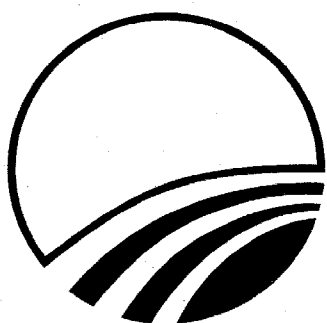




**10TH
ANNUAL REPORT
2011-12**



Brooks

LABORATORIES LIMITED

A WHO GMP & ISO 9001: 2008 Certified Company

Registered Office:

Village Kishanpura, Nalagarh Road, Baddi, Distt. Solan, H.P.

Tel. : 01795-654001/02/03 Fax : 01795-236939

Website: www.brookslabs.net

BOARD OF DIRECTORS

Mr. Atul Ranchal	Chairman
Mr. Rajesh Mahajan	Managing Director
Dr. D.S. Maity	CEO-cum-Technical Director
Mr. Dinesh Puri	Independent Director
Mr. Rajnish Bedi	Independent Director
Mr. Anil Khanna	Independent Director

COMPANY SECRETARY

Ms. Ashima Banodha

BANKERS

State Bank of India
Axis Bank

AUDITORS

M/S J. K. JAIN & ASSOCIATES
Chartered Accountants
SCO 1132-33, Sector 22-B
Chandigarh.
Tel. : 0172-2704536-37

REGD. OFFICE & WORKS

Village Kishanpura
Nalagarh Road
Baddi, Distt. Solan, H.P.
Tel. : 01795-654001/02/03
Fax : 01795-236939

CORPORATE OFFICE

203/204, Eco House
2nd Floor, Vishveshwar Nagar,
Goregaon (East)
Mumbai - 400 063, INDIA.
Tele : +91-22-29275901/2/3
Fax : +91-22-29275905

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (W)
Mumbai.
Tel. : 022-25946970

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NOTICE

NOTICE is hereby given that the **TENTH ANNUAL GENERAL MEETING** of the Members of **BROOKS LABORATORIES LIMITED** will be held on **Tuesday, the 25th day of September, 2012 at 11.30 A.M. at HOTEL GIANZ, BADDI-NALAGARH HIGHWAY, TEH. NALAGARH, DISTT. SOLAN, H.P.** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2012, the Statement of Profit and Loss for the year ended on that date, together with the Report of Auditors, Directors' Report and Report on Corporate Governance thereon.
2. To appoint a Director in place of Mr. Atul Ranchal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rajesh Mahajan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors for the financial year 2012-13 and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

"RESOLVED THAT M/s J K Jain and Associates, Chartered Accountants, Chandigarh, being eligible under Section 224(1B) and 224(1C) of the Companies Act, 1956 and having offered themselves for re-appointment, be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company in mutual consultation with the Auditors."

SPECIAL BUSINESS:

5. APPOINTMENT OF MR. DINESH PURI AS INDEPENDENT DIRECTOR

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

"RESOLVED THAT Mr. Dinesh Puri, who was appointed as an Additional Director on the Board w.e.f. 23.05.2012 pursuant to Section 260 of the Companies Act, 1956 and whose term expires at this Annual General Meeting of the Company and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing, from a member proposing his candidature for the office of the Director along with a deposit of Rs. 500/-, be and is hereby appointed as Independent Director on the Board of Directors of the Company whose office will be liable to determination by retirement by rotation under Articles 175 and 177 of the Articles of Association of the Company."

6. APPOINTMENT OF MR. RAJNISH KUMAR BEDI AS INDEPENDENT DIRECTOR

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

"RESOLVED THAT Mr. Rajnish Kumar Bedi, who was appointed as an Additional Director on the Board w.e.f. 23.05.2012 pursuant to Section 260 of the Companies Act, 1956 and whose term expires at this Annual General Meeting of the Company and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing, from a member proposing his candidature for the office of the Director along with a deposit of Rs. 500/-, be and is hereby appointed as Independent Director on the Board of Directors of the Company whose office will be liable to determination by retirement by rotation under Articles 175 and 177 of the Articles of Association of the Company."

7. APPOINTMENT OF MR. ANIL KHANNA AS INDEPENDENT DIRECTOR

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

"RESOLVED THAT Mr. Anil Khanna, who was appointed as an Additional Director on the Board w.e.f. 28.06.2012 pursuant to Section 260 of the Companies Act, 1956 and whose term expires at this Annual General Meeting of the Company and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing, from a member proposing his candidature for the office of the Director along with a deposit of Rs. 500/-, be and is hereby appointed as Independent Director on the Board of Directors of the Company whose office will be liable to determination by retirement by rotation under Articles 175 and 177 of the Articles of Association of the Company."

8. INCREASE IN REMUNERATION OF MR. ATUL RANCHAL, CHAIRMAN

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

"RESOLVED THAT pursuant to the provisions of sections 198, 269 and 309 read with the provisions of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) the consent and approval of the Company be and is hereby accorded for increase in maximum remuneration payable to **Mr. Atul Ranchal, Chairman cum Whole Time Director of the Company**, from Rs. 3,00,000/- per month upto Rs. 3,50,000/- per month w.e.f. 1st October, 2012 to 30th September, 2015 as approved by the Remuneration Committee, with further authority to the Board to alter and vary such terms and conditions including remuneration as agreed by the Board of Directors of the Company and Mr. Atul Ranchal subject to the conformity with the provisions of the Companies Act, 1956 and Schedule XIII.



RESOLVED FURTHER THAT Mr. Atul Ranchal, Chairman cum Whole Time Director, shall also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as may, from time to time, be available to other senior executives of the Company."

9. INCREASE IN REMUNERATION OF MR. RAJESH MAHAJAN, MANAGING DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of sections 198, 269 and 309 read with the provisions of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) the consent and approval of the Company be and is hereby accorded for increase in maximum remuneration payable to **Mr. Rajesh Mahajan, Managing Director of the Company**, from Rs. 3,00,000/- per month upto Rs. 3,50,000/- per month w.e.f. 1st October, 2012 to 30th September, 2015 as approved by the Remuneration Committee, with further authority to the Board to alter and vary such terms and conditions including remuneration as agreed by the Board of Directors of the Company and Mr. Rajesh Mahajan subject to the conformity with the provisions of the Companies Act, 1956 and Schedule XIII.

RESOLVED FURTHER THAT Mr. Rajesh Mahajan, Managing Director, shall also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as any from time to time be available to other senior executives of the Company."

10. INCREASE IN REMUNERATION OF DR. D.S. MAITY, TECHNICAL DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of sections 198, 269 and 309 read with the provisions of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) the consent and approval of the Company be and is hereby accorded for increase in maximum remuneration payable to **Dr. D.S. Maity, Technical Director of the Company**, from Rs. 92000/- per month upto Rs. 125000/- per month w.e.f. 1st April, 2012 to 31st March, 2015 as approved by the Remuneration Committee, with further authority to the Board to alter and vary such terms and conditions including remuneration as agreed by the Board of Directors of the Company and Dr. D.S. Maity subject to the conformity with the provisions of the Companies Act, 1956 and Schedule XIII.

RESOLVED FURTHER THAT Dr. D.S. Maity, Technical Director, shall also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as any from time to time be available to other senior executives of the Company."

11. APPOINTMENT OF MRS. DAVINDER KUMARI, RELATIVE OF CHAIRMAN, AS CORPORATE OFFICE MANAGER

To consider and, if thought fit, to pass with or without modifications, if any, the following Resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or re-enactments thereof for the time being in force, the consent of the Company be and is hereby accorded to the **appointment of Ms. Davinder Kumari**, Mother of Mr. Atul Ranchal, who is the Chairman of the Company, as to hold an office or place of profit (as Manager, Corporate Office) on contractual basis for 5 years from 01.10.2012 till 30.09.2017 at a maximum remuneration of Rs. 2,50,000/- (Rupees Two Lacs Fifty Thousand only) per month together with the usual allowances and benefits, amenities and facilities including retiring gratuity benefits applicable to other employees occupying similar posts within the same salary scale or grade."

12. UTILIZATION OF FUNDS RAISED THROUGH PUBLIC ISSUE

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

"RESOLVED THAT pursuant to the provision(s) of Section 61 and other applicable provisions, if any, of the Companies Act, 1956 and other applicable rules, regulations, guidelines and other statutory provision(s) for the time being in force, approval of the members of the Company be and is hereby accorded and the Board of Directors (hereinafter called the 'Board' which term shall be deemed to include any Board committee authorized to exercise its powers including the powers conferred by this resolution), be and is hereby authorized to vary, alter, modify, revise or amend the terms referred to in the Prospectus dated 22nd August, 2011, filed by the Company with the Registrar of the Companies, Punjab and Chandigarh (the 'Prospectus') including to vary, amend, modify and/ or revise the utilization of the proceeds from the Initial Public Offering ('IPO') of Equity Shares made in pursuance of the said Prospectus and to utilize the proceeds from the IPO in relation to the funds intended for setting up a unit in Gujarat for manufacturing of various pharmaceutical formulations including, but not limited to, change in allocation intended for acquisition of land, land development, change in amount or schedule of deployment of funds for Civil Work, plant and machinery, utilities or general corporate purpose for the projects identified in the Prospectus, as the case may be.



RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things, deal with such matters, take necessary steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question(s) that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to their end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of directors as may be constituted by the Board of Directors or any other officer(s)/ authorized representative(s) of the Company to give effect to the aforesaid resolution."

13. INCREASE IN BORROWING POWERS

To consider and, if thought fit, to pass with or without modifications, if any, the following Resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or reenactments thereof for the time being in force, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money for and on behalf of the Company from time to time for the purpose of the Company notwithstanding that the money to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the company and its free reserves, which have not been set apart for any specific purpose but so that the total amount upto which the money may be borrowed shall not exceed **Rs. 300 crores** (Rupees Three Hundred crores only), over and above the paid up capital and free reserves."

14. ALTERATION OF ARTICLES OF ASSOCIATION

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, Articles of Association of the Company be and are hereby altered by inserting the following two new Articles i.e. 113A and 199A after existing Article 113 and Article 199 respectively:

113A: Participation in General Meeting(s) of the Members through electronic mode

- (1) Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of and subject to compliance with the provisions of applicable rules, regulations, circulars, guidelines, notifications etc. as may be specified by the Ministry of Corporate Affairs (MCA), Security & Exchange Board of India (SEBI), Stock Exchanges or any other competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Companies Act, 1956 or by the rules, regulations, etc. made there under or the Listing Agreement with Stock Exchanges, from time to time, allow the member(s) of the Company to participate in the General Meeting(s) of the members through any type of electronic mode like video conferencing etc. and the members so participating shall be deemed to be present in such General Meeting(s) for the purposes of the quorum, voting, recording of minutes and all other relevant provisions in this regard.
- (2) For conducting the aforesaid meetings, the Company shall follow the procedure specified under the applicable laws for the time being in force and the rules, regulations, circulars, notifications, guidelines etc. issued/ to be issued from time to time by Ministry of Corporate Affairs (MCA), Security & Exchange Board of India (SEBI), Stock Exchanges or any other competent authority(ies) in this regard.

199A: Participation in Meeting(s) of Directors through electronic mode

- (1) Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of and subject to compliance with the applicable rules, regulations, circulars, guidelines, notifications etc. as may be specified by the Ministry of Corporate Affairs (MCA), Security & Exchange Board of India (SEBI), Stock Exchanges or any other competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Companies Act, 1956 or by the rules, regulations, etc. made there under or the Listing Agreement with Stock Exchanges, from time to time, the Director(s) may participate in the meeting(s) of the Board or any Committee of the Directors through any type of electronic mode like video conferencing etc. and the Director(s) so participating shall be deemed to be present in the meeting for the purposes of the quorum, voting, recording of minutes and all other relevant provisions in this regard.
- (2) For conducting aforesaid meetings, the Company shall follow the procedure specified under the applicable laws for the time being in force, and the rules, regulations, circulars, notifications, guidelines etc. issued/ to be issued from time to time by Ministry of Corporate Affairs (MCA), Security & Exchange Board of India (SEBI), Stock Exchanges or any other competent authority(ies) in this regard."

Place: Baddi
Date: 29.08.2012

By order of the Board of Directors
Sd/-
Ashima Banodha
Company Secretary

**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 AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
PROXIES, TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING. PROXY FORM ATTACHED.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting, as provided Under Section 187 of the Companies Act, 1956.
3. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto as Annexure I and forms part of the Notice.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from **Tuesday, 18th September, 2012 to Tuesday, 25th September, 2012**, both days inclusive.
5. Brief resume of all Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India is annexed hereto as Annexure II.
6. Members holding shares in physical form are requested to forward all applications for transfers and all other shares-related correspondence (including intimation for change of address) to the Share Transfer Agents of the Company at the following address:

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai- 400078
Tel: 022- 2594 6970 Fax: 022- 2594 6969
Email: rnt.helpdesk@linkintime.co.in
Contact person: Ms. Chaitali Jadahav
7. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filling Form 2B in duplicate with the Share Transfer Agents which, on request will supply blank forms.
Members holding shares in the dematerialised form may contact the Depository Participant for recording nomination in respect of their shares.
8. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
9. Members who wish to obtain any information on the Company may send their queries at least 7 days before the Annual General Meeting to the Company Secretary at the Company's Registered Office at Village Kishanpura, Nalagarh Road, Baddi, Distt. Solan, H.P.
10. Members may please note that, Securities and Exchange Board of India (SEBI) has made Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. SEBI has also mandated that for securities market transactions and off market/ private transactions involving transfer of shares in physical form, it shall be necessary for the transferee(s) to furnish copy of PAN card to the Company/Share Transfer Agents for registration of such transfer of shares.
Members may please note that, SEBI has also made it mandatory for submission of PAN in the following cases viz., (i) Deletion of name of the deceased shareholder(s) (ii) Transmission of shares to the legal heir(s), and (iii) Transposition of shares.
11. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing companies to send documents to their shareholders in electronic mode. To support this green initiative and to receive communications from the Company in electronic mode, members who have not registered their e-mail addresses and are holding shares in physical form are requested to contact the Share Transfer Agents of the Company and register their email-id. Members holding shares in dematerialised form are requested to contact their Depository Participant.
Members who have registered their email ids with the Depository will be sent the Notice of the AGM and Annual Report by email. Members may please note that notices, annual reports, etc. will be available on the Company's website - www.brookslabs.net and the same shall also be available for inspection, during office hours, at the Registered Office of the Company. Members will be entitled to receive the said documents in physical form free of cost at any time upon request.

Place: Baddi
Date: 29.08.2012

By order of the Board of Directors
Sd/-
Ashima Banodha
Company Secretary



Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

ITEM No. 5:

Mr. Dinesh Puri was appointed as Additional Director of the Company w.e.f. 23.05.2012 as per the Articles of Association of the Company and pursuant to Section 260 of the Companies Act, 1956, to hold office up to the date of this Annual General Meeting.

Notice under Section 257 of the said Act has been received from a member alongwith a deposit of Rs.500/- proposing the name of Mr. Dinesh Puri, for appointment as Director of the Company. Mr. Dinesh Puri has already filed his consent to act as a Director, with the Company.

The Resolution as set out in Item No. 5 of the Notice will be placed before the meeting for the approval of the Members.

Your Directors recommend the approval of the proposed resolution by the Members.

None of the Directors of the Company is directly or indirectly interested, except Mr. Dinesh Puri, in the Resolution.

ITEM No. 6:

Mr. Rajnish Kumar Bedi was appointed as Additional Director of the Company w.e.f. 23.05.2012 as per the Articles of Association of the Company and pursuant to Section 260 of the Companies Act, 1956, to hold office up to the date of this Annual General Meeting.

Notice under Section 257 of the said Act has been received from a member alongwith a deposit of Rs.500/- proposing the name of Mr. Rajnish Kumar Bedi, for appointment as Director of the Company. Mr. Rajnish Kumar Bedi has already filed his consent to act as a Director, with the Company.

The Resolution as set out in Item No. 6 of the Notice will be placed before the meeting for the approval of the Members.

Your Directors recommend the approval of the proposed resolution by the Members.

None of the Directors of the Company is directly or indirectly interested, except Mr. Rajnish Kumar Bedi, in the Resolution.

ITEM No. 7:

Mr. Anil Khanna was appointed as Additional Director of the Company w.e.f. 28.06.2012 as per the Articles of Association of the Company and pursuant to Section 260 of the Companies Act, 1956, to hold office up to the date of this Annual General Meeting.

Notice under Section 257 of the said Act has been received from a member alongwith a deposit of Rs.500/- proposing the name of Mr. Anil Khanna, for appointment as Director of the Company. Mr. Anil Khanna has already filed his consent to act as a Director, with the Company.

The Resolution as set out in Item No. 7 of the Notice will be placed before the meeting for the approval of the Members.

Your Directors recommend the approval of the proposed resolution by the Members.

None of the Directors of the Company is directly or indirectly interested, except Mr. Anil Khanna, in the Resolution.

ITEM NO. 8:

Mr. Atul Ranchal has been associated with the Company since incorporation and has been instrumental in formulation of long-term vision and strategy of the Company. Since working of the Company has increased manifold and Mr. Atul Ranchal is involved in the day to day affairs of the Company, it is recommended that maximum remuneration of Rs. 3,50,000 per month be payable to Mr. Atul Ranchal, Chairman cum Whole Time Director of the Company, for a period of 3 years w.e.f. 01.10.2012.

The Directors of the Company, on recommendation made by the Remuneration Committee, have approved the proposal of increase in his remuneration, subject to the approval of the members.

The Company has not made any default in repayment of any of its debts or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial person.

I. GENERAL INFORMATION ABOUT THE COMPANY:

Nature of Industry:

Pharmaceuticals

Date of Commencement of Commercial Production:

June 2006

Financial Performance of the Company:

Turnover

Rs. 560,758,292

Net Profit after tax

Rs. 88,359,057

Export performance and net foreign exchange collaborations:

NIL

Foreign investments:

NIL

**II. INFORMATION ABOUT THE APPOINTEE:****i) Background Details & Job Profile:**

Details are enclosed in Annexure II.

ii) Past Remuneration:

Remuneration was being paid to Mr. Atul Ranchal on a monthly basis of Rs. 3,00,000/- .

iii) Remuneration Proposed:

It is recommended that maximum remuneration of Rs. 3,50,000 per month be paid to Mr. Atul Ranchal, Chairman cum Whole Time Director of the Company for a period of 3 years w.e.f. 01.10.2012.

iv) Pecuniary Relationship:

Mr. Atul Ranchal is in pecuniary relationship with the Company in the form of Remuneration only.

Your approval is also sought to the proposed resolution. The directors recommend adoption of the aforesaid resolution.

None of the Directors of the Company is directly or indirectly interested, except Mr. Atul Ranchal, in the Resolution.

ITEM NO. 9:

Mr. Rajesh Mahajan has been associated with the Company since incorporation and has been instrumental in formulation of long-term vision and strategy of the Company. Since working of the Company has increased manifold and Mr. Rajesh Mahajan is involved in the day to day affairs of the Company, it is recommended that maximum remuneration of Rs. 3,50,000 per month be payable to Mr. Rajesh Mahajan, Managing Director of the Company, for a period of 3 years w.e.f. 01.10.2012.

The Directors of the Company, on recommendation made by the Remuneration Committee, have approved the proposal of increase in his remuneration, subject to the approval of the members.

The Company has not made any default in repayment of any of its debts or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial person.

I. GENERAL INFORMATION ABOUT THE COMPANY:**Nature of Industry:**

Pharmaceuticals

Date of Commencement of Commercial Production:

June 2006

Financial Performance of the Company:**Turnover**

Rs. 560,758,292

Net Profit after tax

Rs. 88,359,057

Export performance and net foreign exchange collaborations:

NIL

Foreign investments:

NIL

II. INFORMATION ABOUT THE APPOINTEE:**i) Background Details & Job Profile:**

Details are enclosed in Annexure II.

ii) Past Remuneration:

Remuneration was being paid to Mr. Rajesh Mahajan on a monthly basis of Rs. 3,00,000/- .

iii) Remuneration Proposed:

It is recommended that maximum remuneration of Rs. 3,50,000 per month be paid to Mr. Rajesh Mahajan, Managing Director of the Company for a period of 3 years w.e.f. 01.10.2012.

iv) Pecuniary Relationship:

Mr. Rajesh Mahajan is in pecuniary relationship with the Company in the form of Remuneration only.

Your approval is also sought to the proposed resolution. The directors recommend adoption of the aforesaid resolution.

None of the Directors of the Company is directly or indirectly interested, except Mr. Rajesh Mahajan, in the Resolution.

ITEM NO. 10:

Dr. D. S. Maity has been associated with the Company since 10.09.2010 and has been instrumental in formulation of long-term vision and strategy of the Company. Since working of the Company has increased manifold and Dr. D. S. Maity is involved in the day to day affairs of the Company, it is recommended that maximum remuneration of Rs. 1,25,000 per month be payable to Dr. D. S. Maity, Technical Director of the Company, for a period of 3 years w.e.f. 01.04.2012.



- The Directors of the Company, on recommendation made by the Remuneration Committee, have approved the proposal of increase in his remuneration, subject to the approval of the members.
- The Company has not made any default in repayment of any of its debts or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial person.

I. GENERAL INFORMATION ABOUT THE COMPANY:

Nature of Industry:	Pharmaceuticals
Date of Commencement of Commercial Production:	June 2006
Financial Performance of the Company:	
Turnover	Rs. 560,758,292
Net Profit after tax	Rs. 88,359,057
Export performance and net foreign exchange collaborations:	NIL
Foreign investments:	NIL

II. INFORMATION ABOUT THE APPOINTEE:

- Background Details & Job Profile:**
Details are enclosed in Annexure II.
- Past Remuneration:**
Remuneration was being paid to Dr. D. S. Maity on a monthly basis of Rs. 92,000/- .
- Remuneration Proposed:**
It is recommended that maximum remuneration of Rs. 1,25,000 per month be paid to Dr. D. S. Maity, Technical Director of the Company for a period of 3 years w.e.f. 01.04.2012.
- Pecuniary Relationship:**
Dr. D. S. Maity is in pecuniary relationship with the Company in the form of Remuneration only.
Your approval is also sought to the proposed resolution. The directors recommend adoption of the aforesaid resolution.
None of the Directors of the Company is directly or indirectly interested, except Dr. D. S. Maity, in the Resolution.

ITEM NO. 11

Under Section 314 (1B) of the Companies Act, 1956, it is necessary to obtain the prior consent of the Company by a special resolution for holding or continuing to hold office or place of profit under the Company carrying a prescribed monthly remuneration.

Mrs. Davinder Kumari possesses exceptional organisational capacity and leadership qualities. In order to strengthen the activities of Corporate Office, it is proposed to appoint her as Corporate Office Manager at a maximum remuneration of Rs. 2,50,000/- per month with usual allowances and benefits. Since she is the Mother of Mr. Atul Ranchal, Chairman of the Company, the proposed resolution is intended to obtain the consent of the shareholders.

None of the Directors, except Mr. Atul Ranchal, is interested or connected in this Resolution.

ITEM NO. 12

The Company had issued Prospectus dated 22nd August, 2011 for raising funds through the Initial Public Offering ('IPO' / 'Issue') of the Equity Shares. Accordingly, the Company had made the IPO through 100% Book building route and raised Rs. 6300 Lacs by issuing 63,00,000 Equity Shares of Rs. 10 each of the Company for cash, at a price of Rs. 100 per Equity Share (including securities premium of Rs. 90 per Equity Share). The total proceeds of IPO were planned with certain objects ('Identified Objects'), as more particularly stated and described under section titled 'Objects of the Issue' on Page 67 of the Prospectus, as were considered appropriate and necessary by the management at that point of time and as detailed hereunder:-

Cost of the Project

Sr. No.	Object	Rs. In Lacs
		Total Estimated Cost
1	Land	635.00
2	Building Construction	1220.00
3	Plant & Machinery	1994.00
4	Utilities	1100.00
5	Misc. Fixed Assets	230.00
6	Long term working capital	500.00
7	General corporate purposes	328.29
8	Listing Fees to Stock Exchanges	0.96
9	Issue Expenses	291.75
	Total Cost of the Project	6300.00



Section 61 of the Companies Act, 1956 provides that the Company shall not vary the terms referred to in the Prospectus except subject to the approval of, or except on authority given by, the Company in a general meeting. Accordingly, approval of members is sought to confer authority in favor of the Board to utilize the proceeds from the IPO in relation to the funds intended for setting up a unit in Gujarat for manufacturing of various pharmaceutical formulations including, but not limited to, change in allocation intended for acquisition of land, land development, change in amount or schedule of deployment of funds for Civil Work, plant and machinery, utilities or general corporate purpose for the projects identified in the Prospectus, as the case may be.

The management would like to assure the Members that any variation in the utilization of the funds will be done in the best interest of the Company and its members.

Your Directors therefore recommend the resolution proposed at Item no. 12 to be passed as special resolution by the members.

None of the Directors is, in any way, concerned or interested in the said resolution.

ITEM NO. 13

Pursuant to the provisions of section 293(1)(d) of the Companies Act 1956, the Board of Directors of the Company cannot, except with the consent of the Company in the General Meeting, borrow money in the aggregate (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) which exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

Considering the increase in the level of operations and its expansion plans, the Board is of the opinion that this limit needs to be increased to Rs. 300 crores over and above the paid up capital and free reserves of the Company for the time being.

None of the Directors is interested or connected in this Resolution.

ITEM NO. 14

Recently, Ministry of Corporate Affairs, Government of India, as part of its Green Initiative in the Corporate Governance, came up with a series of circulars, thereby allowing use of electronic modes in convening and conducting the Board and Shareholders meetings of the Companies.

With a view to implement the green initiative in the Company and in order to ensure maximum participation of shareholders and Board of Directors in the General and Board Meetings respectively, the Board of Directors of the Company has decided to make enabling provisions in the Articles of Association of the Company for adopting electronic modes like video conferencing and other modern electronic systems in conducting Board and General Meetings of the Company.

The new Articles in the Articles of Association will facilitate holding Board and General Meetings vide electronic mode and will ultimately result in effective and larger participation of Directors and shareholders in the affairs of the Company and strengthening Corporate Governance norms in the Company.

Considering the benefits attached with the use of electronic mode and to ensure the maximum participation of the Board of Directors and shareholders in their respective meetings, the Board recommends the alteration of Articles of Association as stated in the Special Resolution at Item No. 14.

None of the Directors of the Company is deemed to be concerned or interested in the resolution proposed at Item No. 14 of the accompanying Notice.

Place: Baddi
Date: 29.08.2012

By order of the Board of Directors
Sd/-
Ashima Banodha
Company Secretary



ANNEXURE II

Information regarding details of Directors seeking Appointment/Re-appointment in ensuing Annual General Meeting pursuant to Clause 49 of the Listing Agreement

1. **Name of Director** : **Mr. Atul Ranchal**
Designation : **Chairman cum Whole Time Director**
Date of Birth : 09.10.1967
Date of Appointment : 23.01.2002
Qualifications : B.Sc. (Microbiology), PGDFMT
Expertise in Specific Areas: Mr. Atul Ranchal is a dynamic and energetic person who has been instrumental in driving the domestic expansion and operations of our Company. He has over 20 years of rich experience in pharmaceutical industry and is well versed with the modern management techniques. He has steered the Company to its present position of eminence.
Shareholding in Brooks Laboratories Ltd.: 41,13,071 shares
Directorships held in other companies: Nil
Membership/Chairmanship of Committees of other Public Companies: Nil

2. **Name of Director** : **Mr. Rajesh Mahajan**
Designation : **Managing Director**
Date of Birth : 19.07.1969
Date of Appointment : 23.01.2002
Qualifications : B.Sc. (Biology), MBA
Expertise in Specific Areas : Mr. Rajesh Mahajan is a charismatic personality who is successfully managing the day-to-day operations of our Company. He possesses a diverse and wide ranging experience in pharmaceutical industry. His presence has been instrumental in the growth of the Company.
Shareholding in Brooks Laboratories Ltd.: 34,93,151 Shares
Directorships held in other companies: Nil
Membership/Chairmanship of Committees of other Public Companies: Nil

3. **Name of Director** : **Dr. D. S. Maity**
Designation : **Technical Director**
Date of Birth : 01.01.1964
Date of Appointment : 10.09.2010
Qualifications : M.Sc., Ph.D. (Chemistry)
Expertise in Specific Areas: Dr. D. S. Maity is a highly qualified person who has over 22 years of rich experience in pharmaceutical industry and is well equipped with the modern management techniques. He is a fellow member of The Institution of Chemists (India), Kolkata.
Shareholding in Brooks Laboratories Ltd.: 3,000 Shares
Directorships held in other companies: Nil
Membership/Chairmanship of Committees of other Public Companies: Nil

4. **Name of Director** : **Mr. Dinesh Puri**
Designation : **Independent Director**
Date of Birth : 01.12.1971
Date of Appointment : 23.05.2012
Qualifications : B.Sc.
Expertise in Specific Areas: Mr. Dinesh Puri is a dynamic person who has good leadership qualities and team handling techniques. He has vast experience in the field of banking.
Shareholding in Brooks Laboratories Ltd.: Nil
Directorships held in other companies: Nil
Membership/Chairmanship of Committees of other Public Companies: Nil



5. **Name of Director** : **Mr. Rajnish Kumar Bedi**
Designation : **Independent Director**
Date of Birth : 04.02.1969
Date of Appointment : 23.05.2012
Qualifications : B.Sc. (Biosciences), MBA

Expertise in Specific Areas: Mr. Rajnish Kumar Bedi is an energetic personality who has been rich experience of 17 years in Co-operative sector working extensively in the State of Himachal Pradesh.

Shareholding in Brooks Laboratories Ltd.: Nil

Directorships held in other companies: Nil

Membership/Chairmanship of Committees of other Public Companies: Nil

6. **Name of Director** : **Mr. Anil Khanna**
Designation : **Independent Director**
Date of Birth : 26.04.1959
Date of Appointment : 28.06.2012
Qualifications : FCA

Expertise in Specific Areas: Mr. Anil Khanna is a Fellow Chartered Accountant and practicing professional specializing in Business Management, Joint Ventures and International Taxation. He has over 20 years of experience of consultancy services

Shareholding in Brooks Laboratories Ltd.: Nil

Directorships held in other companies:

1. CLSA India Ltd
2. Korn/Ferry International Pvt Ltd
3. Shri Shambhu Offshore Services Pvt Ltd
4. Rockstone Finlease Pvt Ltd
5. Baruki Agro & Oils Pvt Ltd
6. Rolv Berg Drive (India) Pvt Ltd
7. Sterling Risk Advisory & Marketing Services Pvt Ltd
8. Kent Resorts Pvt. Ltd.
9. Solitaire Productions Private Limited
10. Brightstar Broadband Private Limited

Membership/Chairmanship of Committees of other Public Companies: Nil

Place: Baddi
Date: 29.08.2012

By order of the Board of Directors
Sd/-
Ashima Banodha
Company Secretary



DIRECTORS' REPORT

The Board of Directors of your Company has pleasure in presenting the 10th Annual Report on the affairs of the Company together with the Audited Accounts of the Company for the year ended 31st March, 2012.

1. FINANCIAL RESULTS

The Financial Results for the year are as under: -

	<i>(Amount in Rs. Lacs)</i>	
PARTICULARS	2011-12	2010-11
Turnover	5,608	5,254
Other Income	92	13
Total Income	5,700	5,267
Expenditure	4,545	4,326
Profit before Depreciation, Interest & Tax(PBDIT)	1,155	941
Financial Expenses (Interest)	172	149
Profit before Depreciation and Tax (PBDT)	983	792
Depreciation	66	61
Extraordinary items	-	11
Profit before Tax (PBT)	917	720
Income Tax	33	31
Profit after Tax	884	689
Earnings per Share (in Rs.)	6.55	6.97

2. WORKING RESULTS

During the year under review, our Company has achieved a turnover of Rs. 56.07 Crores as compared to Rs. 52.54 Crores in the previous year showing net increase of 6.72%. The Company has earned a net profit after tax and depreciation of Rs. 8.84 Crores as compared to Rs. 6.89 Crores in the previous year which is 28.30% higher than the previous year.

3. UTILIZATION OF FUNDS THROUGH IPO

The Company has raised funds from the public through IPO in the year under review. The funds are being utilized towards construction and development of another plant of the Company in the State of Gujarat. Your Directors are hopeful of better results in the times ahead as soon as the plant starts operating.

4. DEPOSITS

During the year 2011-12, the Company has not accepted any deposits from the public in terms of the provisions of Section 58A and 58AA of the Companies Act, 1956.

5. DIVIDENDS

In view of the ongoing expansion projects and future growth plans, the Directors have decided to plough back the profits of the Company for the financial year 2011-12. Accordingly, the Board does not recommend any dividend payment for the year under reference.

6. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS

Your Company is committed to good corporate governance practices. The Report on Corporate Governance and Management Discussion & Analysis as stipulated in Clause 49 of the Listing Agreement form part of this Report.

7. DIRECTORS

Mr. Lalit Mahajan, Mr. Vivek Sharma and Ms. Monika Sabharwal, all Independent Directors, resigned from Directorship w.e.f. 06.01.2012. The Board placed on record its appreciation to the Directors for their valuable contribution.

Mr. Dinesh Puri and Mr. Rajnish Kumar Bedi were appointed as Additional Directors on the Board of the Company on 23.05.2012, pursuant to Article 156 of the Articles of Association and Section 260 of the Companies Act, 1956. Further, Mr. Anil Khanna was also appointed as Additional Director on 28.06.2012.

The Company has received notices from the members of the Company along with deposit of Rs. 500/- each, under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Dinesh Puri, Mr. Rajnish Kumar Bedi and Mr. Anil Khanna as Directors of the Company. Requisite approval for their appointment is being sought at the ensuing Annual General Meeting.

Mr. Atul Ranchal, Chairman and Mr. Rajesh Mahajan, Managing Director retire by rotation and being eligible, offer themselves for re-appointment.

**8. STATUTORY AUDITORS**

M/S J.K JAIN & ASSOCIATES, Chartered Accountants, Chandigarh, Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re- appointment. The Company has received a certificate from the said Auditors to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) and 224(1C) of the Companies Act, 1956.

9. AUDITORS' REPORT

The Auditors of the Company have submitted Auditors' Report on the accounts of the Company for the accounting year ended March 31, 2012. The Auditors' Report of the accounts is self explanatory and requires no comments as there are no qualifications/ adverse remarks in the Report.

10. HUMAN RESOURCES

Harmonious employees' relations prevailed throughout the year. Your Directors place on record their appreciation to all employees for their hard work and dedication.

11. PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956.

During the year no employee of the Company received a salary of more than Rs. 60.00 Lac per annum or Rs.5.00 Lac per month. Accordingly, no particulars of employees were required to be given pursuant to the provisions of Section 217(2A) of the Companies Act, 1956.

12. COST AUDITORS

Pursuant to the provisions of section 233B of the Companies Act, 1956 and with the prior approval of the Central Government, M/s. C.L. Bansal and Associates, Cost Accountants, have been appointed to conduct audit of cost records of bulk drugs and formulations for the financial year ended on 31st March, 2012. Their full details are as follows:

M/s. C.L. Bansal & Associates
#332, Pipliwala Town,
Manimajra, Chandigarh- 160101

General Circular No. 18/2012 dated 26.07.2012 issued by MCA has allowed filing of Cost Audit Report and Compliance Report for the year 2011-12 upto 31st December, 2012 on MCA Portal.

The Cost Audit Reports would be submitted to the Central Government within the prescribed time i.e. on or before 31st December, 2012.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Statement of conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 217 (1)(e) of the Companies Act, 1956 are annexed hereto and form part of this report.

14. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the Annual accounts for the year ended 31st March, 2012, the applicable accounting standards have been followed;
- b) appropriate accounting policies have been selected and applied consistently, and they have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company as at 31st March, 2012 and of the profits of the Company for the year ended on 31st March 2012;
- c) proper and sufficient care has been taken 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; and
- d) the annual accounts have been prepared on a going concern basis.

15. ACKNOWLEDGEMENT

Your Directors are pleased to place on record their sincere gratitude to the Central Government, State Government(s), Financial Institutions, Bankers and Business Constituents for their continuous and valuable co-operation and support to the Company. They also take this opportunity to express their deep appreciation for the devoted and sincere services rendered by the employees at all levels of the operations of the Company during the year.

For and on Behalf of the Board

Place : Baddi
Date : 29.08.2012

Sd/-
Atul Ranchal
(Chairman)



ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(1) (e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2012.

1. **CONSERVATION OF ENERGY** : Your Company has always been conscious of the need to conserve energy and reduce the cost of production. The details regarding the present energy consumption are furnished below as per form A of the annexure to the rules.

Form - A

A. POWER AND FUEL CONSUMPTION

<u>Particulars</u>			<u>2011-12</u>	<u>2010-11</u>
1.	Electricity	a) Purchased		
		Units	KVAH	
		Total amount	Rs.	
		Rate per unit	Rs./unit	
		b) Own generation through diesel		
		i) Generator Units	KWH	
		Units per liter of diesel	KWH	
		Cost per Unit	Rs.	
		ii) Through Steam Turbine/generator units		
		Units per liter of fuel/gas		
		Cost per Unit		
2.	Coal	Quantity	Tons	
		Total cost	Rs.	
		Average rate	Rs./Ton	
3.	Furnace Oil	Quantity	K. Ltrs.	
		Total Cost	Rs.	
		Average Rate	Rs./Ltr.	
4.	Others/Internal Generation	Quantity (Timber and Husk)	Tons	
		Diesel consumption for Boiler	Ltrs.	
		Total cost	Rs.	

- B. **CONSUMPTION PER UNIT OF PRODUCTION** : The Company is engaged in the production of a number of drugs and formulations; hence, the figures of consumption per unit of production / product are not ascertainable with accuracy. The details of consumption of energy per unit of production can, therefore, not be given.

2. **TECHNOLOGY ABSORPTION** : Efforts made in technology absorption are furnished in Form -B as under:

Form - B

A. Research and Development (R&D)

- (a) Specific areas in which Research and Development is carried out by the Company:

R & D has been carried out in areas of:-

1. Improvement on product quality
2. Innovation in manufacturing process to increase yields and reduce reaction time to enhance productivity

- (b) Benefits derived as a result of above R & D:

R & D efforts at Brooks Laboratories Ltd. have yielded positive results, which can be measured from the fast growth of the Company, both in terms of turnover and penetration of geographies.

Generation of Intellectual wealth: Key inventions/ technologies for drug substance synthesis were protected by filing patent applications.

Your Company was able to improve the quality of existing products and develop customer specific materials with stringent specifications, gaining an edge over competition and penetrating global markets.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief, made towards technology absorption, adaptation and innovation:

- Setting up of a new project in Gujarat with world class facilities and infrastructure for development of cost competitive active pharmaceutical ingredients and drug products.
- State-of-the-art development laboratories.
- Further enhancement of technological expertise in the field of complex formulations' manufacturing.

2. Benefits derived as a result of the above efforts:

- These initiatives will result in development of cost effective active pharmaceutical ingredients.
- Speedy introduction of difficult-to-formulate products in all markets upon approval.
- Reduction of raw material cost, time cycle and increased productivity.

Imported Technology : Nil

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings: Nil

Foreign Exchange Outgo : Raw Material Rs. 92,855,067/-
Capital Goods Rs.327,100,000/-

Place : Baddi

Date : 29.08.2012

For and on Behalf of the Board

Sd/-

Atul Ranchal
(Chairman)



MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENT

The social, demographic and economic context in which the global pharmaceutical industry operates is rapidly changing. Globally, pharma companies are facing pressure from governments and taxpayers alike for reducing prices of drugs and initiating outcome-based pricing. Simultaneously, there is a vast decline in R&D productivity, diminished pipeline for new drugs, increased drug discovery costs as well as increased regulatory measures that companies need to contend with.

After a brief period of sluggishness, the growth momentum in the domestic formulations market appears to be back on track. The Indian pharma industry is showing signs of robust growth. The domestic pharma market is expected to grow at a CAGR of 15% to 20% to reach a value anywhere between US\$ 50 billion and US\$74 billion by 2020.

Structural demand drivers including – a) rising household income levels, b) increasing prevalence of lifestyle related diseases, c) improving healthcare infrastructure/delivery systems and 4) rising penetration in smaller towns and rural areas continue to support long-term growth.

2. OPPORTUNITIES AND THREATS

The major opportunities available are (a) Global opportunity for increasing Generics and bio generics market both in developed and emerging countries due to pressure on budgetary limitations of these countries as well as emergent patent cliff due to off patenting of major high value drugs (c) Low cost good skill destination for contract research and manufacturing and resultant opportunities in drug discovery as well as clinical trials (d) High growth of domestic market attracting multi nationals both for brown field and green field investments in production and capacity building.

The threats to the industry are from (a) Ever greening strategy of MNCs for denying and limiting the patent cliff opportunities with debatable recourse to TRIPs and FTAs (b) Increasingly stringent, regulatory and non tariff barriers to generics markets in developed countries (c) Increased competition for generics and bio generics production in terms of high capacity and production costs (d) High entry barriers to enable market share in development of new drugs.

3. PERFORMANCE

During the year under review, our Company has achieved a turnover of Rs. 56.07 Crores as compared to Rs. 52.54 Crores in the previous year showing net increase of 6.72%. The Company has earned a net profit after tax and depreciation of Rs. 8.84 Crores as compared to Rs. 6.89 Crores in the previous year which is 28.30% higher than the previous year.

4. RISKS AND CONCERNS

Pharma companies are currently facing a number of challenges, including continued pricing pressure, tightening of product specifications by innovator companies, unpredictable market authorization timelines, lack of patient awareness and education on generics and mistrust among physicians and prescribers. The products are likely to come under intense pricing pressure due to changing pricing and reimbursement policies of healthcare providers and governments. Entry of more and more companies into the segment is a given and this will further impact the profitability margins. Stringent regulatory barriers thwarting entry of generics is a major detrimental factor for launching products in some of the key markets. Further, regulations prohibiting branding of generics and promotion to physicians in lead markets virtually leave everything at the discretion of the pharmacist.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

To provide reasonable assurance that assets are safeguarded against loss or damage and that accounting records are reliable for preparing financial statements, the Company has a proper and adequate system of internal controls.

The Company has in place well structured systems and procedures in line with the best of practices and well defined roles and responsibilities for people in all functions at various levels. The Company is certified as ISO 9001:2008 (Quality Management System Standard). Also, the Company has obtained GMP certifications from WHO (World Health Organisation).

Management review meetings are held periodically to monitor and to control functions of the Company.

6. HUMAN RESOURCES

The Company regards its employees as valuable asset and continuously reviews and evolves policies and procedures to attract and retain its pool of technical and managerial personnel through a conducive work environment.

7. CAUTIONARY STATEMENT

The Management Discussion and Analysis Report may contain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statement as important factors could influence the company's operations such as Government policies, local, political and economic development, risk inherent to the Company's growth and such other factors.

Place: Baddi
Date: 29.08.2012

For and on Behalf of the Board
Sd/-
Atul Ranchal
(Chairman)



CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Company's Corporate Governance system is based on certain key principles, including fairness and integrity, transparency and disclosure, accountability, equal treatment of all shareholders, and social responsibility. Corporate Governance extends beyond corporate laws. Its fundamental objective is not the mere fulfillment of the requirements of law, but also the institution of, and adherence to, systems and procedures ensuring commitment of the Board in managing a company in a transparent manner for the maximization of long-term shareholder value.

Your Company is committed in adopting the best practices of Corporate Governance. Company has adopted an appropriate Corporate Governance framework to ensure timely and accurate disclosure of all material matters, including financial position, performance, ownership, and governance. Its endeavour has always been to maximize the long term value to the shareholders of the Company.

BOARD OF DIRECTORS

Board Membership Criteria

The members of the Board of Directors of your Company are expected to possess the required expertise, skill, and experience to effectively manage and direct your Company so that it can attain its organizational goals. They are expected to be persons with vision, leadership qualities and strategic bent of mind, proven competence, and integrity.

Each member of the Board of Directors of your Company is expected to ensure that his/her personal interest does not run in conflict with your Company's interests. Moreover, each member is expected to use his/her professional judgment to maintain both the substance and appearance of independence and objectivity.

COMPOSITION OF THE BOARD

The Board of Directors of the Company had an optimum combination of Executive and Non-Executive Directors so as to have a balanced Board Structure. But due to resignations of the independent directors in the last quarter, the Board carried only Executive directors as on 31st March, 2012.

Name of Director	Category	Shareholding in the Company	No. of Board Meetings attended during the year	Attendance at the last AGM held on 5 th July, 2011	Number of other Directorships	No. of Committee memberships and Chairmanships in all companies including Brooks Laboratories Ltd.	
						Membership	Chairmanship
Mr. Atul Ranchal	Promoter, Executive Director	4113071 (25.41%)	22	Yes	Nil	1	1
Mr. Rajesh Mahajan	Promoter, Executive Director	3493151 (21.58%)	22	Yes	Nil	2	Nil
Dr. D. S. Maity	Executive Director	3000 (0.02%)	22	Yes	Nil	1	Nil
Mr. Lalit Mahajan	Non-Executive, Independent	Nil	3	Yes	Nil	3	1
Mr. Vivek Sharma	Non-Executive, Independent	Nil	3	Yes	Nil	3	1
Ms. Monika Sabharwal	Non-Executive, Independent	Nil	3	Yes	Nil	2	1



* Mr. Lalit Mahajan, Mr. Vivek Sharma and Ms. Monika Sabharwal, Independent Directors resigned w.e.f. 6th January, 2012.

** The Board has come up with the appointment of the following dynamic and efficient persons as Independent Directors:

1. Mr. Dinesh Puri
2. Mr. Rajnish Kumar Bedi
3. Mr. Anil Khanna

(A brief profile of the above is given in Annexure to the Notice of AGM attached herewith and forming part of the Annual Report)

REMUNERATION PAID TO DIRECTORS

Executive Directors:

Name of the Director	Designation	Salary per annum (in Rs.)	Tenure
Mr. Atul Ranchal	Chairman cum Director	28,50,000	5 Years
Mr. Rajesh Mahajan	Managing Director	28,50,000	5 Years
Dr. D.S. Maity	Executive Director	11,04,000	3 Years

Non-Executive Directors:

Sl. No.	Name of Director	Sitting fee (in Rs.)
1.	Mr. Lalit Mahajan	60,000
2.	Mr. Vivek Sharma	60,000
3.	Ms. Monika Sabharwal	55,000

Note: The Company does not have any direct pecuniary relationship/ transaction with the Non-Executive Directors of the Company.

BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND PROCEDURES

During the financial year 2011-12, the Board met twenty two times on the following dates.

1.	10.04.2011	2.	25.05.2011
3.	08.06.2011	4.	14.06.2011
5.	24.06.2011	6.	02.07.2011
7.	21.07.2011	8.	25.07.2011
9.	03.08.2011	10.	10.08.2011
11.	20.08.2011	12.	22.08.2011
13.	02.09.2011	14.	06.09.2011
15.	19.09.2011	16.	17.10.2011
17.	09.11.2011	18.	19.11.2011
19.	17.12.2011	20.	28.01.2012
21.	15.02.2012	22.	22.02.2012

The Board of Directors oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long term interests of the shareholders are being served. The Board of Directors is assisted by the Senior Management Personnel in overseeing the functional matters of the Company.

The Board has constituted Audit Committee, Shareholders' /Investors' Grievance Committee, IPO Committee and Remuneration Committee. The Board is authorized to constitute additional functional Committees, from time to time, depending on the business needs.

The Internal guidelines for Board/Board Committee meetings facilitate the decision making process at the meetings of the Board/ Committees in an informed and efficient manner.

Recording minutes of proceedings at Board and Committee meetings

The Company Secretary records the minutes of the proceedings of each Board and Committee meetings. Draft minutes are circulated to all the members of the Board/Committee for their comments. The minutes are entered in the Minutes Book within 30 days from conclusion of each meeting.

Post meeting follow-up mechanism

The Guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for the decisions taken by the Board and Committees thereof. The important decisions taken at the Board/Committee meetings are communicated to the departments/divisions concerned promptly.

BOARD COMMITTEES

In compliance with both the mandatory and non-mandatory requirements under the applicable laws, the Board of Directors of your Company constituted the following Committees:

- Audit Committee
- Shareholders' /Investors' Grievance Committee
- IPO Committee
- Remuneration Committee

The Chairman of the Board, in consultation with the respective Chairmen of these Committees, determines the frequency of the meetings of the Committees. The recommendations of the Committees are submitted to the Board for approval.



AUDIT COMMITTEE

The Audit Committee was constituted by our Directors pursuant to a Board Resolution dated October 6, 2010 comprising of 3 Directors i.e. Mr. Vivek Sharma as Chairman and Mr. Lalit Mahajan and Mr. Rajesh Mahajan as members. The Company Secretary acts as Secretary of the Audit Committee. The terms of reference of the Audit Committee are in accordance with those specified in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

Composition:

Committee Members	Designation	Category	Independent/Non Independent
Mr. Vivek Sharma	Chairman	Non Executive	Independent
Mr. Lalit Mahajan	Member	Non Executive	Independent
Mr. Rajesh Mahajan	Member	Executive	Non Independent

Meetings during the financial year 2011-12

Meetings of Audit Committee were held on 26th May, 2011; 12th June, 2011; 10th July, 2011, 2nd November, 2011 and 28th February, 2012. The meeting held on 28th February, 2012 was adjourned for want of quorum.

Name of Member Meetings Attendance during the year

Mr. Vivek Sharma	4
Mr. Lalit Mahajan	4
Mr. Rajesh Mahajan	4

REMUNERATION COMMITTEE

The Remuneration Committee was constituted by our Directors pursuant to a Board Resolution dated October 6, 2010 and comprised of three Directors of 3 Directors i.e. Mr. Lalit Mahajan as Chairman, Mr. Vivek Sharma and Ms. Monika Sabharwal as members.

Composition:

Committee Members	Designation	Category	Independent/Non Independent
Mr. Lalit Mahajan	Chairman	Non Executive	Independent
Mr. Vivek Sharma	Member	Non Executive	Independent
Ms. Monika Sabharwal	Member	Non Executive	Independent

The Remuneration Policy of the Company is aimed at rewarding performance, based on review of the achievements on a regular basis. The remuneration paid to the Executive Directors is recommended by the Remuneration Committee and approved by the board of directors in the Board Meeting, subject to the subsequent approval by the shareholders and such other authorities, if any, required.

No Remuneration Committee meeting was held during the year ended 31st March, 2012.

INVESTOR GRIEVANCES COMMITTEE

The Investor Grievances Committee focuses on shareholders' grievances, monitors the response to investors' queries besides strengthening of investor relations. It looks into all kinds of investor complaints including transfer of shares, non-receipt of dividends/ annual reports and other such issues.

The Investor Grievances Committee was constituted by our Directors pursuant to a Board Resolution dated October 6, 2010 and comprises of three Directors namely Ms. Monika Sabharwal, Mr. Lalit Mahajan, Mr. Vivek Sharma. The Company Secretary acts as Secretary to the Committee.

Composition:

Committee Members	Designation	Category	Independent/Non Independent
Ms. Monika Sabharwal	Chairman	Non Executive	Independent
Mr. Vivek Sharma	Member	Non Executive	Independent
Mr. Lalit Mahajan	Member	Non Executive	Independent

Meetings during the financial year 2011-12

Meetings of Investor Grievances Committee were held on 1st June, 2011 and 12th August, 2011.

Name of Member Meetings Attendance during the year

Mr. Vivek Sharma	2
Mr. Lalit Mahajan	2
Mr. Rajesh Mahajan	2

INITIAL PUBLIC OFFER COMMITTEE

The IPO Committee was constituted by our Directors pursuant to a Board resolution dated 6th October, 2010 and comprised of three Directors namely:

Committee Members	Designation	Category	Independent/Non Independent
Mr. Atul Ranchal	Chairman	Executive	Non Independent
Mr. Rajesh Mahajan	Member	Executive	Non Independent
Dr. D.S. Maity	Member	Executive	Non Independent

Terms of Reference:

1. To appoint Merchant Bankers, Registrar and Transfer Agents, Grading Agencies, Legal Advisors and all other intermediaries, as may be required from time to time.
2. To approve, implement, negotiate, carry out and decide upon all activities relating to this Issue, including, preparing, approving, finalizing and filing the Draft Red Herring Prospectus and the Red Herring Prospectus & Prospectus with SEBI, the stock exchanges and other regulatory bodies as may be required.



3. Approving a code of conduct and a suitable policy on insider trading, approving any corporate governance requirement.
4. Deciding on the number of Equity shares to be offered in this Issue as may be necessary, opening of bank accounts, securities account, escrow or custodian accounts, seeking listing of Equity Shares with Stock Exchanges, seeking consent of the lenders with whom our company has entered into various commercial agreements, determining and finalizing the price band, bid opening and closing date of this issue, approving and finalising the 'Basis of Allocation', determining the price at which the Equity Shares are to be offered to the investors.

Meeting and Attendance during the financial year 2011-12

Name of Member	Meeting Attendance during the year
Mr. Atul Ranchal	6
Mr. Rajesh Mahajan	6
Dr. D.S. Maity	6

GENERAL BODY MEETINGS

The details of General Body Meetings held during last three financial years are given as follow:

Meeting	Date, Date & Time of AGM	Venue	No. of Special Resolutions
9 th Annual General Meeting	5 th July, 2011, Tuesday, at 11.00 a.m.	G-101, Ivory Tower, Sector 70, Mohali, Punjab	Nil
8 th Annual General Meeting	7 th September, 2010, Tuesday at 11.00 a.m.	G-101, Ivory Tower, Sector 70, Mohali, Punjab	Nil
7 th Annual General Meeting	29 th September, 2009, Tuesday at 11.00 a.m.	G-101, Ivory Tower, Sector 70, Mohali, Punjab	Nil

One Extra-Ordinary General Meeting was held on 9th April, 2011 and resolutions were passed for variation in terms of Appointment of Ms. Rajni Ranchal, wife of Chairman and Ms. Saras Gupta, wife of Managing Director.

POSTAL BALLOT:

One Ordinary Resolution and one Special Resolution were passed through Postal Ballot during the financial year 2011-12. Mr. G.S. Sarin, Practising Company Secretary, Chandigarh, was appointed as Scrutiniser for the purpose and based on his Report, the Voting Results of the Postal Ballot were declared and both the resolutions were passed on 1st February, 2012. The Results of Postal Ballot indicating the Voting Pattern is as follows:

S. No.	Particulars	Results of Postal Ballot			
		Resolution No. 1		Resolution No. 2	
		Alter & Revise the site of Project proposed in Prospectus		Shifting of Registered Office from Punjab to Himachal Pradesh	
		No. of Postal Ballots (Shareholders)	No. of Votes	No. of Postal Ballots (Shareholders)	No. of Votes
A	Total Postal Ballot Forms received from the Shareholders	343	9649501	343	9648501
B	Total Postal ballot Forms received from the Shareholders and found valid	300	9592498	288	9590280
C	Total Postal Ballots/ Votes in favour	259	9485062	255	9495007
	Percentage	86.33%	98.88%	88.54%	99.00%
D	Total Postal Ballots/ Votes against	41	107436	33	95273
	Percentage	13.67%	1.12%	11.46%	1.00%
E	Invalid Postal Ballots/ Votes	43	57003	55	58221

No special resolution is proposed to be passed by Postal Ballot at the ensuing Annual General Meeting.

DISCLOSURES

During the financial year 2011-12, there were no materially significant transactions with related parties that may have potential conflict with the interests of the Company at large. Further details of related party transactions are presented in Note No. 24 in Notes to the Accounts.

The Company has complied with all the mandatory requirements of Corporate Governance and the Company has not adopted any non-mandatory requirements of Corporate Governance except the formation of Remuneration Committee. Also there has not been any non-compliance by the Company and no penalties or strictures were imposed by any Statutory Authority during the period under review.

MEANS OF COMMUNICATION

The Quarterly/Yearly Results of the Company are usually published in the newspapers viz. Financial Express (All editions) and various regional language newspaper and are also notified to the Stock Exchanges as required in the Listing Agreement to enable the Stock Exchanges to put it on their websites.

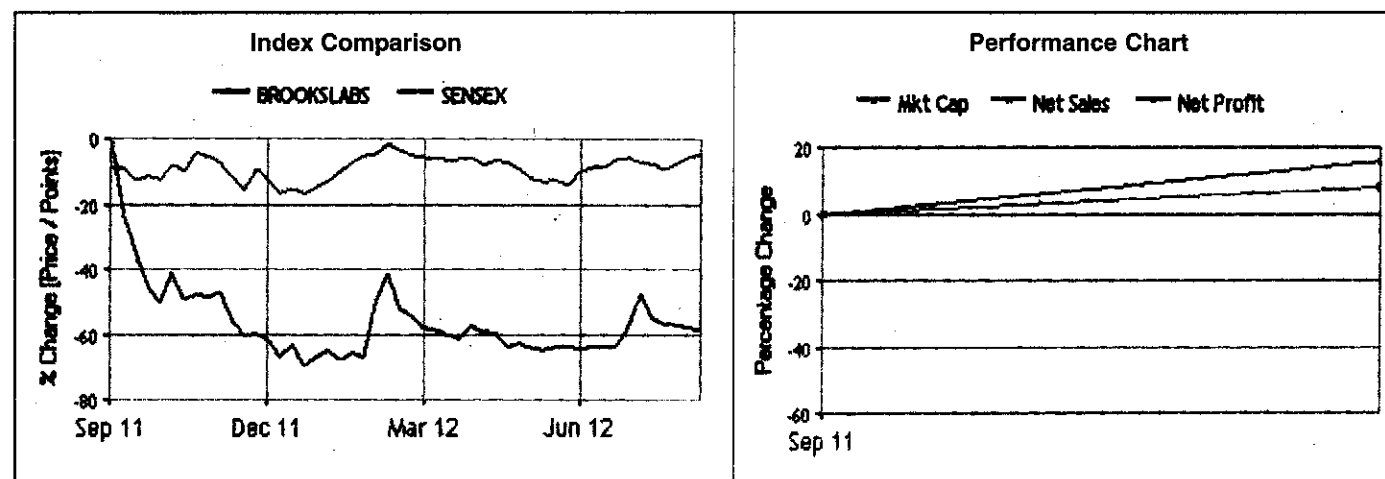


The investors' relations information of the Company is also available at the website of the Company i.e. www.brookslabs.net.

GENERAL SHAREHOLDER INFORMATION

- (i) **Annual General Meeting:**
Date: 25th September, 2012
Time: 11.30 AM
Venue: HOTEL GIANZ, BADDI-NALAGARH HIGHWAY, TEH. NALAGARH, DISTT. SOLAN, H.P.
- (ii) **Financial Calendar:**
1st day of April to 31st day of March in the next calendar year
Adoption of Quarterly Results Ended In the month of (tentative)
30th June, 2012 14th August, 2012 (already held)
30th September, 2012 November, 2012 (2nd week)
31st December, 2012 February, 2013 (2nd week)
31st March, 2013 May, 2013 (2nd week)
- (iii) **Date of Book Closure:**
From 18th September, 2012 to 25th September, 2012 (both days inclusive)
- (iv) **Listing on Stock Exchanges:**
Your Company's shares are listed at National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The Company has paid the requisite annual listing fees to both the stock exchanges for the financial year 2012-13.
- (v) **Stock Code:**
Bombay Stock Exchange Ltd.: 533543
National Stock Exchange of India Ltd.: BROOKS
ISIN No. IN NSDL & CDSL: INE650L01011
- (vi) **Market Price Data:**
The shares of your Company got listed on Stock Exchanges w.e.f. 5th September, 2011. Accordingly, High and Low prices of the shares of the Company for the F.Y. 2011-12 have been given from September, 2011 onwards as follows:

Year 2011-12	BSE Limited			NSE India Limited		
	High Price	Low Price	Traded Quantity	High Price	Low Price	Traded Quantity
Sep-11	131.1	23.25	47310964	131.6	23.25	72796771
Oct-11	26.6	19.95	1145503	25.55	19.4	1992900
Nov-11	24.05	15.2	835898	23.95	15.1	1544081
Dec-11	17.65	12.5	656279	17.5	12.5	990686
Jan-12	15.55	12.5	532818	15.25	12.45	690302
Feb-12	28.35	13.6	2620264	28.45	13.6	4224116
Mar-12	21.2	14.2	394548	21	14.5	397161



(vii) **Registrars and Share Transfer Agents**

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai- 400078
Tel: 022- 2594 6970 Fax: 022- 2594 6969
Email: rnt.helpdesk@linkintime.co.in
Contact person: Ms. Chaitali Jadahav

**(viii) Share Transfer System**

The Company has constituted an Investor Grievance Committee of its Directors to approve the transfer, transmission, issue of duplicate share certificates and allied matters. The Company's Share Transfer Agents viz. Link Intime India Pvt. Ltd. have adequate infrastructure to process the matters referred above.

(ix) Shareholding Pattern as on 31st March, 2012

Category	No. of Shares	% of Shareholding
1. Promoter and Promoter Group	9836422	60.77
2. Bodies Corporate	1134273	7.00
3. Indian Public	5088279	31.44
4. NRIs	127448	0.79
Total	16186422	100.00

(x) Distribution of Shareholding as on 31st March, 2012

Shareholding of Shares		Shareholders		No. of Shares	
From	To	Number	% of Total	Number	% of Total
1	500	8973	81.43	1424538	8.80
501	1000	1032	9.37	853407	5.27
1001	2000	514	4.66	794684	4.91
2001	3000	194	1.76	509348	3.15
3001	4000	74	0.67	268536	1.66
4001	5000	58	0.53	268259	1.66
5001	10000	101	0.92	737726	4.56
10001	and above	73	0.66	11329924	70.00
TOTAL		11019	100.00	16186422	100.00

(xi) Dematerialization of Shares

As on 31st March, 2012, 99.86 per cent of the share capital was held in dematerialized form. Only 22,400 shares were held in physical form.

(xii) Plant locations

Regd. Office & Works at:
Village Kishanpura, Nalagarh Road,
Baddi, Distt. Solan, H.P.

Another plant at following address is under construction stage :
Survey No.2, Village Manglej,
Nareshwar Road, Taluka Karjan,
Distt. Vadodara, Gujarat

(xiii) Address for correspondence**Registered Office and Works:**

Village Kishanpura,
Nalagarh Road, Baddi, Distt. Solan
Himachal Pradesh
Tel: 01795-654001/04/06

Corporate Office:

Suite no. 203-204,
Eco House, Vishveshwar Nagar,
Goregaon East, Mumbai
Tel: 022- 29275901/02/03/04

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT UNDER CLAUSE 49(I)(D)(ii) OF THE LISTING AGREEMENT

The Shareholders,

I, Rajesh Mahajan, Managing Director of the Company, do hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct adopted by the Board of Directors, as applicable to the Board of Directors and Senior Management of the Company. The same has been made available on the website of the Company i.e. www.brookslabs.net.

Place: Baddi
Date: 29.08.2012

FOR AND ON BEHALF OF THE BOARD
Sd/-
Rajesh Mahajan
Managing Director



AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,

The Members
Brooks Laboratories Limited

We have examined the compliance of conditions of Corporate Governance by BROOKS LABORATORIES LIMITED for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the Company with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

The compliance of conditions of the Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We state that no investor complaint is pending for a period exceeding one month as on 31st March, 2012 against the Company, as per records maintained by the Investors Grievances Committee of the Company.

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

FOR SHARMA SARIN & ASSOCIATES
Company Secretaries

Place: Chandigarh
Date: 28.08.2012

Sd/-
P.D. SHARMA
Partner
C.P. No. 2692

MD / CFO CERTIFICATION

To

The Board of Directors
BROOKS LABORATORIES LIMITED

We, the undersigned, in our respective capacities as the Managing Director and Chief Financial Officer of BROOKS LABORATORIES LIMITED ("the Company"), to the best of our knowledge and belief, certify that

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2012 and based on our knowledge and belief, state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and for evaluating the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee that:
 - (i) there has been no significant changes in internal control over financial reporting during the year under reference;
 - (ii) there has not been any significant changes in accounting policies during the year which need to be disclosed in the notes to the financial statements; and
 - (iii) we are not aware of any material instances of significant fraud during the year and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 28.05.2012
Place: Mumbai

Sd/-
Rajesh Mahajan
Managing Director

Sd/-
Ketan Shah
Chief Financial Officer

**AUDITOR'S REPORT**

The Members

Brooks Laboratories Ltd.,

1. We have audited the attached Balance Sheet of **M/s Brooks Laboratories Limited** as at 31st March, 2012, the Statement of Profit and Loss and also the Cash Flow Statement of the Company for the year ended as on 31.03.2012 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 Auditing Standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 the 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 Companies (Auditor's Report) Order 2003, as amended by the Companies (n Auditors' Report) (Amendment) Order, 2004 (together the Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclosed in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the annexure referred to in Paragraph (3) above:-
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for purpose of our audit.
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
 - c. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - d. In our opinion, the Balance Sheet, Statement of 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.
 - e. On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director of the company in terms of Clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said statement of accounts read together with accounting policies and other notes thereon, give the information required by Companies Act, 1956 in the manner as required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012.
 - b) In the case of the Statement of 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 **J. K. JAIN & ASSOCIATES**

Chartered Accountants

Sd/-

J.K.JAIN

(Partner)

Place : Chandigarh

Date : 29.05.2012



ANNEXURE TO AUDITOR'S REPORT

(Referred to in Para (3) of our Report of even date to the Member of **BROOKS LABORATORIES LIMITED** on the accounts for the year ended 31st March, 2012)

- 1 **In respect of its Fixed Assets**
 - (a) The company has maintained proper records showing full particulars, including Quantitative detail & situation of fixed assets.
 - (b) According to information and explanations given to us, the company has a system of physical verification of all its fixed assets once in a year, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. We are informed that there were no material discrepancies noticed on such verification.
 - (c) In our opinion, the Company has not disposed off any substantial/ major part of fixed assets during the year and going concern status of the company is not affected.
- 2 **In respect of Inventories .**
 - (a) As explained to us, the stock of stores, spare parts, raw material and finished goods have been physically verified by the management at regular intervals during the year.
 - (b) In our opinion and according to the information & explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable & adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion & according to the information & explanations given to us and on the basis of our examination of the records of inventory, the company is maintaining proper records of its inventory. The discrepancies noticed on physical verification of stock of store, spare parts, raw material and finished goods were not significant in relation to the operation of the company and the same have been properly dealt with in the books of accounts.
- 3 According to the information and explanation given to us, the company has not granted /taken any loan, secured or unsecured to / from the companies, firm & other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and its nature of business for purchase of stores, raw materials including components, plant & machinery, equipment and other assets and for the sale of goods.
- 5 In respect of transactions to be entered in the register maintained in pursuance of section 301 of the Companies Act, 1956:-
 - (a) To the best of our knowledge and belief and according to the information and explanations given to us, company has entered the transactions that needed to be entered into the register.
 - (b) According to the information and explanations given to us, there is no transactions exceeding Rs. 5,00,000/- (Rupees five lacs only).
- 6 In our opinion and to the best of our knowledge & belief, internal audit system followed by the management is commensurate with the size of the company and nature of its business.
- 7
 - (a) The Company is required to maintain cost records under section 209 (1) (d) of the Companies Act, 1956 for the products of the company and according to the information & explanations given to us, the company has maintained the records as prescribed by the Central Government but we have not carried out the examination of these records.\
 - (b) According to the information and explanations given to us, there are no such statutory dues which have not been deposited on account of any dispute.
- 8 According to the information & explanations given to us, and the records of the company examined by us, the company has been regular in depositing undisputed statutory dues of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, Labour Welfare Fund, Investor Education Protection Fund and other material statutory dues applicable to it.
- 9 The Company does not have any accumulated losses as at end of the financial year. The Company has not incurred cash losses during the current and the immediately preceding year.



- 10 According to the records of the company examined by us and the information and explanation given to us, the company during the year has not defaulted in repayment of dues to financial institution or banks.
- 11 According to the information & explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- 12 In our opinion and according to the information and explanation given to us, the Company is not a chit fund/nidhi/ mutual benefit fund/ society.
- 13 The Company is not dealing or trading in shares, securities, debentures and other investment.
- 14 In our opinion and according to the information & explanations given to us, the company has not given any guarantee during the year for loans taken by others from banks or financial institutions.
- 15 In our opinion and according to the explanations given to us, the term loans taken during the year have been applied for the purpose for which they were obtained.
- 16 According to the cash flow statement and other records examined by us and on the basis of the information and explanation given to us , on an overall basis, funds raised on short term basis have, prima facie ,not been used during the year for long term investment.
- 17 During the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 18 During the year since the company has not raised any debentures, paragraph 4 of the Order is not applicable.
- 19 Based upon the audit procedures performed and information & explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit for the year ended 31st March 2012.

For J. K. JAIN & ASSOCIATES
Chartered Accountants
Sd/-
J.K.JAIN
(Partner)

Place : Chandigarh
Date : 29.05.2012

**BALANCE SHEET AS AT 31ST MARCH 2012**

(in Rs.)

Particulars	Note. No.	As at 31st March, 2012	As at 31st March, 2011
I. EQUITY AND LIABILITIES			
<u>Shareholders' Funds</u>			
(a) Share Capital	1	161,864,220	98,864,220
(b) Reserves and Surplus	2	750,767,895	95,408,837
<u>Non-Current Liabilities</u>			
(a) Long-Term Borrowings	3	-	9,017,062
(b) Deferred Tax Liabilities (Net)		12,127,236	10,170,320
<u>Current Liabilities</u>			
(a) Short-Term Borrowings	4	-	77,645,394
(b) Trade Payables	5	72,419,679	70,085,721
(c) Other Current Liabilities	6	11,579,350	7,302,616
(d) Short-Term Provisions	7	49,271,209	40,143,473
TOTAL		1,058,029,589	408,637,643
II. ASSETS			
<u>Non-Current Assets</u>			
(a) Fixed Assets	8		
(i) Tangible Assets		267,314,070	190,865,704
(ii) Capital WIP (Vadodara Plant)		153,000,000	6,330,000
(b) Non-Current Investments	9	200,000	200,000
(c) Long term Loans and Advances	10	199,027,651	37,890,918
(d) Other Non-Current Assets	11	32,658,272	4,297,685
<u>Current Assets</u>			
(a) Inventories	12	51,601,201	55,016,568
(b) Trade Receivables	13	107,636,001	69,580,877
(c) Cash and Cash Equivalents	14	186,838,620	8,712,344
(d) Short-Term Loans and Advances	15	59,753,774	35,743,547
Total		1,058,029,589	408,637,643

Significant Accounting Policies
and Notes on Accounts

24-25

Notes and Significant Accounting Policies referred to above and annexed there to form an integral part of Balance Sheet. This is the Balance Sheet referred to in our Report of even date.

FOR J.K. Jain & Associates
CHARTERED ACCOUNTANTS

Sd/-
(CA. J.K.JAIN)
M. Ship No. : 083140

Place: Chandigarh
Date: May 29, 2012

FOR Brooks Laboratories Limited

Sd/-
Atul Ranchal
(Chairman)

Sd/-
Rajesh Mahajan
(Managing Director)

Sd/-
Ketan Shah
(C.F.O.)

Sd/-
Ashima Banodha
(C.S.)



STATEMENT OF PROFIT & LOSS ACCOUNT AS ON 31.03.2012

(in Rs.)

Sr. No	Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
I	Revenue from Operations	16	560,758,292	525,391,681
II	Other Income	17	9,222,575	1,263,213
III	III. Total Revenue (I +II)		569,980,867	526,654,894
IV	Expenses:			
	Cost of Materials Consumed	18	360,262,413	374,649,612
	Changes in Inventories of Finished goods, Work-In-Progress	19	2,844,313	(4,200,799)
	Employee Benefit Expense	20	27,299,861	23,903,825
	Financial Costs	21	17,199,079	14,938,208
	Depreciation and Amortization Expense	22	6,562,562	6,113,678
	Other Expenses	23	64,114,082	38,286,000
	Total Expenses (IV)		478,282,309	453,690,524
V	Profit Before Extraordinary Items and Tax	(III - IV)	91,698,558	72,964,369
VI	Extraordinary Items		-	1,067,219
VII	Profit Before Tax (VI-VII)		91,698,558	71,897,150
VIII	Tax expense:			
	(1) Current tax		18,346,818	14,542,164
	(2) Deferred tax		1,956,916	1,606,510
	(3) Less: Mat.Credit		16,964,233	13,133,587
IX	Profit(Loss) for the perid from continuing operations (VII-VIII)		88,359,057	68,882,063
X	Earning per Equity Share:			
	(1) Basic	26	6.55	6.97
	(2) Diluted		6.55	7.00

Notes and Significant Accounting Policies referred to above and annexed there to form an integral part of Profit & Loss Statement

This is the Statement of Profit & Loss referred to in our Report of even date.

FOR J.K. Jain & Associates
CHARTERED ACCOUNTANTS

Sd/-
(CA. J.K.JAIN)
M. Ship No. : 083140

Place: Chandigarh
Date: May 29, 2012

FOR Brooks Laboratories Limited

Sd/-
Atul Ranchal
(Chairman)

Sd/-
Rajesh Mahajan
(Managing Director)

Sd/-
Ketan Shah
(C.F.O.)

Sd/-
Ashima Banodha
(C.S.)



NOTES FORMING PART OF BALANCE SHEET

The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year presentation.

1 SHARE CAPITAL

(in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Authorised Share Capital		
20,000,000 Equity Shares of 10/- each	200,000,000	200,000,000
	-----	-----
	200,000,000	200,000,000
	-----	-----
Issued Subscribed and Paid up:		
1,61,86,422 Equity Shares of Rs. 10/- each, Fully Paid Up (Previous year 98,86,422 Equity Shares of 10/- each)	161,864,220	98,864,220
	-----	-----
TOTAL	161,864,220	98,864,220

1.1 91,20,112(PY 91,20,112) Shares out of Issued , Subscribed and Paid up Share Capital were allotted as Bonus Shares in last five years by Capitalization of Reserves

1.2 The Details of Shareholders holding more than 5% shares:

Name of Shareholder	Equity Shares			
	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
ATUL RANCHAL	4113071	25.41	4113071	41.60
RAJESH MAHAJAN	3493151	21.58	3493151	35.33

1.3 The Reconciliation of the number of shares outstanding is set out below:

Particulars	Equity Shares			
	As at 31 March 2012		As at 31 March 2011	
	Number	Amt.	Number	Amt.
Shares outstanding at the beginning of the year	9,886,422	98,864,220	4,651,200	46,512,000
Shares Issued during the year	6,300,000	63,000,000	5,235,222	52,352,220
Shares outstanding at the end of the year	16,186,422	161,864,220	9,886,422	98,864,220

1.4 During the financial year 2011-12 , the Company has raised a sum of Rs 63,00,00,000 through issue of 63,00,000 Equity Shares of Rs 10/- each at a premium of Rs 90/- per share. The issue was made through Book Building Process.



2: RESERVES & SURPLUS

(in Rs.)

Sr. No	Particulars	As at 31st March, 2012	As at 31st March, 2011
1	Securities Premium	-	-
	As per last Balance Sheet	-	-
	Add: on issue of Shares	567,000,000	
	(On 6300000 shares @Rs 90 per share)		
2	As per last Balance Sheet	90,288,432	84,458,922
	Add: Profit for the period	88,359,058	68,882,063
	Less: Appropriations		
	- Dividend & DDT	-	11,528,433
	Less: Bonus Shares Issued	-	51,524,120
	Surplus (Profit & Loss Account)	178,647,490	90,288,432
3	Mat Credit	5,120,405	5,120,405
	TOTAL	750,767,895	95,408,837

3: LONG TERM BORROWINGS

Sr. No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
	Secured		
1	Term Loan from Bank (State Bank of India) (Secured by mortgage of Fixed Assets of the company and personal guarantee of Directors)	-	6,638,083
2	Vehicle Loan (Secured by Hypothecation of Vehicles)	-	2,378,979
	TOTAL	-	9,017,062

4: SHORT TERM BORROWING

Sr. No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
	Other Loans from Banks		
1	SBI-C/C 30039430298 (Secured by Mortgage of Current Assets of the company)	-	74,586,242
2	SBI- C/C Goregoan	-	3,059,152
	TOTAL	-	77,645,394

5: TRADE PAYABLES

Sr. No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
1	Micro, Small and Medium Enterprises	-	-
2	Sundry Creditors for Material/Supplies	72,419,679	70,085,721
	TOTAL	72,419,679	70,085,721

5.1 The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and, hence, disclosures relating to amounts unpaid as at the end together with interest paid/payable under this Act has not been given.

**6: OTHER CURRENT LIABILITIES***(in Rs.)*

Sr. No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
1	Service Tax Payable	-	19,261
2	TDS Payable	552,780	135,196
3	Central Sales Tax Payable	115,192	-
4	Advance From Customers	3,891,216	6,921,822
5	Professional Charges Payable	18,000	-
6	Staff Security	26,324	51,979
7	Commission Payable	6,117,300	-
8	Axis Bank Baddi C/A	297,061	-
9	Other Creditors	561,476	174,358
	TOTAL	11,579,350	7,302,616

6.1 Other Creditors includes creditors for Capital Goods.

7: SHORT TERM PROVISIONS

Sr. No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
Provision For Employee Benefits			
1	EPF Payable	191,392	132,275
2	Esic Employee Contribution Payable	18,647	13,034
3	Esic Employers Contribution Payable	50,318	34,555
4	Administration Charges Epf Payable	12,839	8,972
5	Salary for Marketing(Payable)	143,320	183,834
6	Salary to Directors Payable	85,880	272,500
7	Salary to Staff (Payable)	626,163	823,146
8	Employee Profession Tax Payable	1,850	1,150
9	Provision for Retirement Benefits	4,944,072	2,332,111
Others			
1	Electricity & Power Charges Payable	489,841	502,389
2	Provision For Divided	-	9,886,422
3	Provision for Dividend Tax	-	1,642,011
4	Audit Fees Payable	399,927	282,417
5	Telephone Expenses Payable	52,085	24,999
6	Wages Payable	420,688	578,030
7	Provision for Taxation A/Y 2012-13 (previous A/Y 2011-12)	41,834,186	23,425,628
	TOTAL	49,271,209	40,143,473

8: FIXED ASSETS
(in Rs.)

Description	Gross Block				Depreciation				Net Block	
	Value at the Beginning	Addition during the Year	Deduction during the Year	Value at the end	Value at the Beginning	Addition during the Year	Deduction during the Year	Value at the end	WDV as on 31.03.2012	WDV as on 31.03.2011
<u>Tangible Assets</u>										
Land	84,366,063	46,086,403	-	130,452,466	-	-	-	-	130,452,466	84,366,063
Lab Equipments	1,163,893	71,794	-	1,235,687	192,624	85,620	-	278,244	957,443	971,269
Building	49,446,389	1,065,658	-	50,512,047	5,927,575	1,689,371	-	7,616,946	42,895,101	43,518,814
Plant and Equipment	52,412,997	34,894,960	-	87,307,957	10,248,931	2,793,502	-	13,042,433	74,265,524	42,164,066
Furnitures & Fixtures	4,919,342	111,602	-	5,030,944	929,887	313,958	-	1,243,845	3,787,099	3,989,455
Vehicles (Cars)	10,440,984	-	-	10,440,984	3,110,994	991,893	-	4,102,888	6,338,096	7,329,990
Office Equipment	1,080,064	45,801	-	1,125,865	239,756	78,481	-	318,238	807,627	840,308
Computer	1,281,873	112,877	-	1,394,750	582,765	217,519	-	800,284	594,466	699,108
Electrical Equipment	741,291	230,563	-	971,854	152,719	58,395	-	211,114	760,740	588,572
Generator	4,119,793	-	-	4,119,793	502,628	195,690	-	698,318	3,421,475	3,617,165
Air Conditioner	3,335,749	391,269	-	3,727,018	554,855	138,131	-	692,966	3,034,032	2,780,894
SUB TOTAL (A)	213,308,438	83,010,927	-	296,319,365	22,442,734	6,562,562	-	29,005,296	267,314,070	190,865,704
<u>Capital Work-in-Progress</u>										
Building Under Construction	6,330,000	153,000,000	6,330,000	153,000,000	-	-	-	-	153,000,000	6,330,000
SUB TOTAL (B)	6,330,000	153,000,000	6,330,000	153,000,000	-	-	-	-	153,000,000	6,330,000
Total [A + B]	219,638,438	236,010,927	6,330,000	449,319,365	22,442,734	6,562,562	-	29,005,296	420,314,070	197,195,704
(Previous Year)	216,543,669	9,424,769	6,330,000	219,638,438	16,412,285	6,030,449		22,442,734	197,195,704	193,801,384

Capital Work in Progress under development include:

Rs. 15,30,00,000/- (Previous year Rs.63,30,000) on account of Project development expenditure.

**9: NON CURRENT INVESTMENTS**

(in Rs.)

Sr. No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
	Investment in Unquoted Shares (20,000 Equity Shares in Shivalik Solid Waste Management Ltd.)	200,000	200,000
	TOTAL	200,000	200,000

10: LONG TERM LOANS & ADVANCES

Sr. No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
	Security Deposit		
	Unsecured, Considered Good :		
1	Earnest Money Deposit	2,405,272	4,874,700
2	Other Deposit	10,239,440	3,346,800
3	MAT Credit	46,633,651	29,669,418
4	Advances towards Plant & Mach.	139,749,287	-
	TOTAL	199,027,651	37,890,918

11: OTHER NON CURRENT ASSETS

Sr. No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
	Preliminary Expenses (to the extent not w/off or adjusted)	32,658,272	4,297,685
	TOTAL	32,658,272	4,297,685

12: INVENTORIES

Sr. No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
1	Raw Material	23,712,649	21,334,447
2	Work-in-Progress	4,176,536	7,166,605
3	Finished Goods	7,801,259	7,655,503
4	Packing material	15,910,757	18,860,013
	TOTAL	51,601,201	55,016,568

12.1 Inventories are valued as per method described in significant Accounting Policies.

13: TRADE RECEIVABLES

Sr. No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
1	Outstanding for more than six months		
	a) Unsecured, Considered Good :	-	529,190
	b) Doubtful	2,415,170	-
2	Others		
	Unsecured, Considered Good :	105,220,831	69,051,687
	TOTAL	107,636,001	69,580,877

**14: CASH & CASH EQUIVALENT**

(in Rs.)

Sr. No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
	Cash-in-Hand		
1	Petty Cash Balance	91,062	59,844
2	Imprest A/c	68,625	69,125
	Sub Total (A)	159,687	128,969
	Bank Balance		
1	SBI Current Account (Dividend 2010-11)	6,750	-
2	SBI -Power Pack- Mumbai	839,482	250,535
3	Axis Bank Baddi C/A		2,233,840
4	SBI O/D A/c	(9,883,488)	-
	Sub Total (B)	(9,037,256)	2,484,375
	Fixed Deposits		
1	Fixed Deposit	144,000,000	-
2	Fixed Deposit against BG	9,237,000	99,000
3	Fixed Deposit for tender	2,479,189	-
4	FDR being Margin Money for L/c and O/d	40,000,000	6,000,000
	Sub Total (C)	195,716,189	6,099,000
	TOTAL (A+B+C)	186,838,620	8,712,344

15: SHORT TERM LOANS & ADVANCES

Sr. No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
	Others		
	Advance Recoverable in cash or in kind or for value to be receive considered good		
1	Advance to Suppliers	7,517,520	5,935,726
2	Advance Income Tax/Refund Due	39,395,959	23,749,059
3	TDS Receivable	1,125,771	173,860
4	Balance With Revenue Authorities (Indirect Taxes)	1,104,673	5,680,276
5	Prepaid Expenses	212,284	26,527
6	HDFC-Escrow A/c	6,524,010	-
7	FDR Interest Accrued	3,847,857	146,099
8	Advance salary and Other Misc. Advances	25,700	32,000
	TOTAL	59,753,774	35,743,547

15.1 The balance kept in HDFC- Escrow A/c is as per directions of SEBI.

16: REVENUE FROM OPERATIONS

Sr. No.	Particulars	As At 31st March, 2012	As At 31st March, 2011
	Sales (Exclusive of Excise Duty)		
1	Sale 1%	398,662,312	487,834,673
2	Sale Aгаisnt Form F	6,991,446	3,392,070
4	Sale CST 5%	147,825,691	32,766,495
5	SALES AGAINST FORM H	6,608,400	5,286,875
6	Sale Vat 5%	2,874,391	2,395,679
	Less:		
	Sales Return	2,203,948	6,284,110
	TOTAL	560,758,292	525,391,681

**17: OTHER INCOME**

(in Rs.)

Sr. No.	Particulars	As At 31st March, 2012	As At 31st March, 2011
1	Interest on FDR's	9,004,826	824,841
2	Other Receipts	217,749	438,372
	TOTAL	9,222,575	1,263,213

18: COST OF MATERIAL CONSUMED

Sr. No.	Particulars	As At 31st March, 2012	As At 31st March, 2011
1	Purchase of R.M. & Stores		
	Opening Stock		
	- Raw Material	21,334,447	20,792,040
	- Packing Material	18,860,013	15,844,502
	Sub Total (A)	40,194,460	36,636,542
2	Stores & Consumables (B)	359,691,359	378,207,530
	Less : Closing Stock		
	- Raw Material	23,712,649	21,334,447
	- Packing Material	15,910,757	18,860,013
	Sub Total (C)	39,623,406	40,194,460
	TOTAL (A+B+C)	360,262,413	374,649,612

18.1 Value of Raw Materials Consumed

Sr. No.	Particulars	As At 31st March, 2012	% of Consumption	As At 31st March, 2011	% of Consumption
		(In Lacs)		(In Lacs)	
1	Imported	725	18.14%	632	16.94%
2	Indigenous	3,271	81.86%	3,098	83.06%
	TOTAL	3,996	100%	3,730	100%

18.2 Value of Imports on CIF Basis in respect of

Sr. No.	Particulars	As At 31st March, 2012	As At 31st March, 2011
1	Raw Material	92,855,067	99,106,901
2	Capital Goods	327,100,000	-
	TOTAL	419,955,067	99,106,901

19: CHANGE IN INVENTORIES

Sr. No	Particulars	As At 31st March, 2012	As At 31st March, 2011
1	Opening Stock		
	- Finished Goods	7,655,503	4,804,807
	- Work in Progress	7,166,605	5,816,502
	Sub Total (a)	14,822,108	10,621,309
2	Closing Stock		
	- Finished Goods	7,801,259	7,655,503
	- Work In Progress	4,176,536	7,166,605
	Sub Total (b)	11,977,795	14,822,108
	TOTAL (a-b)	2,844,313	(4,200,799)



20: EMPLOYEMENT BENEFIT EXPENSES

(in Rs.)

Sr. No	Particulars	As At 31st March, 2012	As At 31st March, 2011
1	Salaries & Wages	24,585,278	23,092,825
2	Contribution to Provident Fund and other funds	1,771,109	90,431
3	Staff Welfare Expenses	943,474	720,569
	TOTAL	27,299,861	23,903,825

20.1 As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below:

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit

Reconciliation of fair value of assets and obligations

Sr. No	Particulars	As At 31.03.2012	As At 31.03.2011
1	Gratuity		
	Fair Value Of Plan Assets	-	-
	Present value of obligation	3,694,145	1,738,912
	Funded Status	3,694,145	1,738,912
	Amount recognised in balance Sheet	3,694,145	1,738,912
2	Leave Encashment		
	Fair Value Of Plan Assets	-	-
	Present value of obligation	1,249,927	593,199
	Funded Status	1,249,927	593,199
	Amount recognised in balance Sheet	1,249,927	593,199

Expenses recognised during the year

Sr. No	Particulars	As At 31.03.2012	As At 31.03.2011
1	Gratuity		
	Current Service Cost	877,607	451,065
	Interest Cost	147,808	54,580
	Net Acturial (gain)/loss recognised in the period	987,229	551,023
	Expense recognised in the P&L Statement	2,012,644	1,056,668
2	Leave Encashment		
	Current Service Cost	695,738	393,521
	Interest Cost	50,422	30,798
	Net Acturial (gain)/loss recognised in the period	336,812	147,378
	Expense recognised in the P&L Statement	1,082,972	571,697

21: FINANCIAL COST

Sr. No	Particulars	As At 31st March, 2012	As At 31st March, 2011
	Interest Expense	15,355,521	14,511,948
	Bank Charges	221,815	1,564,413
	Exchange Fluctuation	1,621,743	(1,138,152)
	TOTAL	17,199,079	14,938,208

21.1 Interest Expense includes Interest on Car Loan, Bank, ICD as well as LC Discounting Charges.

**22: DEPRECIATION & AMORTISATION**

(in Rs.)

Sr. No	Particulars	As At 31st March, 2012	As At 31st March, 2011
1	Depreciation	6,562,562	6,030,449
2	Preliminary Expenses W/O	-	83,229
	TOTAL	6,562,562	6,113,678

23: OTHER EXPENSES

Sr. No	Particulars	As At 31st March, 2012	As At 31st March, 2011
a)	Manufacturing Expenses		
1	Consumables	1,666,220	1,827,139
2	Generator running	5,178,008	5,053,982
3	Power supply	6,736,902	6,826,187
4	Repair & Maintenance	564,564	1,365,421
5	Freight & Octroi (I)	458,554	833,546
6	Packing Charges	3,860,049	4,287,717
7	Tools and Spare Parts	807,865	698,011
8	Testing Charges	874,300	599,029
	Sub Total (a)	20,146,461	21,491,032
b)	Administration Expenses		
1	Telephone Expenses	545,660	567,936
2	Electricity Expenses	454,380	353,958
3	Travelling Expenses	4,240,437	3,791,541
4	Repair & Maintenance Building	225,412	690,558
5	Computer Maintenance	112,040	252,958
6	General Expenses	350,634	221,427
7	Insurance Expenses	126,857	282,223
8	Legal & Professional Charges	1,613,108	323,069
9	Stationery Expenses	691,722	614,979
10	Rent Rates & Taxes	4,326,027	3,191,077
11	Rebate & Discounts	1,218,457	407,489
12	Sitting Fees	175,000	130,000
13	Directors Remuneration	6,804,000	3,420,200
14	Export Promotion	-	120,665
15	Other Administration Expenses	547,213	321,577
	Sub Total (b)	21,430,947.28	14,689,656.30
c)	Selling and Distribution Exp.		
1	Advertisement & Publicity	190,954.00	345,959
2	FREIGHT & OCTROI (O) A/C	2,018,544.00	618,385
3	Late Delivery Charges	1,290,792.93	324,435
4	Commission & Packing and Forwarding Charges	18,643,122.40	540,783
	Sub Total (c)	22,143,413	1,829,562

**d) Payment to Auditors :**

1	Statutory Audit Fees	250,000	175,000
2	Tax Audit Fee	50,000	50,000
3	Consultancy	50,000	25,000
4	Add: Service Tax	43,260	25,750
	Sub Total (d)	393,260	275,750
	TOTAL (a+b+c+d)	64,114,082	38,286,000

24. Disclosure as required by AS-18 (Related Party Disclosures) issued by ICAI.

Related Party	Relationship	Nature of Transaction	Amount of Transaction
Mr Atul Ranchal	Chairman	Remuneration Paid	INR 28,50,000/-
Mr.Rajesh Mahajan	Managing Director	Remuneration Paid	INR 28,50,000/-
Mr DS Maity	Director	Remuneration Paid	INR 11,04,000/-
Mrs. Saras Gupta	Director's Wife	Remuneration Paid	INR 20,55,000/-
Mrs. Rajni Ranchal	Director's Wife	Remuneration Paid	INR 20,55,000/-

25 The company operates only in one business segment viz. "Pharmaceutical Formulation"

Since in the opinion of management, the inherent nature of activities engaged by the company are governed by the same set of risks and rewards, so these have been grouped and identified as a single segment in accordance with the Accounting Standard on Segment Reporting (AS-17) issued by ICAI.

26 (in Rs.)

EARNING PER SHARE (EPS)	As At 31st March, 2012	As At 31st March, 2011
Net Profit after tax as per Statement of Profit		
Profit and Loss attributable to Equity Shareholders	88,359,057	68,882,063
Weighted Average number of equity shares used as denominator for calculating EPS	16,186,422	9,824,315
Basic EPS	6.55	6.97
Diluted EPS	6.55	7.00



Significant Accounting Policies

1. **Accounting Convention**

The Financial Statements are prepared in accordance with applicable Accounting Standards in India. A summary of important Accounting Policies, which have been applied consistently, is set out below. Accounting Policies comprises Accounting Standards specified by Central Government u/s 211(3C) of the companies Act 1956, other pronouncements of the Institute of Chartered Accountants of India and guidelines issued by SEBI. The Financial Statements have also been prepared in accordance with relevant presentational requirements of Companies Act 1956.

2. **Basis of Accounting**

The Financial Statement are prepared under the historical cost convention and on the basis of going concern, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

3. **Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

4. **Fixed Assets**

Fixed Assets are stated at historical cost (including expenses incurred on putting them in use) less accumulated depreciation.

5. **Depreciation and Amortization**

Depreciation has been provided on straight -line method, on single shift basis at the rates Specified in the schedule XIV of the Companies Act, 1956.

6. **Inventories**

The inventories are valued in accordance, with the revised Accounting Standard-2 " (AS-2)" Valuation of Inventories" and the revised " Guidance Note on Accounting Treatment for Excise Duty" issued by the Institute of Chartered Accountants of India. According the method of valuation adopted are as under :-

- i. Stock Raw Material and Packing Material :- At cost price.
- ii. Stock of Work in Progress :- At material cost plus apportioned manufacturing overheads.
- iii. Stock of Finished Goods :- At material cost plus apportioned manufacturing overheads plus excise duty and other costs incurred in brining the inventories to their present location and condition or Net Realizable value whichever is lower.
- iv. Spares and consumable: - At cost.

7. **Investments**

- (a) Long term investments are stated at cost of acquisition, provision for diminution is made only to recognize a decline other than temporary, if any, in the value of investments.
- (b) Current investments are carried at lower of cost and fair market value.
- (c) Dividends are accounted for as and when received.

8. **Employee Benefits**

- (a) A short term employees benefits are recognized as an expenses at the undiscounted amount in the profit and loss accounts of the year in which the related is rendered.
- (b) Post employees and other long term employees benefits are recognized as an expense in the profit and loss account for the year in which the employees has rendered services. The expenses are recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Profit and Loss account.

9. **Revenue Recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Sales of goods and services are recognized upon passage of the title to the customer, which generally coincides with the delivery. Sale is net of sale returns. Interest income is recognized on time proportion basis taking into account outstanding and rate applicable.

**10. Foreign Currency Transactions**

- (a) Foreign exchange transactions in respect of import payments are stated at the exchange rate prevailing at the time of transaction and variation, if any, accounted for on the date of payment is squared during the same accounting year.
- (b) Monetary items denominated in foreign currencies remaining unsettled at the year end if not covered by forward exchange contracts are translated at year end rates.
- (c) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in case of where they relate to acquisition of fixed assets in which case they are adjusted in the carrying cost of such assets.

11. Provision for Current and Deferred Tax

- (a) Provision for current tax is made after taking in to consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that is a virtual certainty that assets will be realized in future.
- (b) **MAT:** Minimum Alternative Tax payable under the provisions of the Income Tax Act, 1961 is recognized as an asset in the year in which credit becomes eligible and is set off in the year in which the Company becomes liable to pay income taxes at the enacted tax rates and shall be reversed in the year in which it lapses.

12. Amortizations of Miscellaneous Expenditure

Preliminary expenses are amortized over a period of five years. Listing expenses and initial public offer expenses are also incurred during the year. All these expenses will be written off over the period of next five years starting from the year of production of that unit.

13. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in management are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

14. Impairment of Assets

An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

FOR J.K. Jain & Associates
CHARTERED ACCOUNTANTS

Sd/-
(CA. J.K. JAIN)
M. Ship No. : 083140

Place: Chandigarh
Date: May 29, 2012

FOR Brooks Laboratories Limited

Sd/-
Atul Ranchal
(Chairman)

Sd/-
Ketan Shah
(C.F.O.)

Sd/-
Rajesh Mahajan
(Managing Director)

Sd/-
Ashima Banodha
(C.S.)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012***(in Rs.)*

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxation	91,698,558	72,964,370
Add: Adjustment		
Depreciation	6,562,562	6,030,449
Expenses Amortised	-	83,229
Prior period Expenses	-	1,264,893
Less: Interest Received	(9,004,826)	(824,841)
Add: Mat Credit	16,964,233	13,133,587
Interest Expense	14,851,502	-
Operating Profit before working capital changes	121,072,029	92,651,687
Adjusted for		
(Increase)/Decrease in Current Assets		
(Increase)/Decrease in Stock	3,415,367	(7,758,717)
(Increase)/Decrease in Misc Exp.	-	(4,297,685)
(Increase)/Decrease in Trade Receivables	(38,055,124)	15,974,798
(Increase)/Decrease in Loans & Advances	(24,010,227)	(36,733,177)
(Increase)/Decrease in Trade Payables	2,333,959	(21,075,004)
(Increase)/Decrease in Other Liabilities	(62,284,008)	829,402
Net Cash Flow from operating activities (A)	2,471,996	39,591,304
Income Tax Paid	(20,303,734)	
B) CASH FLOW FROM INVESTING ACTIVITIES		
Addition to Fixed Assets	(83,010,927)	(2,910,397)
Addition to Capital WIP Project	(146,670,000)	(6,330,000)
Income from Interest & Dividend	9,004,826	824,841
Increase in Long Term Loans Advances & Non- Current Assets	(189,497,321)	-
Net Cash Flow from Investing Activities (B)	(410,173,422)	(8,415,556)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share Capital	63,000,000	500,000
Increase in Security Premium	567,000,000	-
Increase in Secured Loan	(9,017,062)	(31,246,859)
Increase in Unsecured Loan	-	(300,000)
Net Interest Paid	(14,851,502)	-
Net Cash from Financing Activities (C)	606,131,436	(31,046,859)
Net Increase in Cash & Cash Equivalents (A+B+C)	178,126,276	128,889
Cash & Cash Equivalents as at Beginning of the year	8,712,344	8,583,455
Cash & Cash Equivalents as at end of the year	186,838,620	8,712,344

FOR J.K. Jain & Associates
CHARTERED ACCOUNTANTS

Sd/-
(CA. J.K. JAIN)
M. Ship No. : 083140

Place: Chandigarh
Date: May 29, 2012

FOR Brooks Laboratories Limited

Sd/-
Atul Ranchal
(Chairman)

Sd/-
Rajesh Mahajan
(Managing Director)

Sd/-
Ketan Shah
(C.F.O.)

Sd/-
Ashima Banodha
(C.S.)



BROOKS LABORATORIES LIMITED

Registered Office: Village Kishanpura, Nalagarh Road, Baddi, Distt. Solan, H.P.

ATTENDANCE SLIP

I hereby record my presence at the Tenth Annual General Meeting of the above named Company being held at **HOTEL GIANZ, BADDI-NALAGARH HIGHWAY, TEH. NALAGARH, DISTT. SOLAN, H.P.** at 11.30 A.M., on Tuesday, the 25th day of September, 2012.

.....
.....
Full Name of the Member

.....
.....
Signature

(IN BLOCK LETTERS)

Folio No/ Client-ID.....

No. of Shares held.....

.....
.....
Full Name of the Proxy

.....
.....
Signature

(IN BLOCK LETTERS)

NOTE: Members attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

BROOKS LABORATORIES LIMITED

Registered Office: Village Kishanpura, Nalagarh Road, Baddi, Distt. Solan, H.P.

PROXY FORM

Regd. Folio No./ Client I.D. No.

I/ We
ofbeing a member/members of
BROOKS LABORATORIES LIMITED appoint
of..... or failing him/her
.....of.....

as my/our proxy to vote for me/us on my/our behalf at the 10th Annual General Meeting of the Company to be held at 11.30 A.M. on Tuesday, the 25th day of September, 2012 and at any adjournment thereof.

Signed this.....day of.....2012

Signature.....

NOTES:

1. The Proxy form duly signed should reach the Company's Registered Office at least 48 hours before the time of meeting. The Proxy need not be a member of the Company.
2. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.