary of the Managing Director.
- (xiii) The total perquisites except provided under clause B (vi) (vii) (x) and (xii) shall not exceed one month's basic pay during the financial year.

(C) COMMISSION: Such remuneration by way of commission, in addition to the above salary and perquisites, calculated with reference to 1% of the Net Profits of the Company in a particular year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceiling stipulated under the provisions of the Companies Act 1956.

RESOLVED FURTHER THAT if in any financial year during the currency of the tenure of the Managing Director, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above subject to the approval of the Central Government, if required under the provisions of Schedule



XIII of the Companies Act, 1956.”

9. To consider and if thought fit to pass with or without modification (s) the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of Central Government (if any) as per Section II of Part II of Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, approval of the members be and is hereby accorded to the re-appointment of Mr. Ashutosh Gupta as Whole Time Director for a period of three years with retrospective effect from 1st August 2010, upon the terms and conditions including the payment of remuneration, perquisites as are set out in the agreement dated 12th August 2010 entered into between the Company and Mr. Ashutosh Gupta and the main terms of which are set out hereunder, with the liberty and power of the board of directors (herein after referred to as “the Board”, which term shall be deemed to include remuneration committee constituted for the purpose) to grant increments and alter and vary from time to time the amount and type of perquisites to be provided to Mr. Ashutosh Gupta, so as not to exceed the remuneration limits as specified in part II of Schedule XIII of the Companies Act or any amendments thereto or as approved by the Central Government.

RESOLVED FURTHER THAT the approval of the members be and is hereby accorded to the ratification of the acts done by Mr. Ashutosh Gupta, during the lapse of his term on 31st July 2010 and re-appointment as Whole-Time Director on 12th August, 2010.

The salient features of the agreement w.r.t.

the remuneration payable are:

(A) SALARY: Rs 1, 10,000/- P.M. in the scale of Rs 1,10,000/- 15,000/- 15,000/- 20,000/- 1,60,000/- with effects from 1st August, 2010 and the annual increment of which will be effective from 1st April each year. The Board may revise this pay scale from time to time and it will be merit based and taking into account the Company's performance.

(B) PERQUISITES: Perquisites will be allowed in addition to salary as under:

- (i) The Company shall provide fully furnished accommodation to the Whole-Time Director. If the Company does not provide the Whole-Time Director accommodation, the Company shall pay House Rent Allowance at the rate of 50% of the salary.
- (ii) The Company shall provide equipments and appliances, furniture and fixtures and furnishing at the residence of the Whole-Time Director at the cost of the Company. The Company shall reimburse expenses of gas, electricity, water etc. The expenditure on these be valued in accordance with the Income Tax Rules.
- (iii) Medical Expenses for self and family including insurance premium under medical insurance scheme shall be reimbursed by the Company.
- (iv) The Company shall reimburse annual fees for two clubs.
- (v) The Company shall pay personal accident insurance premium upto Rs.10,000/- per annum.
- (vi) The Company shall contribute @ 12% of the salary to the Provident Fund or Company's contribution towards Pension / Superannuation Fund provided that such contribution to the Provident Fund shall not exceed the limits laid down under the Income Tax



- Act, 1961 and it will not be included in the computation of limits for the remuneration or perquisites aforesaid.
- (vii) The Company shall pay gratuity at the rate of half a month's salary for each completed year of service and encashment of leave at the end of tenure and this shall not be calculated in the computation of limits for the remuneration or perquisites.
 - (viii) The Company shall provide a car with driver at the entire cost of the Company for office work.
 - (ix) The Company shall provide telephone for local as well as long distance official calls, at the residence of the Whole-Time Director at the entire cost of the Company.
 - (x) The Whole-Time Director shall be entitled to one month's privilege leave for every eleven month's service.
 - (xi) The Whole-Time Director shall also be entitled for reimbursement of entertainment expenses incurred in the course of business of the Company.
 - (xii) The Whole-Time Director shall be entitled for Leave Travel Allowance for himself and his family once in a block of two years, the expenditure incurred on it will be restricted to one month's salary of the Whole-Time Director.
 - (xiii) The total perquisites except provided under clause B (vi) (vii) (x) and (xii) shall not exceed one month's basic pay during the financial year.

(C) COMMISSION: Such remuneration by way of commission, in addition to the above salary and perquisites, calculated with reference to 1% of the Net Profits of the Company in a particular year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceiling stipulated under the provisions of the Companies Act 1956.

RESOLVED FURTHER THAT if in any

financial year during the currency of the tenure of the Whole Time Director, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above subject to the approval of the Central Government, if required under the provisions of Schedule XIII of the Companies Act, 1956"

10. To consider and if thought fit to pass with or without modification (s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 293 (1)(e) and other applicable provision of the Companies Act, 1956 approval of shareholders be and is hereby accorded to contribute for the welfare of society to charitable Institutions not directly related to the business of the Company or the welfare of its employee, in kind i.e. medicines valued not exceeding Rs. 50 Lacs in aggregate in financial year 2010-11 which is in excess of fifty thousand rupees or five percent of the average Net Profits as determined in accordance with the provision of Section 349 and 350 of the Companies Act, 1956."

NOTES:

1. 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. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Member and Share Transfer Books of the Company will remain closed from 23rd September 2010 to 29th September



2010 (both days inclusive) for the purpose of payment of dividend for the year ended 31st March, 2010.

3. Dividend, if declared at the Annual General Meeting will be paid on or after 29th September, 2010, to those persons or their mandates:

- (a) whose name appears as Beneficial Owners as at the end of business hours on 22nd September, 2010, in the list of beneficial owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited, in respect of the shares held in electronic form, and

- (b) whose name appears as members in the Register of Members of the Company after giving effect to the valid share transfers in physical form lodged with the Registrar & Share Transfer Agent, on or before 22nd September, 2010.

4. **Nomination Facility:** Members holding shares in physical form may obtain the Nomination forms from the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form may obtain the Nomination forms from their respective Depository Participants.

5. **Electronic Clearing Services (ECS) facility:** To avoid loss of dividend warrants in transit and undue delay in respect of receipt thereof, the Company provides ECS facility to the members. ECS facility is available at the locations identified by the Reserve Bank of India.

- (a) Members holding shares in physical form and who are desirous of availing this facility are requested to contact the Registrar & Share Transfer Agent of the Company.

- (b) Members holding shares in electronic form are requested to contact their respective Depository Participants.

6. **Bank Mandates:** In order to provide protection against fraudulent encashment of the dividend warrants, members holding

shares in physical form are requested to intimate the Registrar & Share Transfer Agent under the signature of the Sole/First holder, the following information to be incorporated on the Dividend Warrants:

- (i) Name of the Sole/First joint holder and the folio number

- (ii) Particulars of Bank Account viz.,

- a) Name of the Bank

- b) Name of the Branch

- c) Complete address of the Bank with Pin code

- d) Bank Account Number allotted by the Bank.

7. In respect of the matters pertaining to Bank details, ECS mandates, nomination, power of attorney, change in name/address, etc., the members are requested to approach:

- (a) the Company's Registrar and Share Transfer Agent i.e. M/s Link Intime India Pvt. Ltd., A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110028, quoting their Folio numbers, in case of shares held in physical form and

- (b) the respective Depository Participants, in case of shares held in electronic form.

8. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company on all working days, except Saturdays between 11:00 a.m. to 01:00 p.m. prior to date of Annual General Meeting.

9. Members desirous of getting any information in respect of the contents of the Annual Report are requested to forward the queries to the Company at least ten days prior to the Meeting so that the required information can be made available at the Meeting.

10. Information pursuant to Clause 49 of Listing Agreement for re-appointment of directors: - At the ensuing Annual General Meeting, Mr. Ashok Nayyar and Mr. Sanjay Bansal, directors of the Company retire by rotation and being eligible offer themselves for re-appointment. The information or details to be



provided for the aforesaid Directors under the Code of Corporate Governance are as under:

- (a) Mr. Ashok Nayyar, aged about 52 years (Date of Birth 12th July 1958) a Bachelor from Delhi University, having more than 18 years of experience in Pharmaceutical market & Pharma marketing consultancy.
- (b) Mr. Sanjay Bansal, aged about 46 years (Date of Birth 12th February 1964), B Com, FCA having more than 17 years of experience in the field of Accounts, Finance and Banking activities. He shares his valued experiences with the Company as and when warranted. He is director of the Company since inception.

**By the Order of the Board
For Medicamen Biotech Ltd.**

**Place: Delhi
Date: 12.08.2010**

**Sd/-
B K Gupta
Managing Director**

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956 the following explanatory statements set out the material facts in respect of the special business:

ITEM NO.6

Mr. Piyush Kumar Gupta was appointed as an additional director of the Company on 15th May, 2010 with the designation titled as 'Whole Time Director' so as to represent and take care of all matters related to manufacturing and also to represent the Company in various administrative, judicial and quasi-judicial activities before the concerned authorities. As per the provisions of Section 260 of the Companies Act, 1956 his office of additional director expires up to the date of Annual General Meeting. Mr. Piyush Kumar Gupta has proposed his candidature as director alongwith a fees deposit of Rs. 500/- in cash under Section 257 of the Companies Act, 1956.

Mr. Piyush Kumar Gupta a highly qualified and experienced professional in the field of manufacturing and quality control & had joined the Company as Plant Head with effect from 1st January 2008 and further designated as General Manager Production in April 2010. Besides, ever since the time of his appointment, he has been heading the manufacturing (i.e. production, testing, packing and storage) activities of the Company at its aforesaid two plants with overall responsibility of managing the manufacturing activities at the aforesaid plants.

His presence in the board will be in the overall interest of the Company. Thus, his regularization as director is proposed for shareholders approval as an Ordinary Resolution.

None of the directors except Mr. Piyush Kumar Gupta is interested/ concerned in the above said resolution.

**ITEM NO.7**

The term of appointment of Mr. Piyush Kumar Gupta expires up to the date of Annual General Meeting as per the provisions of Section 260 of the Companies Act, 1956 and the board has recommended his regularization as director and appointment as Whole Time Director at its meeting held on 12th August, 2010 subject to the approval of the members at the general meeting. The remuneration proposed to be payable to Mr. Piyush Kumar Gupta is also approved by the remuneration committee at their meeting held on 12th August, 2010.

Disclosures as required under Section II of Part II of Schedule XIII of the Companies Act, 1956

1. General Information

- (1) Nature of Industry: Formulation of pharmaceutical products i. e. tablets, capsules, syrup and dry syrups.
- (2) Date of commercial production: 27th March 1996.
- (3) In case of new companies, expected date of commencement of activities as per project approval by financial institutions appearing in the prospectus: Not applicable.
- (4) Financial performance based on given indicators: The Company has grown from strength to strength during the years of its operation with just Rs. 3 crores of turnover in 1996-97 to Rs 100 crores in 2009-2010. The Company has wiped out all its losses in 2005-06 and it has carried over a Net Profit of Rs.8 crores to balance sheet in the year 2009-2010. As the Company has grown manifolds, the board has recommended payment of dividend for the financial year 2010, for the first time in the history of the Company.
- (5) Export performance based on given indicators: The export of the Company increased to Rs. 63 crores in 2009-10 from the mere Rs.1.2 crores in 1999-2000.

- (6) Foreign investments or collaborators, if any: Company has entered into a strategic co-operation with a Danish Global Marketing & logistic Company who had participated in the equity of the Company through its sister concern in India and extended soft loan to pay back the high cost debt of Indian Financial Institution. The equity shares allotted to the sister concern of the strategic partner have been transferred to the strategic partner during the year and the soft loan availed by the Company had been fully paid off by January 2009.

II. Information about the appointee:

- (1) Background details: Mr. Piyush Kumar Gupta a highly qualified and experienced professional in the field of manufacturing and quality control had joined the Company as Plant Head with effect from 1st January 2008 and further designated as General Manager Production in April 2010. Besides, ever since the time of his appointment, he has been heading the manufacturing (i.e. production, testing, packing and storage) activities of the Company at its aforesaid two plants with overall responsibility of managing the manufacturing activities at the plants located at SP-1192 - A&B, Phase-IV, RIICO Industrial Area, Bhiwadi Distt. Alwar, Rajasthan and Plot No 86/87, Sector 6A, Industrial Area, BHEL, Ranipur, Haridwar, Uttarakhand. He has been authorized to represent the Company before various departments and authorities in all production related matters of the Company by way of Power of Attorney dated 15th April 2008 executed by Mr. Bal Kishan Gupta, Managing Director of the Company. He was appointed as Additional Director of the Company with designation as "Director - Works" in the Board Meeting dated May 15, 2010.



- (2) Past remuneration: Rs. 45000/- Per Month plus perquisites.
- (3) Recognition or awards: NIL
- (4) Job profile and his suitability: Mr. Piyush Kumar Gupta would be in over all incharge of and responsible to the Company for the conduct of its manufacturing (production, testing, packing and storage) activities being carried out at its two aforesaid plants. He would exercise all due diligence to prevent the commission of any offence under the Drugs and Cosmetics Act and other allied laws and rules. He would represent the Company in various administrative, judicial and quasi-judicial activities before the concerned authorities, including the drugs departments. He would also shoulder such other responsibilities as may be cast upon him by the Board of Directors and or Managing Director of the Company from time to time. As, Mr. Piyush Kumar Gupta is highly qualified and experienced professional in the field of manufacturing and quality control, he is best suited for the position.
- (5) Remuneration proposed: As stated in resolution at item No.7
- (6) Comparative remuneration profile with respect to industry, size of the Company, profile or position and person: The proposed remuneration is as per the remuneration profile in the industry keeping in view the size of the Company and profile of the incumbent.
- (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personal, if any: NIL

Mr. Piyush Kumar Gupta has no pecuniary relationship with the Company except of his remuneration.

III. Other information:

- (1) Reason of loss or inadequate profit: Although the sales of the Company has increased to 100 crore but its profits are still inadequate because of great increase in the prices/shortage of raw material particularly antibiotics, hike given to salaries of technical and non-technical staff due to their shortage, increase in the finance cost due to increase in interest rate and credit facilities being availed by the Company for capital expenditures to update the plant as per global norms. The Company also suffers from the exchange rate fluctuations.
- (2) Steps taken or proposed to be taken for improvement: The Company's plant at Haridwar has become operational in full swing and the Company is planning to get WHO Certification for the Haridwar plant. The Company has also increased the production capacity of Non - Betalactum tablets by 50 %. Apart from this, the Cephlosporin block will be functional by October 2010, which will further add to the performance of the Company.
- (3) Expected increase in productivity or profits in measurable terms: We have projected to increase our sales to 120 Crores and Net Profits to approximately 4.8 Crores in financial year 2010-2011.

IV. Disclosures:

- (1) The shareholders of the Company shall be informed of the remuneration package of the managerial person in the Annual Accounts of the Company and in the Corporate Governance Report attached to the Director's Report.
- (2) The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any attached to the annual report: -



- (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc of all the directors;
- (ii) Details of fixed component and performance linked incentives alongwith the performance criteria;
- (iii) Service contracts, notice period, severance fees;
- (iv) Stock Option details, if any and whether the same has been issued at a discount as well as the period over which accrued or over which exercisable.

Thus, his re-appointment as Whole-Time Director is proposed for shareholders approval as a Special Resolution.

None of the Directors except Mr. Piyush Kumar Gupta is concerned or interested in the resolution proposed under item No-7.

ITEM NO.8

Since the term of 3 years of appointment of Mr. Bal Kishan Gupta expires on 6th November 2010, the Board of Directors of the Company has approved his re-appointment at its meeting held on 12th August, 2010 subject to the approval of the members at the general meeting. The revised remuneration proposed to be payable to Mr. Bal Kishan Gupta is also approved by the remuneration committee at their meeting held on 12th August, 2010

Disclosures as required under Section II of Part II of Schedule XIII of the Companies Act, 1956

I. General Information

- (1) Nature of Industry: Formulation of pharmaceutical products i. e. tablets, capsules, syrup and dry syrups.
- (2) Date of commercial production: 27th March 1996.
- (3) In case of new companies, expected date of commencement of activities as

per project approval by financial institutions appearing in the prospectus: Not applicable.

- (4) Financial performance based on given indicators: The Company has grown from strength to strength during the years of its operation with just Rs. 3 crores of turnover in 1996-97 to Rs 100 crores in 2009-2010. The Company has wiped out all its losses in 2005-06 and it has carried over a Net Profit of Rs.8 crores to balance sheet in the year 2009-2010. As the Company has grown manifolds, the board has recommended payment of dividend for the financial year 2010, for the first time in the history of the Company.
- (5) Export performance based on given indicators: The export of the Company increased to Rs. 63 crores in 2009-10 from the mere Rs.1.2 crores in 1999-2000.
- (6) Foreign investments or collaborators, if any: Company has entered into a strategic co-operation with a Danish Global Marketing & logistic Company who had participated in the equity of the Company through its sister concern in India and extended soft loan to pay back the high cost debt of Indian Financial Institution. The equity shares allotted to the sister concern of the strategic partner have been transferred to the strategic partner during the year and the soft loan availed by the Company had been fully paid off by January 2009.

II. Information about the appointee:

- (1) Background Details The incumbent started his career as an official in one Social Security Organisation where he was handling issues related to pharmaceutical procurements, extension of Medicare to unorganized work population, establishment of hospitals and dispensaries throughout the country under that particular



department. He started his own business as a pharmaceutical marketing consultant in the year 1988 and entered into export of pharmaceuticals in the year 1991. He was Executive Director of Medicamen Exports Ltd. from Jan.' 91 till Nov.' 1994. The Company was engaged in the export of pharmaceutical formulations in CIS, European and African countries. During this period the incumbent widely traveled these territories and developed good international business. Later, he joined Medicamen Biotech Ltd. on 7th Nov.' 1994 as Managing Director and was responsible for floating this Company as a core promoter and handled the appraisal of loan from IDBI a leading Indian Financial Institution. He played a nodal role for Public issue of the Company. With the active participation of IDBI in equity and the issue being oversubscribed 11 times. He finalized the purchase of land for the factory, finalized the contracts for construction and other activities. All the activities starting from obtaining license from the Drug department to starting of production and marketing the product are performed under his guidance. With his vast experiences among Govt. departments, marketing consultancy exposure and export business knowledge, he developed markets for Medicamen Biotech Ltd. in a short span of time both for exports and Indian Institutions and contract manufacturing with leading players in India like Ranbaxy Labs Ltd., Menarini Raunaq India Ltd. At one point of time the Company was supplying to these 2 big companies worth Rs.25 crores of medicines in a year besides, loan license from Ranbaxy for its most prestigious product Mox Redimix for which dedicated facilities was created in the plant. Under his management

Company has established another new plant in Haridwar tax free zone that has started production from June' 07. He has taken the Company to a turnover of around Rs.100 crores plus during the year 2009-10 with a Net Profit of approximately Rs.4 crores.

- (2) Past remuneration: Rs. 210000/- Per Month plus perquisites.
- (3) Recognition or awards: With his dedicated efforts on the export front the Company was awarded "Niryat Shree Awards" for four consecutive years from Government of India, Ministry of Commerce for excellence in export. He is the Chairman of FOPE i.e. a Federation of Pharma Entrepreneurs, formed to organize & strengthen the voice and efforts of the organizations established in the tax-free zones of Himachal Pradesh and Uttarakhand, etc. He has also been associated with an organization IDMA i.e. Indian Drugs Manufacturers Association, as Vice-President. It is an association of pharma companies engaged into the liaisoning with the Ministry and pharma organizations at the grass root level.
- (4) Job profile and his suitability: The Managing Director shall be responsible for the overall control and management of the Company and shall perform such duties as shall from time to time be entrusted to him subject to the superintendence and control of the Board of Directors. Since, Mr. Bal Kishan Gupta, has been associated with the Company from the very inception of the Company and had always stood behind the growth of the Company during these years, thus he is the most suitable person for the said position.
- (5) Remuneration proposed: As stated in resolution at item No.8
- (6) Comparative remuneration profile with respect to industry, size of the Company, profile or position and person: The



proposed remuneration is as per the remuneration profile in the industry keeping in view the size of the Company and profile of the incumbent.

- (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personal, if any: Mr. Bal Kishan Gupta is one of the promoters of the Company and he holds directorship in M/s Medicamen Organics Limited and Partner in Gencheck Fashions. He is also interested through his son Mr. Ashutosh Gupta in M/s Red Line Healthcare. Adequate disclosure and the necessary compliance are made under the Companies Act, 1956 and other relevant statutes.

Mr. Bal Kishan Gupta has no pecuniary relationship with the Company except of his remuneration.

III. Other information:

- (1) Reason of loss or inadequate profit: Although the sales of the Company has increased to 100 crore but its profits are still inadequate because of great increase in the prices/shortage of raw material particularly antibiotics, hike given to salaries of technical and non-technical staff due to their shortage, increase in the finance cost due to increase in interest rate and credit facilities being availed by the Company for capital expenditures to update the plant as per global norms. The Company also suffers from the exchange rate fluctuations.
- (2) Steps taken or proposed to be taken for improvement: The Company's plant at Haridwar has become operational in full swing and the Company is planning to get WHO Certification for the Haridwar plant. The Company has also increased the production capacity of Non - Betalactum tablets by 50 %. Apart from

this, the Cephlosporin block will be functional by October 2010, which will further add to the performance of the Company.

- (3) Expected increase in productivity or profits in measurable terms: We have projected to increase our sales to 120 Crores and Net Profits to approximately 4.8 Crores in financial year 2010-2011.

IV. Disclosures:

- (1) The shareholders of the Company shall be informed of the remuneration package of the managerial person in the Annual Accounts of the Company and in the Corporate Governance Report attached to the Director's Report.
- (2) The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any attached to the annual report:-
- All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc of all the directors;
 - Details of fixed component and performance linked incentives alongwith the performance criteria;
 - Service contracts, notice period, severance fees;
 - Stock Option details, if any and whether the same has been issued at a discount as well as the period over which accrued or over which exercisable.

Thus, his re-appointment as managing director is proposed for shareholders approval as a Special Resolution.

None of the Directors is concerned or interested in the resolution proposed under item No-8 except Mr. Ashutosh Gupta and Mr. B K Gupta as they are deemed to be concerned or interested in the resolution.

ITEM NO.9

Since the term of 3 years of appointment of



Mr. Ashutosh Gupta expires on 1st August, 2010, the Board of Directors of the Company has approved his re-appointment at its meeting held on 12th August, 2010 subject to the approval of the members at the general meeting. The revised remuneration proposed to be payable to Mr. Ashutosh Gupta is also approved by the remuneration committee at their meeting held on 12th August, 2010

Disclosures as required under Section II of Part II of Schedule XIII of the Companies Act, 1956

I. General Information

- (1) Nature of Industry: Formulation of pharmaceutical products i. e. tablets, capsules, syrup and dry syrups.
- (2) Date of commercial production: 27th March 1996.
- (3) In case of new companies, expected date of commencement of activities as per project approval by financial institutions appearing in the prospectus: Not applicable.
- (4) Financial performance based on given indicators: The Company has grown from strength to strength during the years of its operation with just Rs. 3 crores of turnover in 1996-97 to Rs 100 crores in 2009-2010. The Company has wiped out all its losses in 2005-06 and it has carried over a Net Profit of Rs.8 crores to balance sheet in the year 2009-2010. As the Company has grown manifolds, the board has recommend payment of dividend for the financial year 2010, for the first time in the history of the Company.
- (5) Export performance based on given indicators: The export of the Company increased to Rs. 63 crores in 2009-10 from the mere Rs.1.2 crores in 1999-2000.
- (6) Foreign investments or collaborators, if any: Company has entered into a strategic co-operation with a Danish Global Marketing & logistic Company

who had participated in the equity of the Company through its sister concern in India and extended soft loan to pay back the high cost debt of Indian Financial Institution. The equity shares allotted to the sister concern of the strategic partner have been transferred to the strategic partner during the year and the soft loan availed by the Company had been fully paid by January 2009.

II. Information about the appointee:

- (1) Background details: Mr. Ashutosh Gupta, a Bachelor in Business Administration, has more than 10 years experience in pharmaceutical marketing and distribution. He had been associated with the Company as non-executive Director since 2000. Prior to this he had served as Executive Director of M/s Glade Drugs and Nutraceuticals (P) Ltd. He also holds directorship in MEDICAMEN Organics Ltd. With his dedicated efforts in regard to the promotion of the Company & its products globally, the Company has been able to secure orders from various countries. He is working on expanding the exports to various countries i.e. Sri Lanka, Philippines, Myanmar, Latin America and Costa Rica, to name a few.
- (2) Past remuneration: Rs.90, 000/- Per Month plus perquisites.
- (3) Recognition or awards: The incumbent has won in Pharmexcil (Pharmaceutical Export Promotion Council) as the youngest member ever to be elected as "Executive Member" in the Committee of Administration. He has also secured highest votes in the history of Pharmexcil. Pharmexcil is the council created under Ministry of Commerce & is the premier body which promotes & controls exports of pharmaceuticals from India with more than 3500 members. He has been actively



associated with the Commerce Ministry for Pharma Cluster Development Scheme.

- (4) Job profile and his suitability: The incumbent has been shouldering the responsibility to look after the domestic marketing and the plant of the Company at Haridwar, Uttranchal. With his dedicated efforts the new plant at Haridwar has been able to cater to the domestic market as desired. Since, Mr. Ashutosh Gupta has adequate exposure to the domestic market and has been associated with the plant in past, he would be the right person to look after the plant.
- (5) Remuneration proposed: As stated in resolution at item No.9
- (6) Comparative remuneration profile with respect to industry, size of the Company, profile or position and person: The proposed remuneration is as per the remuneration profile in the industry keeping in view the size of the Company and profile of the incumbent.
- (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personal, if any: Mr. Ashutosh Gupta holds directorship in M/s Medicamen Organics Limited and partnership in M/s Red line Healthcare & M/s Genchek Fashions. He is also interested through his father Mr. B.K. Gupta who is one of the promoters of the Company. Adequate disclosure and the necessary compliance are made under the Companies Act, 1956 and other relevant statutes.

Mr. Ashutosh Gupta has no pecuniary relationship with the Company except of his remuneration.

III. Other information:

- (1) Reason of loss or inadequate profit: Although the sales of the Company has

increased to 100 crore but its profits are still inadequate because of great increase in the prices/shortage of raw material particularly antibiotics, hike given to salaries of technical and non-technical staff due to their shortage, increase in the finance cost due to increase in interest rate and credit facilities being availed by the Company for capital expenditures to update the plant as per global norms. The Company also suffers from the exchange rate fluctuations.

- (2) Steps taken or proposed to be taken for improvement: The Company's plant at Haridwar has become operational in full swing and the Company is planning to get WHO Certification for the Haridwar plant. The Company has also increased the production capacity of Non - Betalactum tablets by 50 %. Apart from this, the Cephlosporin block will be functional by October 2010, which will further add to the performance of the Company.
- (3) Expected increase in productivity or profits in measurable terms: We have projected to increase our sales to 120 Crores and Net Profits to approximately 4.8 Crores in financial year 2010-2011.

VI. Disclosures:

- (1) The shareholders of the Company shall be informed of the remuneration package of the managerial person in the Annual Accounts of the Company and in the Corporate Governance Report attached to the Director's Report.
- (2) The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any attached to the annual report: -
 - (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension,



- etc of all the directors;
- (ii) Details of fixed component and performance linked incentives alongwith the performance criteria;
- (iii) Service contracts, notice period, severance fees;
- (iv) Stock Option details, if any and whether the same has been issued at a discount as well as the period over which accrued or over which execrable.

Thus, his re-appointment as whole-Time Director is proposed for shareholders approval as a Special Resolution.

None of the Directors is concerned or interested in the resolution proposed under item No-9 except Mr. Ashutosh Gupta and Mr. Bal Kishan Gupta as they are deemed to be concerned or interested in the resolution.

ITEM NO.10

On account of social responsibility, board at its meeting held on 12th August, 2010 decided subject to the approval of the members at the general meeting to donate in financial year 2010-11 the excess/ odd lots of medicines left in stock after completion of the order. Generally your Company manufactures the medicines as per specific requirement of the purchasers. It happens sometimes that after completion of the order some stock is left with the Company whose cost has already been covered in the part of the order. For such specific stocks buyers are generally not available. So it was decided to use such medicines for the noble cause. And, as such donation is in excess of fifty thousand rupees, or five per cent, of its average Net Profits of preceding three years determined in accordance with the provisions of Section 340 and 350 of the Companies Act, 1956 approval of general body by way of ordinary resolution is required pursuant to Section 293(1) (e) of the

Companies Act, 1956 and hence resolution is proposed and recommended to be passed in the best interest of the Company.

None of the Directors is concerned or interested in the resolution proposed under item No-10

**By the Order of the Board
For Medicamen Biotech Ltd.**

**Place: Delhi
Date: 12.08.2010**

**Sd/-
B K Gupta
Managing Director**



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT

The Pharmaceutical industry in India has gone a long way and today 70% of the country's formulations, chemicals etc. is met by indigenous production. There are about 250 large units and about 8000 small scale units which form the core of the pharmaceutical industry in India. These units produce the complete range of pharmaceutical formulations i.e. medicines ready for consumption by patients and about 350 bulk drugs i.e. chemicals having therapeutic value and used for production of pharmaceutical formulations. Although global pharma growth has been declining in the past 5 years but there is a little impact on India and it will see a double-digit top line growth. The Indian pharmaceutical industry is a success story and provided employment for millions and ensuring that essential drugs at affordable price are available to the vast population of this subcontinent.

DISCUSSION ON FINANCIAL PERFORMANCE W.R.T. OPERATIONAL PERFORMANCE

Due to the steep rise in the establishment and other manufacturing cost the profitability of the Company has gone down despite the fact that the volume has increased. Our major turnover comes from export business. After the establishment of Tax Free Zone, the pharma units in other parts of the country are striving hard to enter the export market thereby creating an intense competitive atmosphere for your Company which was earlier getting better price. This situation may adversely affect the business quantum of the Company in the medium term and long term prospective. Your Company has

therefore formed a core group comprising all members from our foreign partners and the Company itself to meet quarterly to take note of the latest threats and to suggest remedial measures so that the business prospects of the Company are least disturbed.

SEGMENTWISE / PRODUCTWISE PERFORMANCE

As in the last financial year your Company did a big contract for Anti Filarial medicines awarded by the Govt. of India during the financial year under review. The Company got number of new projects of the Government. As usual Anti bacterial products like Cotrimoxazole, Nystatin and Anti Biotics like Amoxycillin remained the strong products of the Company and around 1/3rd of the sale was attributed to this segment.

OPPORTUNITIES AND THREATS

As per new guidelines of WHO your Company has started construction of another new building in the Bhiwadi plant for exclusive production of Ciflosporins because the production of Betalactum and Ciflosporins have been separated under the new guidelines. Many small players may not go for this separate block because of the finance involved and your Company sees a big opportunity in getting the contract work in this plant for export. Your Company has implemented the first floor in Hardwar plant to increase the capacities of the existing plant by more than 50% and the Company expects to cross the bench mark of Rs.120 crores during the financial year 2010-11 with the addition of these 2 sections. Regarding threats as explained above the competition is acute, input and establishment cost is becoming high day-by-day and the Company is under pressure as far as the profitability is concerned. Besides, the Company requires continuous



capital expenditure to meet the ever expanding increase volume to sustain in the market.

OUTLOOK

The Hardwar plant has achieved a 50% growth in the sale during the current year and is expected to further improve its sale in the next financial year. It has achieved the breakeven point already and in the years to come it is going to generate profit. With the addition of 2 new blocks the Company can produce goods worth Rs.500 crores per year. The Company is planning to automatise its machinery so that the manufacturing cost is reduced to a great extent and the profitability is improved. Your Company has entered into prescription market for the first time and it has added further new states like Bihar and U.P. This prescription market will give fruits within a period of 3 years when it is expected to reach its breakeven point.

RISKS & CONCERN

As explained above the companies situated in Non Tax Free Zone has also established in Tax Free Zone of all are striving to enter the export business and giving a tough fight to your Company in the international market which may further affect the profitability and business quantum of the Company. Exchange rate variation has also remained a cause of concern for your Company and during the year under review the Company had suffered on this account also.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has initiated adequate internal control procedure commensurate with the nature of its business and size of its operations. An Audit committee consisting of three independent, non-executive directors is in place; internal Audit is conducted by independent audit

firm on quarterly basis, which covers all the key areas of operations. All significant audit observations and follow up actions thereon are reported to the audit committee. The Audit committee met four times during the financial year under review.

HUMAN RESOURCES

Your Company's industrial relations continued to be harmonious during the year under review. Your Company is striving hard to retain the skilled manpower since the turnover has increased manifold in the industry. Your Company conducts regular in-house training programs for employees at all levels. The focus is on maintaining employee motivation at a high level with stress on leadership development

CAUTIONARY STATEMENT

Estimate and expectations stated in this Management Discussion and Analysis may be "forward-looking statement" within the meaning of applicable securities, laws and regulations. Actual result could differ materially from those expressed or implied. Important factors that could make difference to your Company's operations include economic conditions in the government regulations, tax laws, other statutes and other incidental factors.



DIRECTOR'S REPORT

To the Members,
Your Directors have pleasure in presenting their Seventeenth Annual Report together with the Audited Accounts for the financial year ended 31st March 2010

FINANCIAL HIGHLIGHT

Particulars	(Rs. In Lacs)	
	2009-2010	2008-2009
Turnover	10161.07	8633.51
Other Income	75.58	9.86
Expenditure	9407.18	8225.95
Profit before Interest, Depreciation & Preliminary Expenditure written off	829.47	417.42
Interest	122.44	138.70
Depreciation	116.52	103.35
Profit/(Loss) before Tax	590.51	175.37
Less : Provision for Deferred Tax	8.38	9.74
Provision for Taxation-current	183.54	20.49
Provision for Fringe Benefit Tax	0.00	9.10
Provision for Taxation-Previous Year	0.96	(1.69)
Profit/(Loss) available for appropriation	397.61	137.73
Profit/(Loss) brought forward		
From the previous year	493.83	356.10
Profit/(Loss) carried over to Balance Sheet	823.92	493.83

PERFORMANCE

During the year under review your Company had a turnover of Rs. 101.61 Crores as compared to Rs. 86.34 Crores last year. It registered a growth of around 17.69%. Further, your Company had carried forward Rs. 8.23 Crores of Net Profit to the balance sheet.

Despite unpredicted increase in input cost such as material, labour and fuel charges your Company could manage to earn Net Profit of Rs. 3.97 Crores as compared to Rs. 1.37 Crores in 2008-09. The domestic sale increased by 59.78%. There was around 1.45% increase in export turnover.

DIVIDEND

Your Directors have recommended a dividend of 7.5% per Equity Share on the face value of Rs.10/- each, for the financial year ended March 31st 2010, amounting to Rs. 67,53,068/- (inclusive of corporate dividend tax of Rs. 9,61,850/-).

Marketing/Ethical Marketing

Your Company launched its marketing division in January 2009, with 16 products in Delhi & Uttarakhand regions. Presently it is operating at Bihar, Delhi, Haryana, Uttarakhand and Western U.P.

The division has achieved a turnover of Rs.60 Lacs as projected since the inception of the division up to the closure of the financial year ending 31st March, 2010. The total cost being around Rs. 1.30 Crores. Approximately 55 persons are being engaged, involving a Vice-President, 10 Managers and 45 Marketing Representatives.

On the future outlook front your Company has set a target of covering the entire northern India by September 2010 with the staff of merely 100 marketing personnel. The future target is to make it a division worth Rs 5 Crores by 2012-13.

CORPORATE GOVERNANCE

A detailed Corporate Governance Report is included in this annual report as per Clause 49 of Listing Agreement. The Company has obtained a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance. The same is annexed to this Report.

DIRECTORS

Mr. Ashok Nayyar, director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. The board recommends his re-appointment. Mr. Sanjay Bansal, director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. The board recommends his reappointment.

Mr. Piyush Kumar Gupta, was appointed as an additional director on the board of the Company w.e.f. 15th May, 2010 is to be regularized and appointed as Whole Time Director at the ensuing



Annual General Meeting. The Board recommends his appointment.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) the directors have 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 for the financial year ended on 31st March 2010 and of the Profit and Loss Account for the period.
- (iii) the directors have 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;
- (iv) the directors have prepared the annual accounts on a going concern basis.

AUDITORS AND AUDITOR'S REPORT

The Auditors of the Company M/s Ashok Sharma & Associates retire at the ensuing Annual General Meeting and being eligible for re-appointment have given their consent to be re-appointed. The Company has obtained certificate from them to the effect that their re-appointment if made shall be within the limits specified under section 224(1-B) of the Companies Act, 1956

The Auditors' report is self- explanatory and does not require any further clarification.

PERSONNEL

The industrial relations during the year have remained cordial. However the attrition rate has increased due to shortage of technical people in the industry. The exodus of technical people to

tax free zone was a cause of concern. The Company had devised an effective retention policy to cope with the challenge. The information pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is annexed hereto and forms part of this Report.

DEPOSIT

The Company has not accepted or invited deposits from public within the meaning of Section 58A of the Companies Act, 1956 during the year under review.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

The information pursuant to Section 217(1)(e) of the Companies Act, 1956 read together with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this Report.

ACKNOWLEDGEMENT

Your director's place their appreciation and gratitude for the help and co-operation extended to the Company by the Government Agencies, Union Bank of India, Medical Profession, dealers, customers, suppliers and shareholders. The board also places their appreciation for the dedicated performance rendered by the employees of the Company.

For and on behalf of the Board of Directors

**Sd/-
(B K Gupta)
Managing Director**

**Sd/-
(Ashutosh Gupta)
Whole-Time Director**

**Place: Delhi
Date: 12.08.2010**

**ANNEXURE “A”**

INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010.

S. No.	Name	Designation/ Nature of Duties	Age (Yrs)	Gross Remuneration (Rs.)	Qualification	Experience (Yrs)	Date of Appointment	Last Employment
1.	B. K. Gupta	Managing Director	57	44,43,477	Graduate	25	07/11/1994	Government Job

ANNEXURE “B”

INFORMATION AS PER SECTION 217 (1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010

(A) CONSERVATION OF ENERGY

- a) Power factor is being monitored continuously as a part of energy conservation measures;
- b) Additional investment: No additional investment is made during the year;
- c) Savings in energy: Savings due to
 - (i) Power factor improvement
 - (ii) Maintenance of proper voltage, proper load distribution;
 - (iii) Periodical servicing & checking the equipments to avoid damage/burning.

POWER & FUEL CONSUMPTION:

Electricity Purchased		2009-10	2008-09
(i)	Units (in lacs)	21.58	20.15
(ii)	Total Amount (Rs in lacs)	94.70	88.02
(iii)	Rate/unit (Rs)	4.11	4.04
Own Generation (D.G.Sets)		2009-10	2008-09
(i)	Units (in Lacs)	3.20	1.23
(ii)	Diesel oil (litres in lacs)	1.04	0.45
(iii)	Cost / Units (Rs)	10.20	10.67

**(B) TECHNOLOGY ABSORPTION**

The Company has devised a fully computerized quality control division monitoring the production process and R&D activities.

(C) FOREIGN EXCHANGE EARNING & OUTGO

(Rs. In Lacs)

	2009-2010	2008-09
(i) Total foreign exchange through exports	6134.82	6166.34
(ii) Total foreign exchange used:		
(a) For import of Raw Material	699.69	668.00
(b) Other including expenditure on travelling	23.36	6.08

For and on behalf of the Board of Directors

Sd/-

Sd/-

Place: Delhi
Date: 12.08.2010

(B K Gupta)
Managing Director

(Ashutosh Gupta)
Whole-Time Director



**CEO & CFO
CERTIFICATION**

- a. We have reviewed financial statement and the cash flow statement for the year ended 31st March 2010 and certify, to the best of our knowledge and belief, that;
- i. these statements present a true and fair view of the Company's affairs, and are in compliance with existing accounting standards, applicable laws and regulations;
 - ii. these statements do not contain any materially untrue statement, or omit any material fact, or contain statements that might be misleading;
 - iii. no transactions entered into by the Company during the year were fraudulent, illegal or violative of the Company's code of conduct and no instances of fraud took place;
 - iv. we accept responsibility for establishing and maintaining internal controls for financial reporting;
 - v. we have evaluated the effectiveness of the internal control systems of the Company, and have disclosed to the auditors and the Audit committee, deficiencies in the design of operation of internal controls, if any, of which we are aware and have taken steps to rectify the same, wherever found;
 - vi. significant changes in internal control over financial reporting , as well as changes in accounting policies, if any , have been intimated to the auditors and the Audit Committee, and been disclosed in the notes to the financial statements;
- b. We further declare, in compliance to clause 49.I(D)(ii) to listing Agreement, that all the board members and senior management personnel have affirmed compliance with the code of conduct of the Company.

Delhi: 12.08.2010

Sd/-
(Bal Kishan Gupta)
Managing Director

Sd/-
(Rajesh Kumar Gupta)
Chief Financial Officer



ASHOK SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS

**311, "DEEP SHIKHA",
RAJENDRA PLACE,
NEW DELHI 110 008
TEL : 25769764**

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF MEDICAMEN BIOTECH LTD.

We have examined the compliance of conditions of corporate governance by Medicamen Biotech Ltd. (the Company) for the year ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the Share Transfer cum Investor Grievance Committee.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For ASHOK SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS**

Sd/-

**PLACE: Delhi
DATE: 12/08/2010**

**(Amit Kumar)
PARTNER**

M. No. : 500805

REPORT ON CORPORATE GOVERNANCE

1. MEDICAMEN'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy of Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and in meeting its obligations to the stakeholders, and is guided by a strong emphasis on transparency, accountability and integrity. For several years the Company has adopted a codified Corporate Governance Charter, which is in line with the best practices as well as meets all the relevant legal and regulatory requirements. All Directors and employees are bound by Code of Conduct that sets out the fundamental standards to be followed in all actions carried out on behalf of the Company.

2. BOARD OF DIRECTORS

The Board has strength of 8 directors as on 31st March 2010. The board in its meeting held on 15th May, 2010 had appointed Mr. Piyush Kumar Gupta, as an Additional Director, and presently as on date there are a total of 9 directors. The Board comprises of 2 Promoter & Executive Directors, 1 Non-Promoter Executive Director, 3 Non-Executive Directors and 3 Independent Directors. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 committees across all companies in which he is a Director .

The Composition of the Board of Directors as on 31st March 2010 is in conformity with the revised clause 49 of the Listing Agreement. The details of the Board of Directors as on date are as under:

(a) Promoter & Executive Directors:

Mr. Bal Kishan Gupta, is Managing Director and founder of the Company and has over two decades of experience in managing & controlling various industrial activities. Under his able leadership Medicamen has grown from a small firm to a multi product industrial house. He is also a director in M/s. Medicamen Organics Ltd.

Mr. Ashutosh Gupta, Bachelor of Business Administration, having more than 10 years of experience in the field of marketing & distribution of pharmaceuticals. He also holds office as director in M/s. Medicamen Organics Ltd. He was appointed as Whole Time Director with effect from 1st April 2006.

(b) Non-Promoter Executive Director

Mr. Piyush Kumar Gupta, Bachelor of Pharmacy having over two decades of experience in pharma production and supply chain management. He has depth knowledge and experience of formulation development, design layout to final commissioning of a unit. He was initially appointed as Plant Head on January 1, 2008 for taking care of all manufacturing related activities of the Company and further appointed as Additional Director with designation as "Director-Works" in the Board Meeting on 15th May, 2010.



(c) Non-Executive Director:

Mr. Sanjay Bansal, B Com, FCA having more than 17 years of experience in the field of Accounts, Finance and Banking activities. He shares his valued experiences with the Company as and when warranted. He is director of the Company since inception.

Mr. Kim Poul Ginnerup, M Sc.(Economics and Business Administration), Copenhagen Business School, a Danish National having more than 20 years of experience in pharmaceutical industry at international level working as Group CEO & Managing Director of M/s. Missionpharma A/s, Denmark.

Mr. Vidyashandar G, Bachelor of Commerce, Diploma in Import & Export, having more than 18 years of experience in logistics of pharmaceuticals now associated with Indian operation of M/s Missionpharma A/S & M/s PharmaDanica A/S.

(d) Independent Non-Executive Director:

Mr. Ashok Nayyar, a Bachelor from Delhi University, having more than 18 years of experience in Pharmaceutical market & Pharma marketing consultancy.

Mr. Rajinder Kumar Gupta, M.Com, CAIIB (Distn.), AIB (IB,London) a retired Banker having more than 31 years experience in the area of corporate credit, now involved in corporate financial consultancy.

Dr. M L. Parnami, MD, a practicing orthopedic surgeon of repute with more than 18 years of association in medical & healthcare activities.

(e) Meetings

Five Board Meetings were held during the year on 30-04-2009, 30-06-2009, 31-07-2009, 31-10-2009 and 30-01-2010 and the gap between two Board meetings did not exceed four months. The last annual general meeting was held on 15-09-2009.

Attendance of Directors at Board Meeting & at the last Annual General Meeting is as under:

Name of Director	Board Meeting Attended	AGM
Bal Kishan Gupta	5	Yes
Ashok Nayyar	5	Yes
Sanjay Bansal	5	Yes
Ashutosh Gupta	5	Yes
Rajinder Kumar Gupta	5	Yes
Kim Poul Ginnerup	0	-
Vidyshankar G	1	-
Dr. M L Parnami	5	-
Piyush Kumar Gupta	0	-



(f) Board's Processes

The information as required under Annexure I to Clause 49 of the Listing Agreement is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated at least seven days prior to the meeting. Adequate information is circulated as part of the Board papers and is also made available at the Board meeting to enable the Board to take informed decisions.

It has always been the Company's policy and practice that apart from matters requiring Board's approval by statute and as per the code of Corporate Governance, all major operational and financial decisions, feedback reports, human resource issues and minutes of all committee meetings are placed before the Board for informed discussion and decision.

(g) Code of Conduct for Directors & Senior Management

A Code of Conduct as applicable to the Directors and Senior Management team has been approved by the Board of Directors at their meeting held on 24th Day of October 2003. The Managing Director (CEO in terms of Clause 49) of the Company hereby affirms that all the Directors and Members of the Senior Management team have complied with the aforesaid code for the year ended 31st March 2010.

3. AUDIT COMMITTEE

(i) Constitution of Audit Committee

- | | |
|-------------------------|--|
| 1. Ashok Nayyar | Non Executive Independent Director (Chairman of the Committee) |
| 2. Rajinder Kumar Gupta | Non Executive Independent Director |
| 3. Dr. M L Parnami | Non Executive Independent Director |

(ii) Functions of Audit Committee

- (a) Review of Annual Financial Statements before submission to the Board; especially with regard to the changes in accounting policies and practices, major accounting entries, significant adjustments arising out of audit, the going concern assumption, compliance with accounting standards, compliance with stock exchange & legal requirements concerning financial statements and Related party transactions,
- (b) Discussion with Auditors regarding their observation on accounts.
- (c) Review of half yearly results before submission to the Board.
- (d) Discussion with Auditors regarding adequacy & compliance of internal control system.
- (e) Recommendation on appointment and removal of external auditor, fixation of audit fee, out of pocket expenses and payment of other services.
- (f) Other compliances of Companies Act and Stock Exchange.

(iii) Powers of Audit Committee

- (a) To investigate into any activity within its terms of reference.
- (b) Full access to information contained in the Company records



- (c) To seek information from any employee
- (d) Access to external professional advice
- (e) To bind the Board with its audit report on financial management.

(iv) Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information: -

- (a) Management discussion and analysis of financial conditions and results of operations;
- (b) Statement of significant related party transaction as submitted by management;
- (c) Management letters/ letters of internal control weakness issued by the statutory auditors;
- (d) Internal Audit Reports relating to internal control weakness; and
- (e) The appointment, removal and terms of remuneration of the Internal Auditors.

(v) Meetings and Attendance

During the year 5 meetings of the Audit Committee were held on 30-04-2009, 30-06-2009, 31-07-2009, 31-10-2009 and 30-01-2010 attended by all the members of the committee.

4. REMUNARATION COMMITTEE:

The remuneration committee reviews and makes recommendation on annual salaries, perquisites, performance-linked bonus/commission and other conditions of employment of Executive Director and Managing Director. The remuneration committee consists of the following directors:

- | | |
|-----------------------------|---|
| 1. Mr. Ashok Nayyar | Non Executive Independent Director(Chairman of the Committee) |
| 2. Mr. Rajinder Kumar Gupta | Non Executive Independent Director |
| 3. Mr. Vidyashankar G | Non Executive Independent Director |

A Meeting of the remuneration committee was held on 30-06-2009 and was attended by all except Mr. Vidyashankar G.

5. DIRECTORS REMUNERATION

The remuneration of the Managing Director is fixed and paid as per the agreement and an application for approval of the payment of remuneration in excess of the ceiling limits prescribed by Central Government under Section II of Part II of Schedule XIII of the Companies Act 1956 had been made to the Central Government, through Ministry of Corporate Affairs. The Central Government's approval is pending.

An application for payment of increased remuneration payable on re-appointment, in terms of the agreement dated 12th August 2010, effective from 6th November, 2010 shall be filed to the Central Government. The sitting fees of Rs.10,000/- per meeting paid to the non-executive directors for attending the board meetings. The remuneration paid to Directors for the period from 1st April 2009 to 31st March 2010:



Name of Director	Consolidated Salary	Perquisites and other benefits	Retirement Benefit	Commission/ Others	Total
Mr. B.K Gupta	3420000	159366	273600	590511	4443477
Mr. Ashutosh Gupta	1380000	107229	100800	590511	2178540
Mr. Piyush Kumar Gupta (Appointed on 15 th May, 2010)	--	--	--	--	--
Mr. Ashok Nayyar	--	--	--	--	--
Mr. Sanjay Bansal	--	--	--	--	--
Mr. Kim Poul Ginnerup	--	--	--	--	--
Mr. Vidyashankar Gopalakrishna	--	--	--	--	--
Mr. Rajinder Kumar Gupta	--	--	--	--	--
Dr. Munishwar Lal Parnami	--	--	--	--	--

6. SHAREHOLDERS COMMITTEE

(i) Constitution of the Committee

- | | |
|-----------------------|--|
| 1. Mr. Ashok Nayyar | Non Executive Director (Chairman of the Committee) |
| 2. Mr. B K Gupta | Managing Director |
| 3. Mr. Ashutosh Gupta | Whole Time Director |

(ii) Shareholders Matters

Ms. Sharmila Chhikara, ACS, Company Secretary is heading the Shares Department of the Company. During the year 2009-2010, all the complaints & queries are amicably settled with in one month from its receipt. As on date no share transfer is pending.

7. QUALITY ASSURANCE COMMITTEE

(i) Constitution of the Committee

- | | |
|---------------------------|---|
| 1. Mr. Piyush Kumar Gupta | Whole Time Director (Chairman of the Committee) |
| 2. Mr. J. K. Gupta | Quality Assurance Manager (Bhiwadi) |
| 3. Mr. Vijay Vaish | Quality Control Manager (Bhiwadi) |
| 4. Mr. Raghuvir Singh | Quality Assurance Manager (Haridwar) |
| 5. Mr. J.N. Ojha | Quality Control Manager (Haridwar) |



(ii) Functions of Quality Assurance Committee

- (a) The members to ensure that the activities of their respective divisions are carried out strictly as per the prescribed quality norms and standard operating procedures of the Company.
- (b) The members to exercise due diligence so as to prevent the commission of any offence under the Drugs and Cosmetics Act and other allied laws and rules.
- (c) The members of the Quality Assurance Committee to issue Compliance Certificate in the specified formats on monthly basis; however, the same would be placed before the Committee on quarterly basis in its meetings.
- (d) The members will be in over all incharge of and responsible to the Company for the conduct of its manufacturing (production, testing, packing and storage) activities being carried out at its two plants situated at Bhiwadi and Uttaranchal.
- (e) The Chairman of the Committee to represent the Company in various administrative, judicial and quasi-judicial activities before the concerned authorities, including the drugs departments.

(iii) Meetings

The members of the Quality Assurance Committee would meet on quarterly basis to discuss their functioning and other matters. The minutes of the meeting would be placed before the Board of Directors, along with the Compliance Certificates, in its next meeting for its perusal.

8. GENERAL BODY MEETINGS

The details of last three Annual General Meeting are provided below. All resolutions at these meetings were passed by show of hands.

Date	Year	Venue	Time
07-09-2007	2007	Shah Auditorium,	12.00 P.M.
01-09-2008	2008	Shree Delhi Gujrati Samaj, 2, Rajnivas Marg, Civil Lines, Deili-110054	12.00 P.M.
15-09-2009	2009	The Little Theater Group, Copernicus Marg, New Delhi-110001	12.00 P.M.

9. DISCLOSURES

There were no transactions of the Company of material nature with related parties that may have potential conflict with the interest of the Company at large. No penalties or strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

10. MEANS OF COMMUNICATION

Annual reports of the Company are sent to every shareholder of the Company. Half-yearly/ Quarterly results are normally published in Pioneer and Hari Bhoomi newspapers and copies



thereof are sent to the Stock Exchanges as per Listing Agreement. Further the Company has filled the quarterly and annual financial results and the Shareholding patterns in SEBIEDIFAR web site (www.sebiedifar.nic.in) maintained by National Informatic Centre as well as on its website i.e. www.medicamen.com.

11. GENERAL SHAREHOLDER INFORMATION

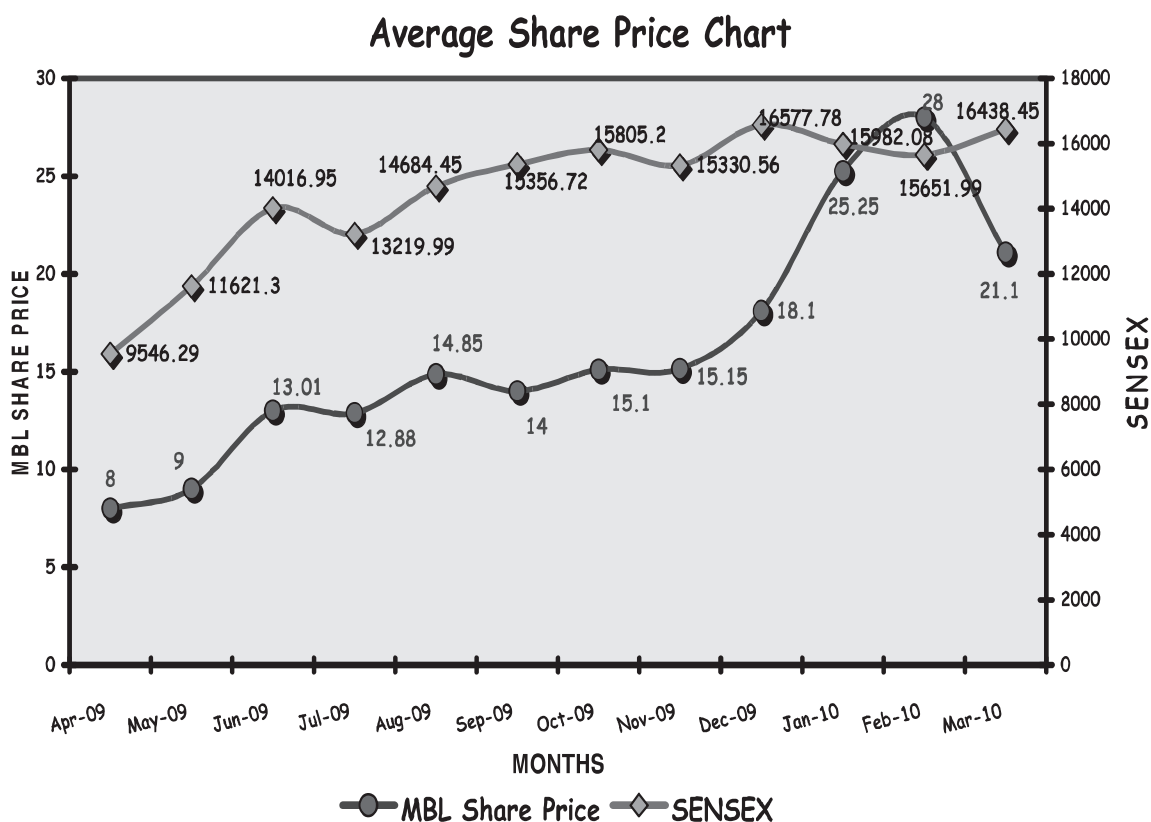
AGM: Date, Time & Venue	29-09-2010; 11.30 AM; Shree Shah Auditorium, Gujrati Samaj, 2 Rajnivas Marg, Civil Lines, Delhi-110054
Financial Calendar	1 st April 2009 to 31 st March 2010. The quarterly results of the Company were approved by the board of directors at their meeting held on 31-07-2009, 31-10-2009, 30-01-2010 and 15-05-2010 i.e. first quarter – end July, 2 nd Quarter –end October, 3 rd Quarter- end January, 4 th Quarter-Mid May.
Date of Book Closure	23 rd September, 2010 to 29 th September, 2010 (both days inclusive)
Dividend Payment Date	The Board of Directors at their meeting held on August 12, 2010, recommended 7.5% dividend for the year 2010, if approved by the shareholders at the ensuing Annual General Meeting to be held on September 29, 2010, would be paid on or by 28 th October, 2010.
Stock Exchange Listing	Bombay Stock Exchange
Stock Code	The Stock Exchange, Mumbai – 531146

Market Price Data & Performance Comparison				
Month	High		Low	
	Share Price	SENSEX	Share Price	SENSEX
April, 2009	10.70	11492.10	8.00	9546.29
May, 2009	12.73	14930.54	9.00	11621.30
June, 2009	16.22	15600.30	13.01	14016.95
July, 2009	15.73	15732.81	12.88	13219.99
August, 2009	18.95	16002.46	14.85	14684.45
September, 2009	22.50	17142.52	14.00	15356.72
October, 2009	24.00	17457.26	15.10	15805.20
November, 2009	24.90	17290.48	15.15	15330.56
December, 2009	28.35	17530.94	18.10	16577.78
January, 2010	35.80	17790.33	25.25	15982.08
February, 2010	35.00	16669.25	28.00	15651.99
March, 2010	34.20	17793.01	21.10	16438.45



Relative Movement Chart

The chart below gives the relative movement of the Average Share Price of the Company in relation to the BSE SENSEX. The period covered is April 1, 2009 to March 31, 2010. The Management cautions that the stock price movement shown in the graph given below should not be considered indicative of the future stock price performance.





Registrar & Transfer Agent	Link Intime India Pvt. Ltd., A-40, IInd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110028			
Share Transfer System	All transfers received in order are processed & returned within 30 days.			
Dematerialization of Shares and Liquidity	Trading in dematerialized form w.e.f. 27-02-2001 Connectivity with CDSL & NSDL on 15-11-2000. As on 31/03/2010 out of the total equity shareholding, 6677043 equity shares are in Demat mode consisting of 86.47% of total equity share.			
ISIN No.	INE646B01010; Shares traded at BSE			
Distribution of Share Holding as on 31-03-2010	Directors and their Relatives	2971830 Shares	38.49%	
	Body Corporate	484588 Shares	6.27%	
	Non resident Indians	215645 Shares	2.79%	
	Others	4049561 Shares	52.45%	
	Total	7721624 Shares	100.00%	
Distribution of Shareholding by number of shares as on 31st March, 2010				
Category	Number of Shares	% to total Number of Shares	Amount (In Rs.)	% to total Paid up Share Capital
Up to 5000	2923	77.96	4608460	5.97
5001 10000	329	8.77	2824600	3.66
10001 20000	167	4.45	2664960	3.45
20001 30000	127	3.39	3252690	4.21
30001 40000	29	0.77	1024240	1.33
40001 50000	47	1.25	2240620	2.90
50001 100000	65	1.73	5026090	6.51
100001 & above	62	1.65	55574580	71.97
Total	3749	100.00	77216240	100.00
Pending GDRs, ADRs etc.	Nil			
Plant Location	<ul style="list-style-type: none"> ▪ SP-1192, A&B, Phase-IV, Industrial Area, Bhiwadi-301019, Rajasthan ▪ Plot No-86 & 87, Sector-6A, SIDCUL, IIE, Haridwar. 			
Correspondence Address	Medicamen Biotech Ltd. 10, Community Centre No-2, Ashok Vihar, Phase-II, New Delhi-110052.			
Investor Grievance E-Mail	cs@medicamen.com			



ASHOK SHARMA & ASSOCIATES CHARTERED ACCOUNTANTS

**311, "DEEPSHIKHA",
8, RAJENDRA PLACE,
NEW DELHI 110 008
PHONE 2576 9764**

The Members of Medicamen Biotech Limited

1. We have audited the attached balance sheet of M/s Medicamen Biotech Limited, as at 31st March 2010, the profit and loss account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account
 - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;



- (v) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956,
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2010;
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

**For ASHOK SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS**

PLACE : NEW DELHI

DATE : 12/08/2010

**(Amit Kumar)
PARTNER
MEMBERSHIP NO. : 500805**



ASHOK SHARMA & ASSOCIATES CHARTERED ACCOUNTANTS

**311, "DEEPSHIKHA",
8, RAJENDRA PLACE,
NEW DELHI 110 008
PHONE 2576 9764**

Annexure

Medicamen Biotech Limited

(As referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) These fixed assets have been physically verified by the management at regular intervals considering the size of the Company and nature of assets. No material discrepancies have been noticed on such verification.
 - (c) No disposal of a substantial part of fixed assets of the Company has taken place during the year.
- (ii) (a) As explained to us, the inventory was physically verified by the management at reasonable intervals during the year.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and the discrepancies noticed on such physical verification between the physical stocks and the book records were not material and have been adequately dealt within the books of accounts.
- (iii) (a) The Company has not granted any loan to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. The Loan earlier taken by the Company outstanding at year end are Rs.12.00 lacs as against Rs.12.00 lacs at the end of last year. The Company has during the year repaid and taken loan of Rs.112 lacs from Directors/Associate concerns.
 - (b) Rate of interest and other terms & conditions of the loan taken by the Company are prima facie not prejudicial to the interest of the Company. The loan taken from the Director is free of interest.



- (c) The principal and interest are paid in time.
 - (d) There is no overdue amount of loan taken from the companies or other parties listed in the register maintained under Section 301 of Companies Act, 1956.
 - (iv) The Company has adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of stores, raw-materials including components, plant & machinery, equipment and other assets, and for sale of goods. We have not come across any major weakness in internal control.
 - (v) (a) The transactions which needed to be entered into the register in pursuance of Section 301 of Companies Act, 1956 has been duly entered.
 - (b) During the year under consideration the Company has made Sales of Rs.8,54,405/- to Medicamen Organics Limited, Rs.1,31,521/- to M/s Red Line Healthcare a group Company/concern, Rs.25,46,76,295/- to Missionpharma A/s and Rs.33,04,45,065/- to Missionpharma Logistics (India) Pvt. Ltd, companies in which director is director/CEO. These sales were made at prevailing market price and the terms and conditions of the sale are not prejudicial to the interest of the Company.
- During the year under consideration the Company has made Purchases of Rs.1,83,988/- from Medicamen Organics Limited, a group Company. This purchase was made at prevailing market price and the terms and conditions of the purchase are not prejudicial to the interest of the Company.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
 - (vii) The Company has appointed a firm of Chartered Accountants to carry out its internal audit function. In our opinion, the internal audit system is commensurate with the size of the Company and nature of its business.
 - (viii) It is informed by the management that cost records as required under section 209 (1) (d) of the Companies Act, 1956 are properly maintained but the same are not provided to us for our examination.
 - (ix) (a) According to the records of the Company, the Company is generally regular in depositing undisputed applicable statutory dues including provident fund, employees' state insurance, income tax, sales tax, custom duty, excise duty, cess with the appropriate authorities except payment of advance Income Tax.
 - (b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31.03.2010, for a period of more than six months from the date they became payable. However, the Company is late in depositing TDS payment in some cases.
 - (c) According to the information and explanation given to us, there is no disputed amount.



- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses during the current financial year and the immediately preceding such financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- (xii) According to the information and explanations given to us, in cases the Company has granted loans and advances on the basis of security by way of pledge of shares, the Company has maintained adequate documents and records. However the Company has not made any such loan and advances during the year and has no such outstanding at the year end.
- (xiii) The provisions of any special statue applicable to chit fund, nidhi's or mutual benefit fund / societies are not applicable to Company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures or other investments and hence, requirement of paragraph 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to the information and explanation given to us the Company has not given any guarantee for loan taken by others from banks or financial institutions.
- (xvi) On the basis of information and explanations given to us the Company has applied term loan, taken during the year, for the purpose for which obtained.
- (xvii) On the basis of an overall examination of Balance sheet and cash flow of the Company and the information and explanations given to us, we report that there are no funds raised on a short-term basis, which have been used for long-term purposes and no long-term funds have been used for short term requirement except working capital requirements of the Company.
- (xviii) During the year, the Company has not issued and allotted any shares.
- (xix) Since the Company does not have any debentures, the question of creation of securities for debentures does not arise.
- (xx) Since the Company has not raised any money from public issue, this clause is not applicable.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**For ASHOK SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS**

**(Amit Kumar)
PARTNER**

MEMBERSHIP NO. : 500805

**PLACE : NEW DELHI
DATE : 12/08/2010**

**BALANCE SHEET AS AT 31.03.2010**

PARTICULARS	SHDL	31.03.2010	31.03.2009
<u>SOURCES OF FUNDS</u>			
1. Shareholders' Funds			
(a) Share Capital	01	77,216,240.00	77,216,240.00
(b) Reserve & Surplus	02	3,005,122.00	3,005,122.00
(c) Profit & Loss Account		82,392,357.47	49,383,528.89
		162,613,719.47	129,604,890.89
2. Loan Funds			
(a) Secured Loans	03	125,848,327.24	86,529,740.44
(b) Unsecured Loans	04	1,200,000.00	1,200,000.00
3. Deferred Taxation Effect of Timing Differences		5,135,220.11	4,296,557.11
TOTAL (Rs.)		294,797,266.82	221,631,188.44

APPLICATION OF FUNDS

1. Fixed Assets			
(a) Gross Block	05	266,058,184.06	237,649,083.06
(b) Less : Depreciation		68,598,068.44	56,945,867.44
(c) Net Block		197,460,115.62	180,703,215.62
(d) Capital Work in Progress		9,262,665.00	2,474,456.00
2. Current Assets, Loans & Advances 06			
(a) Current Assets			
i. Inventories		87,776,338.00	73,751,691.00
ii. Sundry Debtors		225,587,343.46	149,808,571.93
iii. Cash & Bank Balances		12,372,681.54	8,905,079.10
(b) Loans & Advances			
i. Advances		37,427,683.08	36,402,776.08
(c) Security Deposits		6,942,562.00	6,059,766.00
		370,106,608.08	2,74,927,884.11
Less : Current Liabilities & Provisions	07	282,032,121.88	236,474,367.29
Net Current Assets		88,074,486.20	38,453,516.82
TOTAL (Rs.)		294,797,266.82	221,631,188.44

Notes to Accounts 08

For Ashok Sharma & Associates
Chartered Accountants

For & on behalf of the Board of Directors

Amit Kumar
PartnerSharmila Chhikara
Company SecretaryB.K.Gupta
Managing DirectorAshutosh Gupta
Whole-Time DirectorPlace : Delhi
Date : 12.08.2010

**PROFIT & LOSS ACCOUNT AS AT 31.03.2010**

PARTICULARS	SHDL	31.03.2010	31.03.2009
I. INCOMES			
Turnover(Gross)	A	1,021,803,287.88	867,248,947.15
Less: Excise Duty		5,695,929.00	3,897,536.42
Turnover(Net)		1,016,107,358.88	863,351,410.73
Other Incomes	B	7,558,812.60	986,209.72
TOTAL (Rs.)		1,023,666,171.48	864,337,620.45
II. EXPENDITURES			
Cost of Goods Sold	C	768,542,103.25	687,444,767.50
Administrative, Selling & Other Expenses	D	172,176,365.47	134,125,932.81
Interest		12,244,385.18	13,869,825.55
Loss on Sale of Assets		0.00	1,024,042.00
TOTAL (Rs.)		952,962,853.90	836,464,567.86
Profit/(Loss) before Depreciation		70,703,317.58	27,873,052.59
Depreciation		11,652,201.00	10,335,788.00
Profit/(Loss) before Tax		59,051,116.58	17,537,264.59
Less : Provision for Deferred Tax		838,663.00	974,048.00
Provision for Taxation - Current		18,354,500.00	2,049,160.00
Fringe Benefit Tax		0.00	910,000.00
Provision for Taxation - Previous Year		96,057.00	(169,299.00)
Profit/(Net Loss) after tax		39,761,896.58	13,773,355.59
Brought Forward Profit/(Loss) from previous year		49,383,528.89	35,610,173.30
Balance available for appropriation		89,145,425.47	49,383,528.89
<u>Appropriations:</u>			
Proposed Dividend		5,791,218.00	-
Tax on Proposed Dividend		961,850.00	-
Net Profit/(Net Loss) carried over to Balance Sheet		82,392,357.47	49,383,528.89

For Ashok Sharma & Associates
Chartered Accountants

Amit Kumar
Partner

Sharmila Chhikara
Company Secretary

Place : Delhi
Date : 12.08.2010

For & on behalf of the Board of Directors

B.K.Gupta
Managing Director

Ashutosh Gupta
Whole-Time Director



SCHEDULE FORMING PART OF THE BALANCE SHEET

PARTICULARS	SHDL	31.03.2010	31.03.2009
1 <u>SHARE CAPITAL</u>		(Rs.)	(Rs.)
Authorised			
80,00,000 Equity shares of Rs. 10.00 each		80,000,000.00	80,000,000.00
		=====	=====
Issued, Subscribed & Paid-up			
77,21,624 (77,21,624) Equity shares of		77,216,240.00	77,216,240.00
Rs.10.00 each fully paid up		-----	-----
		77,216,240.00	77,216,240.00
		=====	=====
2 <u>RESERVES & SURPLUS</u>			
General Reserve		1,150.00	1,150.00
Share Premium		3,003,972.00	3,003,972.00
		-----	-----
		3,005,122.00	3,005,122.00
		=====	=====
3 <u>SECURED LOANS</u>			
Union Bank of India - Term Loan		25,726,647.00	19,333,338.00
Union Bank of India-WCTL		7,083,354.00	12,083,346.00
Union Bank of India - Working Capital		91,570,519.47	53 153 242.95
Vehicle Loan		1,467,806.77	1,959,813.49
		-----	-----
		125,848,327.24	86,529,740.44
		=====	=====
<u>Securities</u>			
A) Term Loan & Working Capital Facilities from Union Bank of India are secured against:			
I) First Charge on entire Fixed Assets and Current Assets of the Company both present & future.			
II) Personal Guarantee of two Directors and relative of one Director.			
III) 11,61,200 Equity shares of the company held by the Managing Director.			
B) Vehicle loans are secured against Hyp. of vehicles.			
4 <u>UNSECURED LOANS</u>			
- From Directors		1,200,000.00	1,200,000.00
		-----	-----
		1,200,000.00	1,200,000.00
		=====	=====

05. Schedule of Fixed Assets (Consolidated)											
As on 31.03.10											
S. No.	Description	Balance As on 01.04.09	Gross Block Additions During The Period	Sale/Disposal During the Period	Balance As On 31.03.10	Depreciation As on 01.04.09	Depreciation During The period	Block Adjustment During The period	Total As On 31.03.10	Net Block W.D.V. As On 31.03.10	W.D.V. As On 31.03.09
1	Land (Lease Hold) & Site Development- Hardwar	1898785.00	-		1898785.00	63069.00	21098.00		84167.00	1814618.00	1835716.00
2	Land (Lease Hold) & Site Development- Bhiwadi	7524845.00	-		7524845.00	1098070.00	76009.00		1174079.00	6350766.00	6426775.00
3	Building & Civil Construction	73155760.69	5013357.00		78169117.69	17203071.45	2501524.00		19704595.45	58464522.24	55952680.24
4	Plant & Machinery	75183781.82	9493878.00		84677659.82	20812257.13	3716242.00		24528496.13	60149160.69	54371524.69
5	Die & Moulds	2504800.00	79982.00		2584782.00	201488.00	121487.00		322975.00	2261807.00	2303312.00
6	A.C. Plant	25350814.39	1767666.00		27118480.39	4121460.28	1244912.00		5366372.28	21752108.11	21229354.11
7	Boiler	1005138.81	1615334.00		2620472.81	270624.92	48164.00		318788.92	2301683.89	734513.89
8	Electric Installation	13661055.17	886767.00		14547822.17	3180419.13	655026.00		3835445.13	10712377.04	10480636.04
9	Quality Control	4701233.50	3045456.00		7746689.50	604616.90	288976.00		893592.90	6853096.60	4096616.60
10	Weight Machine	1162847.20	46531.00		1209378.20	213327.00	56681.00		270008.00	939370.20	949520.20
11	Generator Set	4225464.48	-		4225464.48	1298206.91	200710.00		1498916.91	2726547.57	2927257.57
12	Water System	880364.51	133690.00		1014054.51	284652.74	51411.00		336063.74	677990.77	595711.77
13	Refrigerator	49382.00	-		49382.00	18975.52	2607.00		21582.52	27799.48	30406.48
14	E.T. Plant	520222.00	-		520222.00	63415.00	27468.00		90883.00	428339.00	456807.00
15	Furniture & Fixtures	12125660.94	2024736.00		14150418.94	3210824.16	806639.00		4017463.16	10132955.78	8914856.78
16	Office Equipments	2479254.00	516816.00		2996070.00	490830.48	181961.00		672791.48	2323278.52	1988423.52
17	Safe	13966.40	-		13966.40	11768.88	884.00		12652.88	1313.52	2197.52
18	Cycles	12257.50	-		12257.50	9624.94	867.00		10491.94	1765.56	2632.56
19	Vehicle	7778224.67	933564.00		8711788.67	2910807.53	766145.00		3676952.53	5034836.14	4867417.14
20	Computers	2951507.98	2851322.00		5802829.98	840581.47	861364.00		1701945.47	4100884.51	2110926.51
21	Lift	463697.00	-		463697.00	37776.00	22026.00		59002.00	403895.00	425921.00
Total		237649083.06	28409101.00	0.00	266058184.06	56945867.44	11652201.00	0.00	68598068.44	197460115.62	180703215.62
Previous Year		220593539.08	21035278.00	3979734.02	237649083.06	49532116.46	10335788.00	2922037.02	56945867.44	180703215.62	171061422.62



SCHEDULE FORMING PART OF THE BALANCE SHEET

PARTICULARS	SHDL	31.03.2010	31.03.2009
		(Rs.)	(Rs.)
<u>Capital Work in Progress (Pending Capitalisation)</u>			
Building / Machine		107,745.00	30 307.00
Building New Block		3,757,326.00	0.00
A.C. Plant -New Block		914,012.00	0.00
ERP Project		0.00	1,977,695.00
Electric Installation -New Block		250,410.00	0.00
Advances to Suppliers (Bhiwadi)		1,996,538.00	294,654.00
Advances to Suppliers (Haridwar)		2,236,634.00	171,800.00
		=====	=====
		9,262,665.00	2,474,456.00
		=====	=====

6 **CURRENT ASSETS, LOANS & ADVANCES**

(a) **Current Assets**

i. **Inventories**

- Raw Material	42,166,303.00	33,981,372.00
- Packing Material	24,956,211.00	17,520,657.00
- Finished Goods	14,400,115.00	12,038,215.00
- Work in progress	5,730,795.00	9,074,161.00
- Stores & Spares	522,914.00	1,137,286.00

	=====	=====
	87,776,338.00	73,751,691.00
	=====	=====

ii. **Sundry Debtors**

(Unsecured and considered good)

Debts outstanding (exceeding six months.)	4,057,327.60	5,242,597.64
Other Debts	221,530,015.86	144,565,974.29

	=====	=====
	225,587,343.46	149,808,571.93
	=====	=====

**SCHEDULE FORMING PART OF THE BALANCE SHEET**

PARTICULARS	SHDL	31.03.2010	31.03.2009
		(Rs.)	(Rs.)
iii. Cash & Bank Balances			
Cash in hand (as per books and certified by the management)		1,997,118.59	1,303,873.59
Balance with scheduled Banks in :-			
Current Accounts		1,065,283.95	470,416.51
Fixed Deposits Accounts		9,310,279.00	7,130,789.00
		<u>12,372,681.54</u>	<u>8,905,079.10</u>
		=====	=====
(b) Loans & Advances			
i. Advances receivable in cash or kind or for value to be received		37,427,683.08	36,402,776.08
		<u>37,427,683.08</u>	<u>36,402,776.08</u>
		=====	=====
(c) Securities (Deposits)		6,942,562.00	6,059,766.00
7 CURRENT LIABILITIES & PROVISIONS			
(a) Current Liabilities			
i. Sundry Creditors		165,431,811.06	141,392,212.29
ii. Other Liabilities		53,312,394.72	45,346,687.70
iii. Advances from Customers		33,106,946.10	41,104,430.30
iv. Provision for Gratuity		4,945,222.00	4,166,121.00
v. Provision for Leave Encashment		2,380,173.00	1,774,108.00
vi. Provision for Bonus		748,007.00	641,648.00
vii. Provision for Taxation		15,354,500.00	2,049,160.00
viii. Provision for Proposed Dividend		5,791,218.00	0.00
ix. Provision for Tax on Proposed Dividend		961,850.00	0.00
		<u>282,032,121.88</u>	<u>236,474,367.29</u>
		=====	=====



SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

PARTICULARS	SHDL	31.03.2010	31.03.2009
A. <u>Turnover</u>		(Rs.)	(Rs.)
Sales - Domestic		388,994,433.88	243,457,256.15
- Export		632,808,854.00	623,791,691.00
		<u>1,021,803,287.88</u>	<u>867,248,947.15</u>
B. <u>Other Income</u>			
Exchange Variation		6,652,723.42	0.00
Misc. Income		311,419.18	710,406.72
<u>Interest (Income)</u>			
Bank		530,814.00	219,635.00
Others		63,856.00	56,168.00
		<u>7,558,812.60</u>	<u>986,209.72</u>
C. <u>Cost of Goods Sold</u>			
Cost of Manufactured Goods Sold			
Raw Material Consumed	E	548,256,190.55	512,517,682.50
Packing Material Consumed	F	167,894,005.70	124,923,469.00
Other Manufacturing Expenses	H	53,323,733.00	44,881,089.00
		<u>769,473,929.25</u>	<u>682,322,240.50</u>
Cost of Production			
Less :			
Samples		2,202,852.00	341,133.00
Increase (Decrease) in Stock	G	(981,466.00)	(5,267,700.00)
		<u>768,252,543.25</u>	<u>687,248,807.50</u>
Sub Total	A	<u>768,252,543.25</u>	<u>687,248,807.50</u>
<u>Cost of Goods Traded</u>			
Opening Stock		0.00	0.00
Purchases		289,560.00	195,960.00
Less :			
Closing Stock		0.00	0.00
		<u>289,560.00</u>	<u>195,960.00</u>
Sub Total		<u>289,560.00</u>	<u>195,960.00</u>
<u>TOTAL</u>		<u>768,542,103.25</u>	<u>687,444,767.50</u>



SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

PARTICULARS	SHDL	31.03.2010	31.03.2009
D Administrative, Selling & Other Expenses		(Rs.)	(Rs.)
Administrative Expenses			
Establishment Expenses		910,962.00	858,810.00
Registration Charges		408,047.00	490,501.00
Bank Charges		4,480,892.49	4,819,685.92
Travelling & Conveyance		14,207,307.00	9,064,689.00
Fee & Subscription		430,834.00	322,396.00
Miscellaneous Expenses		12,004,739.77	6,930,927.78
Communication Expenses		3,997,450.34	3,574,584.38
Printing & Stationery		2,124,957.00	2,264,638.00
Vehicle Running Expenses		2,582,291.00	2,289,630.00
Director Remuneration		6,622,017.00	5,042,176.00
Share Listing & Transfer Expenses		122,618.00	100,621.00
Selling & Distribution Expenses			
Advertisement		356,139.00	397,744.00
Bad Debts - Trade		2,185,704.60	10,808,790.31
Distribution Expenses		8,336,513.77	4,743,704.00
C & F Expenses		3,760,493.00	1,576,851.00
Business Promotion Expenses		1,875,479.00	953,378.00
Exchange Variation		0.00	3,783,053.42
Commission on Sales		25,016,955.00	8,078,813.00
Freight & Cartage Outward		15,018,385.50	14,020,546.95
Packing & Forwarding		14,758.00	557,211.00
Rent		1,044,300.00	614,600.00
Repair & Maintenance			
- Building		4,793,078.00	1,431,832.00
- Machines & Electricals		6,386,454.00	4,954,947.00
- Others		2,152,025.00	1,122,656.00
Insurance			
- Vehicles		99,291.00	128,122.00
- Stocks & Building		234,534.00	315,206.00
- Others		302,628.00	212,370.05
Payments to & Provision for Employees			
Salary & Allowances		39,799,796.00	34,134,199.00
ESI & PF Contribution		3,025,914.00	2,581,949.00
Staff Welfare & Training		6,316,790.00	4,539,072.00
Others			
Legal & Professional Charges		2,174,355.00	1,761,629.00
Consultancy Charges		1,140,657.00	1,425,600.00
Auditors' Remuneration			
Audit Fee		225,000.00	200,000.00
Out of Pocket Expenses		25000.00	25000.00
		<u>172,176,365.47</u>	<u>134,125,932.81</u>
		=====	=====



SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

PARTICULARS	SHDL	31.03.2010	31.03.2009
E <u>Raw Material Consumed</u>			
Opening Stock		33,981,372.00	27,980,807.00
Add : Purchases		556,441,121.55	518,518,247.50
		<hr/>	<hr/>
		590,422,493.55	546,499,054.50
Less : Closing Stock		42,166,303.00	33,981,372.00
		<hr/>	<hr/>
		548,256,190.55	512,517,682.50
		=====	=====
F <u>Packing Material Consumed</u>			
Opening Stock		17,520,657.00	25,010,267.00
Add : Purchases		175,329,559.70	117,433,859.00
		<hr/>	<hr/>
		192,850,216.70	142,444,126.00
Less : Closing Stock		24,956,211.00	17,520,657.00
		<hr/>	<hr/>
		167,894,005.70	124,923,469.00
		=====	=====
G <u>Increase (Decrease) in Stock</u>			
Closing Stock of Finished Goods		14,400,115.00	12,038,215.00
Closing Stock of Work in Progress		5,730,795.00	9,074,161.00
		<hr/>	<hr/>
		20,130,910.00	21,112,376.00
Less :			
Opening Stock of Finished Goods		12,038,215.00	12,142,896.00
Opening Stock of Work in Progress		9,074,161.00	14,237,180.00
		<hr/>	<hr/>
		(981,466.00)	(5,267,700.00)
		=====	=====
H <u>Manufacturing Expenses</u>			
Analysis & Testing Charges		3,587,335.00	3,050,835.00
Consumable Stores		6,492,540.00	4,099,996.00
Design & Development		98,700.00	200,901.00
Freight & Cartage Inwards		5,613,537.00	6,329,192.00
Laboratories Expenses		1,795,485.00	1,186,116.00
Labour Charges		9,231,944.00	9,845,162.00
Power, Fuel & Water		26,441,716.00	20,149,971.00
Effluent Treatment Expenses		62,476.00	18,916.00
		<hr/>	<hr/>
		53,323,733.00	44,881,089.00
		=====	=====



SCHEDULES FORMING PART OF THE BALANCE SHEET

8. Notes forming part of Accounts

1. a) Inland and Foreign Guarantee given by the bankers on behalf of the Company is Rs.484.14 Lacs as on the date of balance sheet (Previous year Rs.308.65 lacs)
b) Letter of Credit issued by the Bankers of the Company and outstanding against Raw Material Rs.614.12 lacs (Previous year Rs.267.27 lacs)
2. In the opinion of the Board of Directors, adequate provisions have been made in the accounts for all known liabilities. The value of current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet, unless otherwise stated.
3. Significant Accounting Policies
 - (i) **General** : The Accounts are prepared on the historical cost basis and on the accounting principle of going concern. All expenses and incomes to the extent considered payable and receivable respectively unless stated otherwise, have been accounted for on mercantile basis. Accounting Policies not specifically referred to otherwise are consistent and in accordance with generally accepted accounting principles. The value of stock of samples is taken as nil.
 - (ii) **Fixed assets** : The gross block of fixed assets are stated at historical cost which includes duties and taxes after deducting the amount of EXCISE DUTY/ CENVAT, except in the case of Plant at Hardwar the same is taken at the historical cost of the assets as CENVAT credit is not available since being in Tax free zone.
 - (iii) **Depreciation** : Depreciation is provided on straight line method at the rates and manners specified in schedule XIV of the Companies Act, 1956 on fixed assets used for the purpose of business.
 - (iv) **Foreign Exchange Transactions** : Transactions in foreign currencies are recorded at the rate of exchange in force at the date of transaction. Receivables and Liabilities (considered good), in foreign currency at the year end, are converted at the rate of exchange prevailing at the end of financial year.

Export sales are accounted for at the time of despatch of the material from the factory for export.

- (v) **Sales** : Sales are inclusive of Excise Duty and are net of Trade discount & Returns.
- (vi) **Export Benefits** : Export benefits (D.E.P.B & F.M.S , F.P.S) are provided on accrual basis on satisfaction of condition relevant to the same.
4. Previous Year's figures have been regrouped or recast wherever considered necessary.
5. **Capital Work in Progress** : It includes advances to suppliers of building materials, plant & machineries and other capital assets & will be allocated to fixed assets in year in which such assets will be ready for utilisation
6. The outstanding balances as on March 31, 2010 in respect of parties are subject to verification.
7. The cost of lease land alongwith development expenditure thereon has been amortised over the lease life of the land. During the year the company has written off Rs. 76009 for Bhiwadi and Rs.21098 for Hardwar Land.
8. The closing stock as on 31st March, 2010 is as taken, valued and certified by the management.
 - Raw Material, Packing Material and Finished Goods are valued at cost or net realisable value whichever is lower
 - Work in Progress are valued at estimated cost
 - stores and spares are valued at cost.
 Closing stock of finished goods does not include excise duty.
9. Rs.93,10,279/- shown as Fixed Deposit Receipt with banks is including interest accrued and is lying as security with the parties/Govt. Departments or margin money with bank.
10. Travelling includes directors' travelling of Rs. 15,00,771/- (Previous year 7,30,327/-)

	Year ended	
	31.03.2010	31.03.2009
	Rs.	Rs.
Remuneration	48,00,000	42,60,000
Provident Fund.	2,66,595	3,31,200
Perquisite	3,74,400	1,44,074
Commission	11,81,022	3,06,902
	<u>66,22,017</u>	<u>50,42,176</u>
	=====	=====



12. The Company has provided Employees Benefits as per the Accounting Standard-15 issued by the Institute of Chartered Accountants of India. Provision for Gratuity and Leave Encashment have been made in the books of accounts on the basis of actuarial valuation using the Project Unit Credit Method.
13. Company has made provision for deferred tax effect on the difference of depreciation between the amount, as per Income Tax rules and profit & loss account for the year and accumulated retirement benefit provided for during the year.
14. The Company has one segment of activity namely "Pharmaceuticals".
15. Misc. Expenditure includes Rs.26,38,252.00 as contribution of medicines for Social Welfare to Charitable Institution.
16. Remuneration of Rs.44,43,477.00 provided for Managing Director is subject to approval of Government which is still awaited.
17. Earning Per Share (EPS) - The numerator and denominator used to calculate Basic and Diluted Earnings per Share:

	31.03.2010	31.03.2009
Net Profit After Tax (Rs.in Lacs)	397.62	137.73
Average number of Equity Shares outstanding during the year	77,21,624.00	77,21,624.00
Nominal Value of Equity Share (Rs.)	10.00	10.00
Earning Per Share Basic and Diluted (Rs.)	5.15	1.78

18. In terms of requirements of the Accounting Standards-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the amount recoverable against Fixed Assets has been estimated for the period end by the management based on their present value of estimated future cash flows expected to arise from the continuing use of such assets. The recoverable amount so assessed was found to be adequate to cover the carrying amount of the assets, therefore no provision for impairment in value there of has been considered necessary, by the management.
19. Information required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has not been provided by any party dealing with the Company and accordingly no information for the same can be provided. The Company is otherwise generally regular in making payments as per terms except for special reason.



20. Related Party Disclosure

Related party disclosure as required by AS-18 ,
'Related Party Disclosures' notified by the Companies
(Accounting Standard) Rules, 2006 are given below :
Name and Relationships of the Related Parties :

- (i) **Associate Concern**
 - (a) Medicamen Organics Ltd.
 - (b) Red Line Healthcare
- (ii) **Companies in which Director is Director / CEO**
 - (a) Mission Pharma Logistics (India) Pvt. Ltd.
 - (b) Mission Pharma A/S
- (iii) **Key Management Personnel**
 - (a) Mr.B.K.Gupta
 - (b) Mr.Ashutosh Gupta

Transactions with the related parties during the year :

(Rupees in Lacs)

Transactions with Related Parties	Associate Concerns	Companies in which Director is Director / CEO	Key Management Personnel
<u>Income</u>			
Sales of Material / Goods /Others	985,926 (1003,028)	585,121,360 (604,627,784)	---
<u>Expenditure</u>			
Purchase of Material	183,988 (144,670)	NIL (2,45,06,265)	---
Rent	82,800 (82,800)	---	---
Remuneration	---	---	66,22,017 (50,42,176)
Interest Paid	---	NIL (1,89,640)	
Current Account Transactions	1,00,46,163 (NIL)	---	---
<u>Installment of ECB paid</u>	---	NIL (75,82,127.50)	---
O/S Receivables as on 31.3.2010	665,851 (379,605)	5,60,78,921.00 (2,12,96,366.60)	---



21. Additional information Pursuant to Provisions of Paragraph 3, 4C and 4D of Schedule VI of the Companies Act, 1956.

(i) Licensed capacity

N.A.

(ii) **Installed capacity**

Capacity (Per Shift /Per Annum) (IN LACS)

Classes of Goods	Unit *	BHIWADI		HARDWAR	
Tablets	Nos.	7800.00	(7800)	4100.00	(4100.00)
Capsules	Nos.	1800.00	(1800)	600.00	(600.00)
Liquid Oral	Ltr.	6.90	(6.90)	6.00	(6.00)
Dry Powder	Kg.	2.00	(2.00)	NIL	(NIL)
ORS	Kg.	3.90	(3.90)	NIL	(NIL)
Ointment	Kg.	-	-	0.30	(0.30)

* In Case of Liquid Oral ,Dry Powder and ORS the product can be of different weight hence the capacity is mentioned in Kg./Ltrs.

(iii) GOODS MANUFACTURED (in Lacs)

DESCRIPTION	UNITS IN NOS.	OP. QTY.	STOCK AMT.	MFD. QTY.	SALES QTY. AMT.(Rs.)		SAMP. QTY.	CLOSING * QTY.	STOCK AMT in Rs.*
TABLETS	NOS.	307.07 (262.07)	66.58 (82.27)	17304.01 (17870.37)	16449.73 (17823.80)	6314.32 (5772.92)	5.29 (1.57)	1156.06 (307.07)	116.89 (66.58)
CAPSULES	NOS.	33.88 (15.74)	30.73 (9.07)	582.19 (997.98)	595.34 (979.66)	405.46 (601.02)	0.92 (0.18)	19.80 (33.88)	10.70 (30.73)
ORS	NOS.	2.03 (3.20)	3.28 (5.60)	273.29 (264.78)	274.58 (265.95)	713.91 (617.78)	0.00 (0.00)	0.74 (2.03)	1.39 (3.28)
OTHERS	NOS.	5.13 (2.90)	19.79 (24.49)	255.48 (147.35)	257.26 (144.99)	2780.25 (1677.99)	0.17 (0.12)	3.18 (5.13)	15.02 (19.79)
			120.38 (121.43)			10213.94 (8669.71)			144.00 (120.38)
			=====			=====			=====

* Closing Stock includes Stock at Delhi & Lucknow Depot worth Rs.17.16 Lacs

(iv) GOODS TRADED

Amount (In Lacs)

PARTICULARS	OPENING QTY.	STOCK AMT.	PURCHASE QTY. AMT.		SALES QTY. AMT.		BREAKAGE QTY.	CLOSING QTY.	STOCK AMT.
Bio-Hazard Disposable Bags (In Lac No.)	0.00 (0.00)	0.00 (0.00)	2.85 (3.25)	1.71 (1.96)	2.85 (3.25)	2.45 (2.79)	(-) (-)	0.00 (0.00)	0.00 (0.00)
TABLETS (In Lac No.)	0.00 (0.00)	0.00 (0.00)	0.61 (0.00)	1.19 (0.00)	0.61 (0.00)	1.64 (0.00)	(-) (-)	0.00 (0.00)	0.00 (0.00)
		0.00 (0.00)		2.90 (1.96)		4.09 (2.79)			0.00 (0.00)
		=====		=====		=====			=====

(v) **RAW MATERIALS CONSUMED**

(in Lacs)

Description	Unit	31.03.2010		31.03.2009	
		Qty.	Amt.	Qty.	Amt.
Active Raw Materials	Kgs.	10.13	4702.69	10.06	4321.96
Excipients	Kgs.	12.06	746.95	10.39	735.97
Other	Nos.	520.20	32.92	873.31	67.25
			5482.56		5125.18
			=====		=====

(vi) **PACKING MATERIALS CONSUMED**

(in Lacs)

Description	Unit	As at 31.03.2010		As at 31.03.2009	
		Qty.	Amt	Qty.	Amt.
ALUMINIUM FOIL	KGS.	1.24	344.31	0.78	274.18
GLASS/PLASTIC BTTL.	NOS.	293.45	464.26	174.15	325.52
CARTONS/LABELS	NOS.	538.15	235.05	299.37	223.70
CORRUGATED BOXES	NOS.	11.05	209.49	4.75	126.79
P.P.CAPS	NOS.	440.99	154.91	184.69	66.77
P.V.C.FILMS	KGS.	2.36	193.40	1.53	173.52
OTHERS	NOS.	98.65	77.52	152.24	58.75
			1678.94		1249.23
			=====		=====

(vii) Value of Imports calculated on C.I.F. basis Rs. 6,99,69,132
(6,68,00,323)

(viii) Value of Exports calculated on F.O.B. basis Rs. 61,34,82,044
(Based on Shipping Bill) (61,66,34,389)

(ix) Expenditure in Foreign Currency * Rs. 23,35,798
* Net of Withholding Tax (608,367)

As per report of even date attached

For Ashok Sharma & Associates
Chartered Accountants

For & on behalf of the Board of Directors

Amit Kumar
Partner

Sharmila Chhikara
Company Secretary

B.K.Gupta
Managing Director

Ashutosh Gupta
Whole-Time Director

Place : Delhi
Date : 12.08.2010

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details**Registration No. State Code Balance Sheet

Date Month Year

II. Capital Raised during the year (Amount in Rs.'000)Public issue Rights issue Bonus issue Private Placement **III. Position of Mobilisation and deployment of Funds (Amount in Rs.'000)**Total Liabilities Total Assets Source of Funds Reserves & Surplus

Paid up Capital

Unsecured loans Secured Loans Investments Deferred Tax Liability Application of Funds

Net Fixed Assets

Misc. Expenditure Net Current Assets Accumulated Losses **IV. Performance of Company (Amount in Rs.'000)**Turnover Total Expenditure

(Sales & Other income)

+ - Profit (Loss) before Tax

+ -

Profit(Loss) After Tax

+ +

(Please tick mark Appropriate Box + for Profit - for Loss)

Earning Per Share in Rs.

Dividend rate %

V. General Name of Three Principal Products/Service of Company (as per monetary terms)item code No. Product Discription

ITC Code)

As per report of even date attached.

**For Ashok Sharma & Associates
Chartered Accountants****For & on behalf of the Board of Directors****Amit Kumar
Partner****Sharmila Chhikara
Company Secretary****B.K.Gupta
Managing Director****Ashutosh Gupta
Whole-Time Director****Place : Delhi
Date : 12.08.2010**

**CASH FLOW STATEMENT AS ON 31 ST MARCH, 2010**

	2009-10	2008-09
(A) <u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit/(Loss) after Tax and Extra-Ordinary items	39,761,897	3,773,356
Adjustments for:-		
Provision For Taxation	18,450,557	2,049,160
Depreciation Written Off	11,652,201	10,335,788
Interest Paid	12,244,385	13,869,826
Interest Income	(594,670)	(275,803)
Loss on sale of assets	-	1,024,042
Adjustment For Deferred Tax	838,663	974,048
Operating Profit before Working capital changes	82,353,033	41,750,417
Adjustment for:-		
Trade & other Receivable	(77,686,475)	64,685,590
Inventories	(14,024,647)	6,058,435
Trade Payable	25,499,347	(27,202,867)
Tax Paid During The Year	(5,145,217)	(2,225,000)
Cash Generated from operations	10,996,041	83,066,575
Net Cash from operative activities	10,996,041	83,066,575
(B) <u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Fixed Assets & Capital Works	(35,197,310)	(20,294,666)
Net Cash used in investing activities	(35,197,310)	(20,294,666)
Cash Flow From Interest Received	594,670	275,803
(C) <u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Interest paid	(12,244,385)	(13,869,826)
Proceeds from Long Term Borrowings	39,318,587	(46,978,783)
Net Cash from Financing activities	27,074,202	(60,848,609)
Net increase in cash & cash equivalents	3,467,603	2,199,103
Cash and Cash equivalents at beginning of the year	8,905,079	6,705,976
Cash and Cash equivalents at end of the year	12,372,682	8,905,079

For & on Behalf of Board of Directors

B.K.Gupta
Managing Director

Ashutosh Gupta
Whole Time Director

Place: Delhi
Dated : 12/08/2010

AUDITOR'S REPORT

We have examined attached Cash Flow statement of M/s MEDICAMEN BIOTECH LTD. For the year ended 31 st March,2010.The Statement has been prepared by the company in accordance with the requirements of Clouse 32 of Listing Agreement with Stock Exchange and is based on and in agreement with the books and records of the Company and a also profit & Loss Account and the Balance Sheet of the company covered by our report of even date to the member of the company.

For ASHOK SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS

Place: Delhi
Dated : 12/08/2010

Amit Kumar
Partner



MEDICAMEN Biotech Limited

Regd. Off. : 10, Community Centre No. 2, Ashok Vihar, Phase-II, Delhi - 110 052 (INDIA)

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting venue)

Folio No.....

No. of Shares held.....

D.P.ID.....

Client ID.....

NAME AND ADDRESS OF THE SHAREHOLDER.....

Name of the Proxy.....

I/We hereby record my/our presence at the 17th ANNUAL GENERAL MEETING of the Company held on Wednesday, the 29th September, 2010 on 11.30 A.M. at Shree Shah Auditorium, Gujrati Samaj, 2, Rajnivas Marg, Civil Lines, Delhi-110054

SIGNATURE OF THE SHAREHOLDER / PROXY

MEDICAMEN Biotech Limited

Regd. Off. : 10, Community Centre No. 2, Ashok Vihar, Phase-II, Delhi - 110 052 (INDIA)

PROXY FORM

Folio No.....

No. of Shares held.....

D.P.ID.....

Client ID

I/We.....

R/of.....

being a member / members of the MEDICAMEN Biotech Limited, hereby appoint

Mr./Mrs.

as my/our proxy to vote at the 17th Annual General Meeting to be held on Wednesday, the 29th September, 2010 or at any adjournment thereof.

Signed this day of 2009

Signature (Member)

**Affix
Revenue
Stamp
of 30 Paise**

Pl. Sign across the stamp

Signature (Proxy).....

Note : The proxy form must be reached to the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not to be a member of the Company.





Bhiwadi Plant



Hardwar Plant



MEDICAMEN Biotech Ltd.

Regd. Office :

10, Community Centre No. 2, Ashok Vihar, Phase-II, Delhi-110 052
Tel.: 011-27463506, Fax : +91-11-27138171, Website : www.medicamen.com

Works :

Unit-I : SP-1192, A&B, Phase-IV, Industrial Area, Bhiwadi-301019

Tel.: 01493-221291, 221292, Fax : 01493-221948

Unit-2 : Plot No. 86 & 87, Sector 6A, Industrial Estate, IIE, Hardwar UTTARAKHAND

Tel. : 01334-239488/89/90