



REDEFINING HEALTHCARE WORLDWIDE



Medicamen Biotech Ltd.
Annual Report 2011



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

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 - 301019 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 eighteenth 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 optimist approach, confidence and your support.

As you can see in the Balance Sheet, the turnover during the financial year 2010-2011 has crossed Rs 120 crores in comparison to Rs 101 Crores last year. The profit after tax has dipped to Rs 2.77 crores this year from Rs. 3.9 crores last year. The profits for the year has decreased as a result of multiple factors major among them are the increase in the cost of raw material, packing material, fuel cost, etc. Moreover the margins have been squeezed by the fixed & controlled sales price of pharma products.

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)
Chairman

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Company will be held at Shree Shah Auditorium, Gujrati Samaj, 2, Rajnivas Marg, Civil Lines, Delhi-110054 on Friday, the 30th September, 2011 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 2011 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 appoint a Director in place of Mr. Rajinder Kumar Gupta who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint a Director in place of Mr. Munishwar Lal Parnami who retires by rotation and being eligible offer himself for re-appointment.
4. To appoint the Auditors & fix their remuneration.

SPECIAL BUSINESS

5. **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 2011-12 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 24th September 2011 to 30th September 2011 (both days inclusive) for the purpose of Annual General Meeting for the year ended 31st March, 2011.
3. **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.
4. 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.
5. 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.
6. 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.
7. Information pursuant to Clause 49 of Listing Agreement for re-appointment of directors:-
At the ensuing Annual General Meeting, Mr. Rajinder Kumar Gupta and Dr. Munishwar Lal Parnami, 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. Rajinder Kumar Gupta, M.Com, CAIIB (Distn.), AIB (IB,London)** a retired Banker having more than 30 years experience in the area of corporate credit, now involved in corporate financial consultancy.
 - b) **Dr. M L. Parnami, MD,** a practicing orthopedic surgeon of repute with more than 17 years of association in medical & healthcare activities.

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

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

**Place: Delhi
Date: 12.08.2011**

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

On account of social responsibility board at its meeting held on 12th August, 2011 decided subject to the approval of the members at the general meeting to donate in financial year 2011-12 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-5

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

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

**Place: Delhi
Date: 12.08.2011**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT

The Indian Pharmaceutical industry currently tops the charts amongst India's science-based industries with wide ranging capabilities in the complex field of drug manufacture & technology. A highly organized sector, the Indian pharmaceutical industry is estimated to be worth \$4.5 billion, growing about 8 to 9 % annually. It ranks very high amongst all the third world countries, in terms of technology, quality & the vast range of medicines that are manufactured. It ranges from simple headache pills to sophisticated antibiotics & complex cardiac compounds, almost every type of medicine is now made in the Indian pharmaceutical industry. The Indian pharmaceutical sector is highly fragmented with more than 20,000 registered units. It has expanded drastically in the last two decade. The pharmaceutical industry in India is extremely fragmented market with severe price competition & government price control. The pharma industry in India meets around 70% of the country's demand for bulk drugs, drug intermediaries, pharma formulations, tablets, capsules, orals and injectibles. There are approximately 250 large units which form the core of the pharma industry in India.

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

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%. 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 eighteenth Annual Report together with the Audited Accounts for the financial year ended 31st March 2011

FINANCIAL HIGHLIGHT

Particulars	(Rs. In Lacs)	
	2010-2011	2009-2010
Turnover	12297.29	10161.07
Other Income	146.98	75.58
Expenditure	11699.25	9407.18
Profit before Interest, Depreciation & Preliminary Expenditure written off	745.02	829.47
Interest	177.21	122.44
Depreciation	137.07	116.52
Profit/(Loss) before Tax	430.73	590.51
Less : Provision for Deferred Tax	21.87	8.38
Provision for Taxation-current	129.71	183.54
Provision for Taxation-Previous Year	1.45	0.96
Profit/(Loss) after Tax	277.69	397.61
Profit/(Loss) brought forward		
From the previous year	823.92	493.83
Profit/(Loss) carried over to Balance Sheet	1101.61	823.92

PERFORMANCE

During the year under review your Company had a turnover of Rs. 122.97 Crores as compared to Rs. 101.61 Crores last year. It registered a growth of around 21.02%. Further, your Company had carried forward Rs. 11.01 Crores of net profit to the balance sheet.

As a result of unpredicted increase in input cost such as material, labour and fuel charges the net profit of your Company for the year 2010-2011 has dipped to Rs. 2.77 Crores from Rs. 3.97 Crores in 2009-2010.

DIVIDEND

Your Directors have not recommended any dividend, for the financial year ended March 31st 2011, on account of inadequate profits.

CAPITAL

During the financial year ended 31st March, 2011, in order to augment the growth of the Company and to finance the expansion plans of the Company, the promoter along with some known non-promoters had inducted funds in to the Company by subscribing to the equity capital of the Company. The Company had allotted 1, 65,976 equity shares of Rs. 10/- each to M/s. Pharmadanica A/S on preferential basis and the promoter & other non-promoters had been allotted 8,82,400 convertible warrants with an option of conversion into equal number of equity share of Rs. 10/- each within 18 months from the date of allotment.

Consequent upon the allotment of equity shares, the paid up share capital of the Company is being increased to Rs. 7,88,76,000/- divided in to 78,87,600 equity shares of Rs. 10/- each.

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, Western U.P and Kolkata.

Approximately 100 persons are being engaged, involving a Vice-President, 20 Managers and 70 Marketing Representatives.

On the future outlook front your company has set a target of covering the entire northern India in the couple of years to come.

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. Rajinder Kumar Gupta, 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.

Dr. Munishwar Lal Parnami, 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.

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 2011 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.

COST AUDITOR

The board at its meeting held on 12th August, 2011 upon the recommendation of Audit Committee, had appointed M/s. HMVN & Associates as Cost Auditors as per the Central Governments' notifications for appointment of cost auditor, for the financial year 2011-2012.

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 Companies are required pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, to give the disclosure for those employees whose remuneration is Rs. 24 lacs and above in the financial year or Rs. 2 lac per

month and the details of employees employed through out the year and as well employees employed part of the year, along with designation /nature of duty, gross remuneration, qualifications, experience in years, date of commencement of employment, age and the name of the previous employer.

The Central Government vide Notification No. G.S.R. 289(E) dated 31st March, 2011 read with General Circular No. 23/2011 dated 3rd May, 2011, amended the Companies (Particulars of Employees) Rules, 1975 and raised the limit of "Rs. 24 Lacs and above in the financial year or Rs. 2 Lacs per month" to "Rs. 60 Lacs and above in the financial year or Rs. 5 Lacs per month".

There is no employee who had drawn the above said remuneration during the financial year ended 31st March, 2011.

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. Acknowledgement

For and on behalf of the Board of Directors

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

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

**Place: Delhi
Date: 12.08.2011**

ANNEXURE "A"

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, 2011

- CONSERVATION OF ENERGY**

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

POWER & FUEL CONSUMPTION:

Electricity Purchased		2010-11	2009-10
(i)	Units (in lacs)	25.82	21.58
(ii)	Total Amount (Rs in lacs)	129.85	94.70
(iii)	Rate/unit (Rs)	5.61	4.11

Own Generation (D.G.Sets)		2010-11	2009-10
(i)	Units (in Lacs)	3.34	3.20
(ii)	Diesel oil (litres in lacs)	1.05	1.04
(iii)	Cost / Units (Rs)	11.59	10.20

- TECHNOLOGY ABSORPTION**

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

FOREIGN EXCHANGE EARNING & OUTGO

Rs. In Lacs)

	2010-2011	2009-2010
(i) Total foreign exchange through exports	8595.92	6134.82
(ii) Total foreign exchange used:		
(a) For import	669.76	699.69
(b) Other including expenditure on travelling	9.09	23.36

For and on behalf of the Board of Directors**Sd/-****Sd/-**

Place: Delhi
Date: 12.08.2011

(B K Gupta)
Managing Director

(Ashutosh Gupta)
Whole-Time Director

CEO & CFO CERTIFICATION

CEO & CFO Certification

- a. We have reviewed financial statement and the cash flow statement for the year ended 31st March 2011 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 49.1(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: 12.08.2011

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, 2011 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: 12/08/2011

(Amit Kumar)
PARTNER

Membership 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 9 directors and 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 2011 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.

(c) Non-Executive Director:

Mr. Sanjay Bansal, B Com, FCA having more than 16 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 Erik 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 19 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 then 17 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 30 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

Six Board Meetings were held during the year on 15-05-2010, 12-08-2010, 13-11-2010, 15-01-2011, 12-02-2011 and 19-03-2011 and the gap between two Board meetings did not exceed four months. The last annual general meeting was held on 29-09-2010.

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	6	Yes
Ashok Nayyar	6	Yes
Sanjay Bansal	6	Yes
Ashutosh Gupta	5	Yes
Rajinder Gupta	6	Yes
Kim Ginnerup	0	-
Vidyshankar G	1	-
Dr. M L Parnami	6	-
Piyush Kumar Gupta	2	-

(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 2011.

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 4 meetings of the Audit Committee were held on 15-05-2010, 12-08-2010, 13-11-2010 and 12-02-2011 attended by all the members of the committee.

4. REMUNERATION 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 |

Two Meetings of the remuneration committee were held on 15-05-2010 and 12-08-2010 and were attended by all except Mr. Vidyashankar G who was absent in the meeting dated 15-05-2010.

5. DIRECTORS REMUNERATION

The remuneration being paid to the executive directors is fixed and paid as per the agreement. The remuneration being paid to Mr. Ashutosh Gupta & Mr. Piyush Kumar Gupta, whole time directors are within the limits of Schedule XIII of the Companies Act, 1956.

The remuneration being paid to Mr. B.K. Gupta, Managing Director, is in excess of the limits of Schedule XIII of the Companies Act, 1956 and an application for approval of the payment of remuneration in excess of the ceiling limits prescribed by 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 vide Form 25 A. The Central Government vide its letter dated 27th April, 2011 had granted the approval for re-appointment & payment of remuneration in excess of the said limits.

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 2010 to 31st March 2011:

Name of Director	Consolidated Salary	Perquisites and other benefits	Retirement Benefit	Commission/ Others	Total
Mr. B.K Gupta	4068000	199638	325440	430739	5023817
Mr. Ashutosh Gupta	1840000	96615	144000	430739	2511354
Mr. Piyush Kumar Gupta (Appointed on 15 th May, 2010)	552067	22750	32760	--	607577
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

Mr. Ashok Nayyar	Non Executive Director (Chairman of the Committee)
Mr. B.K Gupta	Managing Director
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 2010-2011, 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

Mr. Piyush Kumar Gupta	Director-Works (Chairman of the Committee)
Mr. J. K. Gupta	Quality Assurance Manager (Bhiwadi)
Mr. Vijay Vaish	Quality Control Manager (Bhiwadi)
Mr. Raghuvir Singh	Quality Assurance Manager (Haridwar)
Mr. J.N. Ojha	Quality Control Manager (Haridwar)

(ii) Functions of Quality Assurance Committee

1. 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.
2. 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.
3. 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.
1. 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.
5. 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 meet on quarterly basis to discuss their functioning and other matters.

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
01-09-2008	2008	Shah Auditorium, 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.
29-09.2010	2010	Shah Auditorium, Shree Delhi Gujrati Samaj, 2, Rajnivas Marg, Civil Lines, Deili-110054	11.30 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 SEBI EDIFAR 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	30-09-2011; 11.30 AM; Shree Shah Auditorium, Gujrati Samaj, 2 Rajnivas Marg, Civil Lines, Delhi-110054
Financial Calendar	1 st April 2010 to 31 st March 2011. The quarterly results of the Company were approved by the board of directors at their meeting held on 12-08-2010, 13-11-2010, 12-02-2011 and 14 th May, 2011 i.e. 1 st quarter – mid August, 2 nd Quarter – mid November, 3 rd Quarter- mid February, 4 th Quarter-mid May.
Date of Book Closure	24 th September 2011 to 30 th September 2011 (both days inclusive)
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, 2010	37.90	18047.86	22.50	17276.80
May, 2010	31.40	17536.86	24.00	15960.15
June, 2010	31.70	17919.62	25.30	16318.39
July, 2010	33.95	18237.56	23.70	17395.58
August, 2010	37.00	18475.27	28.60	17819.99
September, 2010	31.75	20267.98	27.00	18027.12
October, 2010	30.20	20854.55	23.10	19768.96
November, 2010	33.50	21108.64	24.00	18954.82
December, 2010	30.00	20552.03	24.15	19074.57
January, 2011	28.40	20664.80	24.30	18038.48
February, 2011	27.85	18690.97	21.05	17295.62
March, 2011	27.40	19575.16	23.90	17792.17

Registrar & Transfer Agent	Link Intime India Pvt. Ltd., A-40, II nd 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 31/03/2011 out of the total equity shareholding, 6687167 equity shares are in Demat mode consisting of 84.78% of total equity share.			
ISIN No.	INE646B01010; Shares traded at BSE			
Distribution of Share Holding as on 31-03-2011	Directors and their Relatives	2924895 Shares	37.08%	
	Body Corporate	518947 Shares	6.58%	
	Non resident Indians	214534 Shares	2.72%	
	Others	4229224 Shares	53.62%	
	Total	7887600 Shares	100.00%	
Distribution of Shareholding by number of shares as on 31st March, 2011				
Category	Number of Shares	% to total Number of Shares	Amount (In Rs.)	% to total Paid up Share Capital
Up to 5000	2906	77.58	4388690	5.56
5001 10000	341	9.10	2990290	3.79
10001 20000	162	4.33	2561350	3.25
20001 30000	127	3.39	3236070	4.10
30001 40000	36	0.96	1283960	1.63
40001 50000	40	1.07	1898560	2.41
50001 100000	68	1.82	5128440	6.50
100001 & above	66	1.76	55894856	70.86
Total	3746	100.00	78876000	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

The Members of Medicamen Biotech Limited

1. We have audited the attached balance sheet of M/s Medicamen Biotech Limited, as at 31st March 2011, 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 2011 and taken on record by the Board of directors, we report that none of the directors is

disqualified as on 31st March 2011 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 2011;
- (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 : 12/08/2011

**Sd/-
(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 last year end was Rs.12.00 lacs and the Company has during the year repaid the same and there is no outstanding at year end.
 - (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 was free of interest.
 - (c) The principal and interest are paid in time.
 - (d) There is no amount outstanding on account 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 have been duly entered.
 - (b) During the year under consideration the Company has made Sales of Rs.22,79,938/- to Medicamen Organics Limited, Rs.1,95,582/- to M/s Red Line Healthcare a group company/concern, Rs.30,63,32,310/- to Missionpharma A/s and Rs.53,62,50,284/- to Missionpharma Logistics (India) Pvt. Ltd, companies in which director is director. 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.
 - (c) During the year under consideration the Company has made Purchases of Rs.8,76,72,503/- from Medicamen Organics Limited and Rs.77,700/- from M/s Red Line Healthcare a group company/concern. 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 31.03.2011, 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) The Company has allotted 1,65,976 equity Shares of Rs.10 each to a company covered in the register maintained under section 301 of the act at a price of Rs.29/- per share, which is not prejudicial to the interest of the company.

The company has also made allotment of 8,82,400 warrants convertible in equity within a period of 18 months at a price of Rs.29/- per share against the payment of 25% of the issue price to the parties covered in the register maintained under section 301 of the act at a price which is not prejudicial to the interest of the company.
- (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**

**Sd/-
(Amit Kumar)
PARTNER**

**PLACE : NEW DELHI
DATE : 12/08/2011**

MEMBERSHIP NO. : 500805

AUDITED BALANCE SHEET AS AT 31.03.2011

PARTICULARS	SHDL	31.03.2011	31.03.2010
<u>SOURCES OF FUNDS</u>			
1. Shareholders' Funds			
(a) Share Capital	01	78,876,000.00	77,216,240.00
(b) Reserve & Surplus	02	8,688,716.00	3,005,122.00
(c) Profit & Loss Account		110,161,911.62	82,392,357.47
(d) Convertible Warrant Account		6,397,400.00	0.00
		<u>204,124,027.62</u>	<u>162,613,719.47</u>
2. Loan Funds			
(a) Secured Loans	03	98,107,427.55	125,848,327.24
(b) Unsecured Loans	04	0.00	1,200,000.00
3. Deferred Taxation Effect of Timing Differences		7,323,006.11	5,135,220.11
TOTAL (Rs.)		<u>309,554,461.28</u>	<u>294,797,266.82</u>
<u>APPLICATION OF FUNDS</u>			
1. Fixed Assets			
(a) Gross Block	05	311,429,066.06	266,058,184.06
(b) Less : Depreciation		81,860,222.44	68,598,068.44
(c) Net Block		229,568,843.62	197,460,115.62
(d) Capital Work in Progress		2,362,984.00	9,262,665.00
2. Current Assets, Loans & Advances	06		
(a) Current Assets			
i. Inventories		124,431,957.00	87,776,338.00
ii. Sundry Debtors		219,121,465.16	225,587,343.46
iii. Cash & Bank Balances		48,081,247.31	12,372,681.54
(b) Loans & Advances			
i. Advances		69,263,470.11	37,427,683.08
(c) Security Deposits		7,353,292.00	6,942,562.00
		<u>468,251,431.58</u>	<u>370,106,608.08</u>
Less : Current Liabilities & Provisions	07	<u>390,628,797.92</u>	<u>282,032,121.88</u>
Net Current Assets		<u>77,622,633.66</u>	<u>88,074,486.20</u>
TOTAL (Rs.)		<u>309,554,461.28</u>	<u>294,797,266.82</u>
Notes to Accounts	08		
For Ashok Sharma & Associates		For & on behalf of the Board of Directors	
Chartered Accountants			

Sd/-
Amit Kumar
Partner
Membership No. : 500805

Place : Delhi
Date : 12.08.2011

Sd/-
Sharmila Chhikara
Company Secretary

Sd/-
B.K.Gupta
Managing Director

Sd/-
Ashutosh Gupta
Whole-Time Director

AUDITED PROFIT & LOSS ACCOUNT AS AT 31.03.2011

PARTICULARS	SHDL	31.03.2011	31.03.2010
I. INCOMES			
Turnover(Gross)	A	1,235,128,722.23	1,021,803,287.88
Less: Excise Duty		5,399,307.58	5,695,929.00
Turnover(Net)		1,229,729,414.65	1,016,107,358.88
Other Incomes	B	14,698,300.31	7,558,812.60
TOTAL (Rs.)		1,244,427,714.96	1,023,666,171.48
II. EXPENDITURES			
Cost of Goods Sold	C	991,225,739.75	768,542,103.25
Administrative, Selling & Other Expenses	D	178,682,389.43	172,176,365.47
Interest		17,721,870.63	12,244,385.18
Loss on sale of Assets		16,502.00	0.00
TOTAL (Rs.)		1,187,646,501.81	952,962,853.90
Profit/(Loss) before Depreciation		56,781,213.15	70,703,317.58
Depreciation		13,707,302.00	11,652,201.00
Profit/(Loss) before Tax		43,073,911.15	59,051,116.58
Less : Provision for Deferred Tax		2,187,786.00	838,663.00
Provision for Taxation - Current		12,971,500.00	18,354,500.00
Provision for Taxation - Previous Year		145,071.00	96,057.00
Profit/(Net Loss) after tax		27,769,554.15	39,761,896.58
Brought Forward Profit/(Loss) from previous year		82,392,357.47	49,383,528.89
Balance available for appropriation		110,161,911.62	89,145,425.47
<u>Appropriations:</u>			
Proposed Dividend		0.00	5,791,218.00
Tax on Proposed Dividend		0.00	961,850.00
Net Profit/(Net Loss) carried over to Balance Sheet		110,161,911.62	82,392,357.47

For & on behalf of the Board of Directors

For Ashok Sharma & Associates
Chartered Accountants

Sd/-
Amit Kumar
Partner
Membership No. : 500805
Place : Delhi
Date : 12.08.2011

Sd/-
Sharmila Chhikara
Company Secretary

Sd/-
B.K.Gupta
Managing Director

Sd/-
Ashutosh Gupta
Whole-Time Director

AUDITED SCHEDULE FORMING PART OF THE BALANCE SHEET

PARTICULARS	SHDL	31.03.2011	31.03.2010
		(Rs.)	(Rs.)
1. <u>SHARE CAPITAL</u>			
Authorised			
100,00,000 (80,00,000) Equity shares of Rs. 10.00 each		100,000,000.00	80,000,000.00
Issued, Subscribed & Paid-up			
78,87,600 (77,21,624) Equity shares of Rs.10.00 each fully paid up		78,876,000.00	77,216,240.00
		78,876,000.00	77,216,240.00
2. <u>RESERVES & SURPLUS</u>			
General Reserve		1,150.00	1,150.00
Share Premium		6,157,516.00	3,003,972.00
Capital Reserve		2,530,050.00	0.00
		8,688,716.00	3,005,122.00
3. <u>SECURED LOANS</u>			
Union Bank of India - Term Loan		17,474,120.00	25,726,647.00
Union Bank of India-WCTL		2,083,362.00	7,083,354.00
Union Bank of India - Working Capital		75,713,473.15	91,570,519.47
Vehicle Loan		2,836,472.40	1,467,806.77
		98,107,427.55	125,848,327.24
Securities			
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		0.00	1,200,000.00
		0.00	1,200,000.00

05. Schedule of Fixed Assets
As on 31.03.2011

S. Description No.	Gross Block		Sale/Disposal		Balance As On		Depreciation As on		Depreciation Block		Net Block	
	Balance As on 01.04.10	Additions During The Period	During the Period		As On 31.03.2011	As On 01.04.10	As on 01.04.10	During The period	Adjustment During The period	Total As On 31.03.2011	W.D.V. As On 31.03.2011	W.D.V. As On 31.03.10
Land (Lease Hold) & Site Development:												
1. Hurdwar	1898785.00	-	-	-	1898785.00	1898785.00	94167.00	21098.00	-	105265.00	1793520.00	1814618.00
Land (Lease Hold) & Site Development:												
2. Bhawal	7524845.00	-	-	-	7524845.00	1174079.00	1174079.00	76009.00	-	1250088.00	6274757.00	6350706.00
3. Cycles	12257.50	2900.00	-	-	15157.50	10491.34	914.50	914.50	-	11405.34	3751.56	1765.56
4. Building & Civil	78169117.68	11540219.00	-	-	89709338.68	19734595.45	2766441.00	2766441.00	-	22491036.45	67218300.24	58464522.24
5. Plant & Machinery	84677659.82	11770284.00	-	-	96447943.82	24528489.13	4297701.00	4297701.00	-	26826290.13	67621743.69	60149160.69
6. A.C. Plant	27118460.39	9235297.00	-	-	36353757.39	5366372.28	1516119.00	1516119.00	-	6882491.28	28471276.11	21752108.11
7. Quality Control	7746689.50	2655871.00	-	-	10402560.50	893592.90	472382.00	472382.00	-	1360954.90	9036805.60	6853056.60
8. Furniture & Fixtures	14153418.94	990997.00	-	-	15149515.94	4017463.15	925297.00	925297.00	-	4942760.15	10206755.78	10132955.78
9. Office Equipments	29662070.00	469226.00	-	-	30131296.00	672791.48	203225.00	203225.00	-	876016.48	2588279.52	2323278.52
10. Computers	5902829.96	854133.00	428440.00	-	6327522.86	1701945.47	937862.00	429440.00	-	2210107.47	4117415.51	4100884.51
11. Vehicle	8711788.67	2619420.00	35210.00	-	11295998.67	3876952.33	1034120.00	1034120.00	15,708.00	4695364.53	6600634.14	5034836.14
12. E.T. Plant	520222.00	-	-	-	520222.00	90883.00	27468.00	27468.00	-	113351.00	401671.00	423039.00
13. Boiler	2620472.61	476422.00	-	-	3096894.61	318788.92	136848.00	136848.00	-	449636.92	2847257.89	2301663.89
14. Die & Moulds	2584782.00	89692.00	-	-	2674474.00	322975.00	124729.00	124729.00	-	447704.00	2226770.00	2261807.00
15. Generator Set	4225464.48	1852259.00	-	-	6077722.48	1488916.91	254595.00	254595.00	-	1753511.91	4304210.57	2728547.57
16. Lift	463697.00	-	-	-	463697.00	53822.00	20226.00	20226.00	-	81828.00	381869.00	403895.00
17. Refrigerator	49362.00	-	-	-	49362.00	21582.52	2807.00	2807.00	-	24189.52	25192.48	27799.48
18. Safe	13966.40	-	-	-	13966.40	12652.88	884.00	884.00	-	13536.88	429.52	1313.52
19. Water System	1014054.51	260270.00	-	-	1274324.51	336053.74	61610.00	61610.00	-	397673.74	876650.77	677990.77
20. Weight Machine	1263378.20	131022.00	-	-	1394400.20	270008.00	60070.00	60070.00	-	330078.00	1010322.20	936370.20
21. Electric Installation	14547822.17	2780431.00	-	-	17328253.17	3835445.13	751577.00	751577.00	-	4587022.13	12741231.04	10712377.04
Total	266058184.06	45855332.00	464650.00	0.00	311429066.06	69598068.44	13707302.00	445148.00	0.00	81860222.44	229568443.62	197460115.62
Previous Year	237649083.06	28494101.00	-	-	266058184.06	56945887.44	11652201.00	11652201.00	-	69598068.44	197460115.62	180702215.62

AUDITED SCHEDULE FORMING PART OF THE BALANCE SHEET

PARTICULARS	SHDL	31.03.2011	31.03.2010
		(Rs.)	(Rs.)
<i>Capital Work in Progress (Pending Capitalisation)</i>			
Plant & Machinery		299,251.00	0.00
Machine		0.00	107,745.00
Building New Block		0.00	3,757,326.00
A.C. Plant -New Block		0.00	914,012.00
Electric Installation -New Block		0.00	250,410.00
Advances to Suppliers (Bhiwadi)		1,761,431.00	1,996,538.00
Advances to Suppliers (Haridwar)		302,302.00	2,236,634.00
		<u>2,362,984.00</u>	<u>9,262,665.00</u>

6 CURRENT ASSETS, LOANS & ADVANCES**(a) Current Assets****i. Inventories**

- Raw Material	57,813,256.00	42,166,303.00
- Packing Material	35,119,978.00	24,956,211.00
- Finished Goods	14,344,903.00	14,400,115.00
- Work in progress	13,537,614.00	5,730,795.00
- Stores & Spares	3,616,206.00	522,914.00
	<u>124,431,957.00</u>	<u>87,776,338.00</u>

ii. Sundry Debtors

(Unsecured and considered good)

Debts outstanding (exceeding six months.)	192,54,166.43	4,057,327.60
Other Debts	199,867,298.73	221,530,015.86
	<u>219,121,465.16</u>	<u>225,587,343.46</u>

AUDITED SCHEDULE FORMING PART OF THE BALANCE SHEET

PARTICULARS	SHDL	31.03.2011	31.03.2010
		(Rs.)	(Rs.)
iii. Cash & Bank Balances			
Cash in hand (as per books and certified by the management)		472,963.59	1,997,118.59
Balance with scheduled Banks in :-			
Current Accounts		36,496,790.22	1,065,283.95
Fixed Deposits Accounts		10,904,390.00	9,310,279.00
HDFC Bank -Unclaimed Dividend A/c		207,103.50	0.00
		<u>48,081,247.31</u>	<u>12,372,681.54</u>
		=====	=====
(b) Loans & Advances			
i. Advances receivable in cash or kind or for value to be received		69,263,470.11	37,427,683.08
		<u>69,263,470.11</u>	<u>37,427,683.08</u>
		=====	=====
(c) Securities (Deposits)		7,353,292.00	6,942,562.00
7 CURRENT LIABILITIES & PROVISIONS			
(a) Current Liabilities			
i. Sundry Creditors		278,054,366.03	165,431,811.06
ii. Other Liabilities		60,558,659.54	53,312,394.72
iii. Advances from Customers		28,576,267.85	33,106,946.10
iv. Unclaimed Dividend		207,103.50	0.00
v. Provision for Gratuity		6,052,678.00	4,945,222.00
vi. Provision for Leave Encashment		3,204,723.00	2,380,173.00
vii. Provision for Bonus		1,003,500.00	748,007.00
viii. Provision for Taxation		12,971,500.00	15,354,500.00
ix. Provision for Proposed Dividend		0.00	5,791,218.00
x. Provision for Tax on Proposed Dividend		0.00	961,850.00
		<u>390,628,797.92</u>	<u>282,032,121.88</u>
		=====	=====

AUDITED SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

PARTICULARS	SHDL	31.03.2011	31.03.2010
A. <u>Turnover</u>		(Rs.)	(Rs.)
Sales - Domestic		347,860,784.19	388,994,433.88
- Export		887,267,938.04	632,808,854.00
		<u>1,235,128,722.23</u>	<u>1,021,803,287.88</u>
B. <u>Other Income</u>			
Exchange Variation		12,962,162.67	6,652,723.42
Misc. Income		940,612.64	311,419.18
<u>Interest (Income)</u>			
Bank		712,440.00	530,814.00
Others		83,085.00	63,856.00
		<u>14,698,300.31</u>	<u>7,558,812.60</u>
C. <u>Cost of Goods Sold</u>			
Cost of Manufactured Goods Sold			
Raw Material Consumed	E	716,892,900.83	548,256,190.55
Packing Material Consumed	F	207,105,675.87	167,894,005.70
Other Manufacturing Expenses	H	70,785,446.34	53,323,733.00
		<u>994,784,023.04</u>	<u>769,473,929.25</u>
Cost of Production			
Less :			
Samples		3,414,119.50	2,202,852.00
Increase (Decrease) in Stock	G	6,495,278.00	(981,466.00)
		<u>984,874,625.54</u>	<u>768,252,543.25</u>
Sub Total	A		
		<u>984,874,625.54</u>	<u>768,252,543.25</u>
<u>Cost of Goods Traded</u>			
Opening Stock		0.00	0.00
Purchases		7,607,443.21	289,560.00
Less :			
Closing Stock		1,256,329.00	0.00
		<u>6,351,114.21</u>	<u>289,560.00</u>
Sub Total	B		
		<u>6,351,114.21</u>	<u>289,560.00</u>
TOTAL	A + B	<u>991,225,739.75</u>	<u>768,542,103.25</u>

AUDITED SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

PARTICULARS	SHDL	31.03.2011	31.03.2010
D Administrative, Selling & Other Expenses		(Rs.)	(Rs.)
Administrative Expenses			
Establishment Expenses		1,055,490.00	910,962.00
Registration Charges		590,726.00	408,047.00
Bank Charges		3,632,177.48	4,480,892.49
Travelling & Conveyance		22,268,614.00	14,207,307.00
Fee & Subscription		719,998.00	430,834.00
Miscellaneous Expenses		9,307,101.38	12,004,739.77
Communication Expenses		4,221,790.00	3,997,450.34
Printing & Stationery		2,224,527.00	2,124,957.00
Vehicle Running Expenses		3,181,095.00	2,582,291.00
Director Remuneration		8,142,748.00	6,622,017.00
Share Listing & Transfer Expenses		112,202.00	122,618.00
Selling & Distribution Expenses			
Advertisement		293,342.00	356,139.00
Bad Debts - Trade		0.00	2,185,704.60
Distribution Expenses		11,751,453.41	8,336,513.77
C & F Expenses		1,578,607.00	3,760,493.00
Business Promotion Expenses		2,995,451.00	1,875,479.00
Commission on Sales		9,506,034.00	25,016,955.00
Freight & Cartage Outward		16,031,076.45	15,018,385.50
Packing & Forwarding		291,342.00	14,758.00
Rent		1,646,834.00	1,044,300.00
Repair & Maintenance			
- Building		1,113,390.00	4,793,078.00
- Machines & Electricals		3,325,059.00	6,386,454.00
- Others		4,799,210.00	2,152,025.00
Insurance			
- Vehicles		91,592.00	99,291.00
- Stocks & Building		292,155.00	234,534.00
- Others		64,409.71	302,628.00
Payments to & Provision for Employees			
Salary & Allowances		53,566,740.00	39,799,796.00
ESI & PF Contribution		4,282,740.00	3,025,914.00
Staff Welfare & Training		7,446,173.00	6,316,790.00
Others			
Legal & Professional Charges		2,503,035.00	2,174,355.00
Consultancy Charges		1,341,527.00	1,140,657.00
Auditors' Remuneration			
Audit Fee		275,750.00	225,000.00
Out of Pocket Expenses		30,000.00	25,000.00
		178,682,389.43	172,176,365.47

AUDITED SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

PARTICULARS	SHDL	31.03.2011	31.03.2010
E <u>Raw Material Consumed</u>			
Opening Stock		42,166,303.00	33,981,372.00
Add : Purchases		732,539,853.83	556,441,121.55
		774,706,156.83	590,422,493.55
Less : Closing Stock		57,813,256.00	42,166,303.00
		716,892,900.83	548,256,190.55
F <u>Packing Material Consumed</u>			
Opening Stock		24,956,211.00	17,520,657.00
Add : Purchases		217,269,442.87	175,329,559.70
		242,225,653.87	192,850,216.70
Less : Closing Stock		35,119,978.00	24,956,211.00
		207,105,675.87	167,894,005.70
G <u>Increase (Decrease) in Stock</u>			
Closing Stock of Finished Goods		13,088,574.00	14,400,115.00
Closing Stock of Work in Progress		13,537,614.00	5,730,795.00
		26,626,188.00	20,130,910.00
Less :			
Opening Stock of Finished Goods		14,400,115.00	12,038,215.00
Opening Stock of Work in Progress		5,730,795.00	9,074,161.00
		6,495,278.00	(981,466.00)
H <u>Manufacturing Expenses</u>			
Analysis & Testing Charges		4,230,190.34	3,587,335.00
Consumable Stores		7,464,737.80	6,492,540.00
Design & Development		404,771.00	98,700.00
Freight & Cartage Inwards		7,845,429.00	5,613,537.00
Laboratories Expenses		2,069,911.20	1,795,485.00
Labour Charges		11,540,067.00	9,231,944.00
Power, Fuel & Water		37,151,172.00	26,441,716.00
Effluent Treatment Expenses		79,168.00	62,476.00
		70,785,446.34	53,323,733.00

SCHEDULES FORMING PART OF THE BALANCE SHEET

08. Notes forming part of Accounts

1. a) Bank Guarantee given by the bankers on behalf of the Company is Rs. 345.64 Lacs as on the date of balance sheet (Previous year Rs. 484.14 lacs)
- b) Letter of Credit issued by the Bankers of the Company and outstanding against Material Rs. 999.72 lacs (Previous year Rs. 614.12 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) 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, 2011 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, 2011 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. 109,04,390/- 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. 22,03,688/- (Previous year 15,00,771/-)

	Year ended	
	31.03.2011	31.03.2010
	Rs.	Rs.
Remuneration	64,60,067	48,00,000
Provident Fund	5,02,200	2,66,595
Perquisite	3,19,003	3,74,400
Commission	8,61,478	11,81,022
	=====	=====
	81,42,748	66,22,017
	=====	=====

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.16,92,712 as contribution of medicines for Social Welfare to Charitable Institution.
16. Earning Per Share (EPS) - The numerator and denominator used to calculate Basic and Diluted Earnings per Share:

	31.03.2011	31.03.2010
Net Profit After Tax (Rs. in Lacs)	277.70	397.62
Average number of Equity Shares outstanding during the year	77,27,535.00	77,21,624.00
Equity Shares outstanding at the end of the year	78,87,600.00	77,21,624.00
Nominal Value of Equity Share (Rs.)	10.00	10.00
Earning Per Share Basic (Rs.)	3.59	5.15
Earning Per Share Diluted (Rs.)	3.59	5.15

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 thereof 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. A sum of Rs.25,30,050 received as Capital subsidy against project at Haridwar is shown as Capital Reserve.

21. 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

- (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
- (c) Mr.Piyush Gupta

Transactions with the related parties during the year :

(Rupees in Lacs)

Transactions with Related Parties	Associate Concerns	Companies in which Director is Director	Key Management Personnel
<u>Income</u>			
Sales of Material / Goods /Others	24,75,520 (985,926)	84,25,82,594 (585,121,360)	----
<u>Expenditure</u>			
Purchase of Material	877,50,203 (183,988)	NIL (NIL)	----
Rent	82,800 (82,800)	---	----
Remuneration	---	----	81,42,748 (66,22,017)
Current Account Transactions	NIL (1,00,46,163)	---- (---	---
O/S Receivables as on 31.3.2011	NIL (665,851)	10,98,75,078.00 (5,60,78,921.00)	----

22. 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.	12800.00	(7800)	8200.00	(4100.00)
Capsules	Nos.	1800.00	(1800)	600.00	(600.00)
Liquid Oral	Ltr.	6.90	(6.90)	15.00	(6.00)
Dry Powder	Kg.	4.37	(2.00)	NIL	(NIL)
ORS	Kg.	4.10	(3.90)	NIL	(NIL)
Ointment	Kg.	-	-	0.60	(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		SAMP. QTY.	CLOSING*	STOCK
					QTY.	AMT.(Rs.)		QTY.	AMT in Rs.*
TABLETS	NOS.	1156.06 (307.07)	116.89 (66.58)	30013.07 (17304.01)	30847.46 (16449.73)	9150.15 (6314.32)	8.79 (5.29)	312.87 (1156.06)	78.22 (116.89)
CAPSULES	NOS.	19.80 (33.88)	10.70 (30.73)	935.34 (582.19)	924.76 (595.34)	568.34 (405.46)	6.95 (0.92)	23.44 (19.80)	13.03 (10.70)
ORS	NOS.	0.74 (2.03)	1.39 (3.28)	361.60 (273.29)	356.07 (274.58)	876.25 (713.91)	0.00 (0.00)	6.27 (0.74)	11.75 (1.39)
OTHERS	NOS.	3.18 (5.13)	15.02 (19.79)	166.39 (255.48)	165.74 (257.26)	1630.20 (2780.25)	0.61 (0.17)	3.23 (3.18)	27.89 (15.02)
			144.00 (120.38)			12224.94 (10213.94)			130.89 (144.00)

* Closing Stock includes Stock at Delhi & Lucknow Depot worth Rs.15.71 Lacs

(iv) GOODS TRADED

Amount (In Lacs)

PARTICULARS	OPENING QTY.	STOCK AMT.	PURCHASE		SALES		BREAKAGE	CLOSING	STOCK
			QTY.	AMT.	QTY.	AMT.	QTY.	QTY.	AMT.
Bio-Hazard Disposable Bags (Nos.)	0.00 (0.00)	0.00 (0.00)	0.00 (2.85)	0.00 (1.71)	0.00 (2.85)	0.00 (2.45)	(-) (-)	0.00 (0.00)	0.00 (0.00)
TABLETS (Nos.)	0.00 (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)
Appratus (Nos.)	0.00 (0.00)	0.00 (0.00)	0.04 (0.00)	12.98 (0.00)	0.04 (0.00)	27.10 (0.00)	(-) (-)	0.00 (0.00)	0.00 (0.00)
Books (Nos.)	0.00 (0.00)	0.00 (0.00)	0.05 (0.00)	8.07 (0.00)	0.05 (0.00)	22.15 (0.00)	(-) (-)	0.00 (0.00)	0.00 (0.00)
Chemicals (Jars/Bottles)	0.00 (0.00)	0.00 (0.00)	0.07 (0.00)	23.57 (0.00)	0.07 (0.00)	42.79 (0.00)	(-) (-)	0.00 (0.00)	0.00 (0.00)
Injections (Nos.)	0.00 (0.00)	0.00 (0.00)	0.48 (0.00)	20.92 (0.00)	0.20 (0.00)	11.41 (0.00)	(-) (-)	0.28 (0.00)	12.56 (0.00)
Education Charts (Nos.)	0.00 (0.00)	0.00 (0.00)	0.02 (0.00)	1.35 (0.00)	0.02 (0.00)	4.44 (0.00)	(-) (-)	0.00 (0.00)	0.00 (0.00)
Equipements (Nos.)	0.00 (0.00)	0.00 (0.00)	0.001 (0.00)	5.78 (0.00)	0.001 (0.00)	11.82 (0.00)	(-) (-)	0.00 (0.00)	0.00 (0.00)
Gentamicin Eye/Ear Drops (Nos.)	0.00 (0.00)	0.00 (0.00)	0.10 (0.00)	0.74 (0.00)	0.10 (0.00)	0.91 (0.00)	(-) (-)	0.00 (0.00)	0.00 (0.00)
Proctative Lab. Cloths (Nos.)	0.00 (0.00)	0.00 (0.00)	0.00036 (0.00)	0.07 (0.00)	0.00036 (0.00)	0.22 (0.00)	(-) (-)	0.00 (0.00)	0.00 (0.00)
Others (Nos)	0.00 (0.00)	0.00 (0.00)	0.009 (0.00)	2.59 (0.00)	0.009 (0.00)	5.51 (0.00)	(-) (-)	0.00 (0.00)	0.00 (0.00)
	0.00	0.00	0.77	76.07	0.49	126.35	(-)	0.28	12.56

(v) **RAW MATERIALS CONSUMED**

(in Lacs)

Description	Unit	31.03.2011		31.03.2010	
		Qty.	Amt.	Qty.	Amt.
Active Raw Materials	Kgs.	13.10	6065.18	10.13	4702.69
Excipients	Kgs.	14.00	1037.21	12.06	746.95
Other	Nos.	1084.91	66.54	520.20	32.92
			<u>7168.93</u>		<u>5482.56</u>

(vi) **PACKING MATERIALS CONSUMED**

(in Lacs)

Description	Unit	As at 31.03.2011		As at 31.03.2010	
		Qty.	Amt.	Qty.	Amt.
ALUMINIUM FOIL	KGS.	1.36	415.85	1.24	344.31
GLASS/PLASTIC BTTL.	NOS.	287.82	529.29	293.45	464.26
CARTONS/LABELS	NOS.	471.22	333.67	538.15	235.05
CORRUGATED BOXES	NOS.	11.67	264.91	11.05	209.49
P.P.CAPS	NOS.	439.60	171.66	440.99	154.91
P.V.C.FILMS	KGS.	2.87	261.41	2.36	193.40
OTHERS	NOS.	121.74	94.27	98.65	77.52
			<u>2071.06</u>		<u>1678.94</u>

(vii) Value of Imports calculated on C.I.F. basis* Rs. 6,69,76,616
 * Including import of machinery of Rs.21,35,600 (6,99,69,132)

(viii) Value of Exports calculated on F.O.B. basis* Rs.85,95,92,053
 (Based on Shipping Bill) (61,34,82,044)
 * Excluding Domestic Sales for Exports

(ix) Expenditure in Foreign Currency Rs.9,09,081
 (23,35,798)

As per report of even date attached

For Ashok Sharma & Associates
 Chartered Accountants

For & on behalf of the Board of Directors

Sd/-
 Amit Kumar
 Partner
 Membership No. : 500805
 Place : Delhi
 Date : 12.08.2011

Sd/-
 Sharmila Chhikara
 Company Secretary

Sd/-
 B.K.Gupta
 Managing Director

Sd/-
 Ashutosh Gupta
 Whole-Time Director

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 Paid up Capital Reserves & Surplus Convertible Warrant a/c Unsecured loans Secured Loans Deferred Tax Liability Investments 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

For & On Behalf of Board of Directors,

Chartered Accountants

Sd/-
Amit Kumar
Partner

Membership No. : 500805

Place : Delhi

Date : 12.08.2011

Sd/-
Sharmila Chhikara
Company SecretarySd/-
B.K.Gupta
Managing DirectorSd/-
Ashutosh Gupta
Whole-Time Director

CASH FLOW STATEMENT AS ON 31 ST MARCH, 2011

	2010-11	2009-10
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) after Tax and Extra-Ordinary items	27,769,554	39,761,897
Adjustments for:-		
Provision For Taxation	13,116,571	18,450,557
Depreciation Written Off	13,707,302	11,652,201
Interest Paid	17,721,871	12,244,385
Interest Income	(795,525)	(594,670)
Loss on sale of assets	16,502	-
Adjustment For Deferred Tax	2,187,786	838,663
Operating Profit before Working capital changes	73724061	82353033
Adjustment for:-		
Trade & other Receivable	(25,780,639)	(77,686,475)
Inventories	(36,655,619)	(14,024,647)
Trade Payable	117732744	25499347
Tax Paid During The Year	(15,499,571)	(5145217)
Cash Generated from operations	113520976	10996041
Net Cash from operative activities	113520976	10996041
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Assets & Capital Works	(38,932,851)	(35,197,310)
Net Cash used in investing activities	(38,932,851)	(35,197,310)
(C) Cash Flow From Interest Received	795,525	594,670
(D) CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(17,721,871)	(12,244,385)
Proceeds from Long Term Borrowings	(28,940,900)	39,318,587
Increase in Share Capital	1,859,760	-
Increase in Share Capital Premium	3,153,544	-
Convertible Warrants Issued	6,397,400	-
Capital Subsidy Received	2,530,050	-
Dividend Paid	(5,791,218)	-
Dividend Tax Paid	(961,850)	-
Net Cash from Financing activities	(39,675,084)	27,074,202
Net increase in cash & cash equivalents	35,708,566	3,467,603
Cash and Cash equivalents at beginning of the year	12,372,682	8,905,079
Cash and Cash equivalents at end of the year	48,081,247	12,372,682

For & on Behalf of Board of Directors

Sd/-
B.K.Gupta
Managing Director

Sd/-
Ashutosh Gupta
Whole Time Director

Place: Delhi

Dated : 12/08/2011

AUDITOR'S REPORT

We have examined attached Cash Flow statement of M/s MEDICAMEN BIOTECH LTD. For the year ended 31 st March, 2011. 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 : 12/08/2011

Sd/-
Amit Kumar
Partner
Membership No. : 500805



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 18th ANNUAL GENERAL MEETING of the Company held on Friday, the 30th September, 2011 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 18th Annual General Meeting to be held on Friday, the 30th September, 2011 or at any adjournment thereof.

Signed this day of 2011

Signature (Member)



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-1 : 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