



**ANNUAL REPORT 2011-12**

**MAKERS LABORATORIES LIMITED**



## Five Years' Highlights

(Rs. Lacs)

|                            | 2007-08 | 2008-09 | 2009-10 | 2010-11 | <b>2011-12</b> |
|----------------------------|---------|---------|---------|---------|----------------|
| Total Income*              | 4790.71 | 4233.22 | 4631.33 | 5466.37 | <b>6300.23</b> |
| Profit/(Loss) Before Tax   | 168.09  | 364.52  | 464.27  | 513.20  | <b>(64.52)</b> |
| Profit/(Loss) After Tax    | (20.36) | 238.62  | 279.74  | 345.44  | <b>(57.21)</b> |
| Share Capital              | 434.55  | 434.55  | 434.55  | 491.70  | <b>491.70</b>  |
| Reserves & Surplus         | 510.55  | 749.16  | 978.23  | 1552.12 | <b>1494.91</b> |
| Net Worth                  | 945.10  | 1183.72 | 1412.78 | 2043.82 | <b>1986.61</b> |
| Net Block                  | 311.60  | 308.37  | 620.29  | 1212.16 | <b>1238.08</b> |
| Earnings Per Share (Rs.)   | (0.47)  | 5.49    | 6.44    | 7.03    | <b>(1.16)</b>  |
| Book Value per Share (Rs.) | 21.75   | 27.24   | 32.51   | 41.57   | <b>40.40</b>   |

\* Net of Excise Duty and Sales Tax

**BOARD OF DIRECTORS**

|                     |   |                     |
|---------------------|---|---------------------|
| K. C. Jain          | - | Director            |
| Sudarshan Loyalka   | - | Director            |
| Dr. Rajeshwar Singh | - | Director            |
| Prashant Godha      | - | Director            |
| Purnima Jain        | - | Whole-time Director |
| Saahil Parikh       | - | Whole-time Director |

**AUDITORS**

Agarwal & Mangal  
Chartered Accountants  
14/16, Popatwadi,  
1<sup>st</sup> Floor, Kalbadevi Road,  
Mumbai - 400 002.

**COST AUDITORS**

Sevekari, Khare & Associates  
Cost Accountants  
A-4, Hari Niwas,  
1st Floor (Rear side),  
L. J. Road,  
Mumbai - 400 028.

**BANKERS**

AXIS Bank Ltd.

**REGISTERED AND ADMINISTRATIVE OFFICE**

54 D, Kandivli Industrial Estate,  
Charkop, Kandivli (West),  
Mumbai 400 067.

**REGISTRAR & SHARE TRANSFER AGENT**

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai-400 078.

**WORKS**

1. A-163, Phase-1,  
MIDC, Dombivli (East) - 421 203.  
Dist. Thane,  
Maharashtra.
2. Plot No. 29/3, Phase III,  
GIDC Industrial Estate,  
Naroda, Ahmedabad 382 330  
Gujarat.

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NOTICE is hereby given that the 27<sup>th</sup> ANNUAL GENERAL MEETING of Makers Laboratories Limited will be held at Plot No. 47, Kandivli Industrial Estate, Opposite Anand Mangal Hall, Charkop, Kandivli (West), Mumbai- 400 067 on Thursday 2<sup>nd</sup> August, 2012 at 4.00 p.m. to transact the following business.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Purnima Jain who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Prashant Godha who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution :  
“RESOLVED that pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accord its approval to the re-appointment of and remuneration payable to Ms. Purnima Jain as the Wholetime Director of the Company for a further period of 3 years commencing 30<sup>th</sup> October, 2011 on the terms and conditions including remuneration as approved by the Remuneration and Compensation Committee of the Board and as set out in the agreement dated 21<sup>st</sup> October, 2011 entered into between the Company and Ms. Purnima Jain, a copy whereof initialled by the Chairman for the purpose of identification is placed before the meeting, which agreement is hereby specifically approved.”
6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:  
“RESOLVED THAT Mr. Saahil Parikh who was appointed as an Additional Director of the Company by the Board of Directors and holds office upto the date of this Annual General Meeting under section 260 of the Companies Act, 1956 read with Article 92 of the Articles of Association of the Company, but being eligible, offers himself for re-appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a shareholder signifying his intention to propose Mr. Saahil Parikh as a candidate for the office of Director, be and is hereby appointed as a Director of the Company and whose term of office shall be liable to determination by retirement of the Directors by rotation.”
7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:  
“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accord its approval to the appointment of and remuneration and perquisites payable to Mr. Saahil Parikh as the Whole-time Director of the Company for a period of 3 years commencing 11<sup>th</sup> August, 2011 on the terms and conditions as set out in the agreement dated 11<sup>th</sup> August, 2011 entered between the Company and Mr. Saahil Parikh, a copy whereof initialled by the Chairman for the purpose of identification is placed before the meeting, which agreement is hereby specifically approved.”
8. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:  
“RESOLVED that pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act 1956, the consent of the Company be and is hereby accorded to Mr. Umesh Shantilal Parikh, father of Mr. Saahil Parikh, Wholetime Director of the Company to hold and continue to hold an office or

place of profit in the Company as the General Manager – Operations on the payment of remuneration with usual allowances, benefits, perquisites, amenities and facilities as determined by the Board of Directors of the Company so that his total remuneration at any given time does not exceed Rs. 2,00,000/- per month or Rs.24,00,000/- per annum.

RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorised to give suitable increments as they may deem fit and proper and to promote Mr. Umesh Parikh to higher grade provided that the total remuneration payable to Mr. Umesh Parikh shall not exceed the limit prescribed above.”

## **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 IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (2) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 25<sup>th</sup> July, 2012 to Thursday, 2<sup>nd</sup> August, 2012 both days inclusive.
- (3) Members are requested to:
  - (a) intimate to the Company's Registrar & Transfer Agent, M/s Link Intime India Pvt. Ltd. / their Depository Participant ("DP"), changes, if any, in their registered address at an early date;
  - (b) quote their Registered Folio No. and/or DP Identity and Client Identity number in their correspondence; and
  - (c) bring their copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting.
  - (d) encash the dividend warrants on their receipt as dividend remaining unclaimed for seven years are now required to be transferred to the 'Investor Education and Protection Fund' established by the Central Government under the amended provisions of the Companies Act, 1956 and the members shall not be able to claim any unpaid dividend from the said fund or from the Company thereafter. Pursuant to Section 205A(5) of the Companies Act, 1956, all unclaimed dividend declared and paid upto dividend for the financial year 2003-04 have been transferred by the Company to the Investor Education and Protection Fund . Members who have not encashed their dividend warrants for subsequent period are requested to encash the same immediately.
- (4) A brief note on Directors retiring by rotation and eligible for re-appointment is furnished in the Report on Corporate Governance.
- (5) All documents referred to in the notice are available for inspection by the members at the registered office of the Company on all working days till the date of the Annual General Meeting and shall also be placed before the members at the said Annual General Meeting.
- (6) The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business at items 5 to 8 is annexed hereto.

### **Registered Office:**

54-D, Kandivli Industrial Estate  
Kandivli (West),  
Mumbai – 400 067

Mumbai  
30<sup>th</sup> May, 2012

By Order of the Board  
For **Makers Laboratories Limited**

**Purnima Jain**  
Wholetime Director

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 5**

At the meeting of the Board of Directors of the Company held on 21<sup>st</sup> October, 2011, Ms. Purnima Jain has been re-appointed as the Wholetime Director of the Company for a further period of 3 years with effect from 30<sup>th</sup> October, 2011.

This re-appointment is subject to compliance with sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and also subject to the approval of the shareholders. Accordingly, an agreement setting out terms and conditions of her re-appointment including remuneration payable to her was entered into by the Company with Ms. Purnima Jain, Wholetime Director on 21<sup>st</sup> October, 2011.

The Agreement referred to in the resolution at item 5 of the accompanying notice sets out the remuneration and other terms and conditions applicable to Ms. Purnima Jain upon her re-appointment as the Wholetime Director.

The abstract of the terms and conditions of her re-appointment as contained in the said Agreement are as follows:

1. Period: 3 years with effect from 30<sup>th</sup> October, 2011.
2. Remuneration:
  - (a) Salary of Rs.1,15,000/- (Rupees One Lac Fifteen Thousand only) per month in the scale of Rs.1,15,000/- to Rs.1,50,000/- p.m. with such increment(s) as may be decided by the Board.
  - (b) Commission: Such remuneration by way of commission, in addition to the above salary and perquisites, calculated with reference to the net profit of the Company in a particular financial year and as may be determined by the Board of Directors of the Company, subject to the overall ceilings stipulated under Sections 198 and 309 of the Companies Act, 1956. The specific amount payable to the Wholetime Director will be based on certain performance criteria to be laid down by the Board and will be payable annually after annual accounts have been adopted by the shareholders.
  - (c) Perquisites: In addition to the salary and commission, the Wholetime Director shall be entitled to the following perquisites:

The perquisites are classified into three categories as under:

**CATEGORY 'A'**

- i) Housing I: The expenditure incurred by the Company on hiring furnished accommodation for the Wholetime Director will be subject to the following ceiling:  
25% (Twenty five per cent) of the Salary, over and above ten per cent payable by the Wholetime Director.  
Housing II: In the case the accommodation is owned by the Company, ten per cent of the salary of the Wholetime Director shall be deducted by the Company.  
Housing III: In case no accommodation is provided by the Company, the Wholetime Director shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing I.
- ii) Medical Reimbursement: Expenses incurred for the Wholetime Director and her family to be paid in accordance with any rules specified by the Company subject to a ceiling of Rs.25,000/- (Rupees Twenty Five Thousand only) per annum. In addition the Company can also pay premium of Mediclaim Policy taken by the Wholetime Director.
- iii) Leave Travel Concession: For the Wholetime Director and her family, once in a year incurred in accordance with any rules specified by the Company subject to a ceiling of one month salary.
- iv) Personal Accident Insurance: Premium as per the rules of the Company.

**CATEGORY 'B'**

- i) Provident Fund: Company's contribution to Provident Fund shall be 12% of the salary.
- ii) Gratuity : As per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
- iii) Encashment of Leave: Encashment of Leave at the end of the tenure of the Wholetime Director. These will not be included in the computation of the ceiling on remuneration.

**CATEGORY 'C'**

- i) Car: The Company shall provide car with driver for use of the Wholetime Director. The expenses of the petrol and maintenance of the car will be borne by the Company.
- ii) Telephone: Telephone(s) at the residence of the Wholetime Director and mobile phone(s) for official use is not to be considered as perquisites. Personal long distance calls on telephone(s) / mobile phone(s) shall be billed by the Company to the Wholetime Director.
- 3. In the event of no profit or inadequacy of profits, the Company shall pay the aforesaid remuneration by way of salary and perquisites as minimum remuneration to the Wholetime Director.
- 4. The Wholetime Director shall be entitled to annual privilege leave on full salary for a period of twenty five days and such leave shall be allowed to be accumulated for not more than seventy five days during her tenure of re-appointment.
- 5. The Wholetime Director shall be entitled to :
  - a) the reimbursement of entertainment expenses actually and properly incurred by her in the course of the legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and
  - a) the reimbursement of travelling, hotel and other expenses incurred by her in India and abroad exclusively on the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors.
- 6. As long as Ms. Purnima Jain functions as the Wholetime Director, she shall not be paid any sitting fee for attending the Meetings of the Board of Directors or Committees thereof.

Except Ms. Purnima Jain, Wholetime Director, none of the other Directors of the Company may be considered to be interested or concerned in this appointment.

| <b>I. General Information as required under Schedule XIII to the Companies Act, 1956</b> |   |   |
|--|---|---|
| 1.   | Nature of industry  | Pharmaceuticals   |
| 2.   | Date or expected date of commencement of commercial production  | The Company is already in the business of manufacturing / marketing of pharmaceuticals.   |
| 3.   | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable  |
| 4.   | Financial performance based on given indicators   | The details of the financial performance of the Company for the last 5 financial years are given in the 2 <sup>nd</sup> cover page of the Annual Report 2011-12 accompanying this notice. |
| 5.   | Export performance and net foreign exchange collaborations  | The Company is not in export business and has no foreign collaborations.  |
| 6.   | Foreign investments or collaborators, if any  | None  |



| <b>II Information about the appointee</b> |   |   |
|---|---|---|
| 1.  | Background details  | Ms Purnima Jain, aged 61 years is Commerce and law graduate and has experience of over 28 years in the field of commercial and general management. She has been with the Company since February, 1989 and held the position of General Manager – Commercial before her appointment as Wholetime Director. |
| 2.  | Past remuneration   | She has been working with the Company since 1989 and held the position of General Manager – Commercial before being appointed as Whole-time Director. In the financial year 2011-12 she was paid a total remuneration of Rs.19.59 lacs by the Company.  |
| 3.  | Recognition or awards   | None  |
| 4.  | Job profile and her suitability   | Her qualification and vast experience in the Pharma Industry is of benefit to the Company and she is the suitable candidate to hold office of Wholetime Directorship in the Company in-charge, inter-alia, of commercial and marketing function.  |
| 5.  | Remuneration proposed   | As per the explanatory statement provided to item No. 5 of the accompanying notice.   |
| 6.  | Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) | The remuneration paid / to be paid to the Wholetime Director is in line with the industry standard of similar size of Company.  |
| 7.  | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.  | None.   |
| <b>III Other information</b>              |   |   |
| 1.  | Reasons of loss or inadequate profits   | The margins are under pressure due to competition from small manufacturers.   |
| 2.  | Steps taken or proposed to be taken for improvement   | Necessary steps are taken to improve the profitability like cost containment, new product addition, increasing the geographical reach of Company's marketing activities, etc.   |
| 3.  | Expected increase in productivity and profits in measurable terms   | It is expected that the Company should do reasonably well in financial terms and increase the profitability within the next 2-3 years.  |
| <b>IV Disclosures</b>                     |   |   |
| 1.  | The shareholders of the company shall be informed of the remuneration package of the managerial person  | Given under explanatory statement in the accompanying notice.   |
| 2.  | The following disclosures shall be mentioned in the Board of Directors' Report under the heading 'Corporate Governance', if any, attached to the annual report :-   |   |
|   | i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors   | Disclosed in Corporate Governance Report forming part of this Annual Report.  |

|  |  |   |
|--|--|---|
|  | ii) Details of fixed component and performance linked incentives along with the performance criteria   | Furnished in the explanatory statement forming part of this notice.   |
|  | iii) Service contracts, notice period, severance fees  | As per explanatory statement forming part of this notice and Corporate Governance Report accompanying this notice.        |
|  | iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable | Not applicable since the Company has no scheme for grant of any stock option either to the Directors or to the employees. |

**Item No.6**

At the meeting of the Board of Directors of the Company held on 10<sup>th</sup> August, 2011, Mr. Saahil Parikh was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 92 of the Articles of Association of the Company with effect from 11<sup>th</sup> August, 2011. He holds office only upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Saahil Parikh as a candidate for the office of Director of the Company.

The Board recommends his appointment as a Director. A brief note on Mr. Saahil Parikh is furnished in the Report on Corporate Governance under Directors Report appended to this notice.

None of the Directors of the Company except Mr. Saahil Parikh is interested or concerned in passing of this resolution.

**Item No. 7**

At the meeting of the Board of Directors of the Company held on 10<sup>th</sup> August, 2011, Mr. Saahil Parikh was appointed as the Whole-time Director of the Company for a period of 3 years with effect from 11<sup>th</sup> August, 2011.

Mr. Saahil Parikh aged 36 years has done his Bio-Chemistry from Gujarat University. He has also done his Diploma in Management Studies from Ahmedabad Management Association. He has nearly 15 years experience in Pharma Production. Quality Control, Projects and General Management.

This appointment is subject to compliance with sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and also subject to the approval of the shareholders.

Accordingly, the Company has entered into an agreement with Mr. Saahil Parikh on setting out his terms and conditions of the appointment and remuneration payable to him.

The abstract of the said Agreement is as under:

1. Period : 3 years with effect from 11<sup>th</sup> August, 2011
2. Remuneration :
  - a. Salary of Rs.82,000/- (Rupees Eighty Two Thousand only) per month with such increments as may be decided by the Board subject to a ceiling of Rs. 1,20,000/- (Rupees One Lac Twenty Thousand Only) per month.
  - b. Commission: Such remuneration by way of commission, in addition to the above salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year and as may be determined by the Board of Directors of the Company, subject to the overall ceilings stipulated under Sections 198 and 309 of the Companies Act, 1956.

The specific amount payable to the Wholetime Director will be based on certain performance criteria to be laid down by the Board and will be payable annually after annual accounts have been adopted by the shareholders.

- c. Perquisites: In addition to the salary and commission the Wholetime Director shall be entitled to the following perquisites :

**CATEGORY 'A'**

- i) Housing I: The expenditure incurred by the Company on pre-furnished accommodation for the Wholetime Director will be subject to the following ceiling:  
Thirty per cent of the Salary.  
Housing II: In case no accommodation is provided by the Company, the Wholetime Director shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing I.
- ii) Medical, Hospitalization and Health-care expenses Reimbursement: Expenses incurred for the Wholetime Director and his family to be paid in accordance with any rules specified by the Company subject to a ceiling of Rs. 25,000/- per annum.
- iii) Leave Travel Concession: For the Wholetime Director and his family, once in a year incurred in accordance with any rules specified by the Company subject to a ceiling of 1 month salary.
- iv) Personal Accident Insurance: As per the Rules specified by the Company.

**CATEGORY 'B'**

- i) Provident Fund: Company's contribution to Provident Fund shall be as per the scheme applicable to the employees of the Company.
- ii) Gratuity : As per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.  
Contribution to provident fund and gratuity will not be included in the computation of perquisites.
- iii) Encashment of Leave: Encashment of Leave at the end of the tenure of the Wholetime Director will not be included in the computation of perquisites.

**CATEGORY 'C'**

- i) Car: Provision of car for use on Company's business is not to be considered as perquisites.
- ii) Telephone: Telephone(s) at the residence of the Wholetime Director and mobile phone(s) for official use is not to be considered as perquisites.
3. In the event of no profit or inadequacy of profits, the Company shall pay the aforesaid remuneration to the Wholetime Director by way of salary and perquisites as minimum remuneration.
4. The Wholetime Director shall be entitled to annual privilege leave on full salary for a period of thirty days and such leave shall be allowed to be accumulated for not more than ninety days during his tenure of appointment.
5. The Wholetime Director shall be entitled to :
  - a) the reimbursement of entertainment expenses actually and properly incurred by him in the course of the legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and
  - b) the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively on the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as approved by the Board of Directors.
6. The Wholetime Director shall exercise and perform such powers and duties as the Board shall from time to time, determine, and subject to any directions and restrictions, from time to time, given and imposed by the Board and perform all other acts, deeds and things which, in the ordinary course of business, he may consider necessary or proper in the interest of the Company.
7. The Wholetime Director shall devote his whole-time attention and abilities to the business of the Company and shall obey the orders, from time to time, of the Board and in all respects conform to and comply with the directions and regulations made by the Board, and shall use his best endeavors to promote interests of the Company.

8. As long as Mr. Saahil Parikh functions as the Wholetime Director, he shall not be paid any sitting fee for attending the Meetings of the Board of Directors or Committees thereof.

Except Mr. Saahil Parikh, Wholetime Director, none of the other Directors of the Company may be considered to be interested or concerned in this appointment.

| <b>I General Information as required under Schedule XIII to the Companies Act, 1956</b> |  |   |
|---|--|---|
| 1.  | Nature of industry   | Pharmaceuticals   |
| 2.  | Date or expected date of commencement of commercial production   | The Company is already in the business of manufacturing / marketing of pharmaceuticals.   |
| 3.  | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus  | Not Applicable  |
| 4.  | Financial performance based on given indicators  | The details of the financial performance of the Company for the last 5 financial years are given in the 2 <sup>nd</sup> cover page of the Annual Report 2011-12 accompanying this notice.   |
| 5.  | Export performance and net foreign exchange collaborations   | The Company is not in export business and has no foreign collaborations   |
| 6.  | Foreign investments or collaborators, if any   | None  |
| <b>II Information about the appointee</b>   |  |   |
| 1.  | Background details   | Mr. Saahil Parikh aged 36 years has done his Bio-Chemistry from Gujarat University. He has also done his Diploma in Management Studies from Ahmedabad Management Association. He has nearly 15 years experience in Pharma Production, Quality Control, Projects and General Management. |
| 2.  | Past remuneration  | The Company was paying Mr. Saahil Parikh an annual CTC of Rs.10.83 lacs as General Manager – QA before his appointment as a Wholetime Director.   |
| 3.  | Recognition or awards  | None  |
| 4.  | Job profile and his suitability  | His qualification and vast experience in the Pharma Industry is of immense benefit to the Company and he is the suitable candidate to hold office of Wholetime Directorship in the Company.   |
| 5.  | Remuneration proposed  | As per the explanatory statement provided to item No. 7 of the accompanying notice.   |
| 6.  | Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin.) | The remuneration paid / to be paid to the Wholetime Director is in line with the industry standard of similar size of Company.  |
| 7.  | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.   | None.   |
| <b>III Other information</b>  |  |   |
| 1.  | Reasons of loss or inadequate profits  | The margins are under pressure due to competition from small manufacturers.   |
| 2.  | Steps taken or proposed to be taken for improvement  | Necessary steps are taken to improve the profitability like cost containment, new product addition, increasing the geographical reach of Company's marketing activities, etc.   |

|                       |    |   |  |
|-----------------------|----|---|--|
|                       | 3. | Expected increase in productivity and profits in measurable terms   | It is expected that the Company should do reasonably well in financial terms and increase the profitability within the next 2-3 years. |
| <b>IV Disclosures</b> |    |   |  |
|                       | 1. | The shareholders of the company shall be informed of the remuneration package of the managerial person  | Given under explanatory statement in the accompanying notice.  |
|                       | 2. | The following disclosures shall be mentioned in the Board of Directors' Report under the heading 'Corporate Governance', if any, attached to the annual report :- |  |
|                       |    | i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors                                       | Disclosed in Corporate Governance Report forming part of this Annual Report. .   |
|                       |    | ii) Details of fixed component and performance linked incentives along with the performance criteria  | Furnished in the explanatory statement forming part of this notice.  |
|                       |    | iii) Service contracts, notice period, severance fees   | As per explanatory statement forming part of this notice and Corporate Governance Report accompanying this notice.                     |
|                       |    | iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable          | Not applicable since the Company has no scheme for grant of any stock option either to the Directors or to the employees.              |

**Item No. 8**

Section 314 of the Companies Act, 1956, inter-alia, provides that no relative of a Director shall hold office or place of profit in the Company except with the consent of the Company by a Special Resolution.

When Harleystreet Pharmaceuticals Ltd. merged with the Company, Mr. Umesh Parikh the then Managing Director of Harleystreet Pharmaceuticals Ltd. was appointed as the General Manager – Operations of the Company to look after the day to day operations of the formulations manufacturing unit situated at Ahmedabad and his son Mr. Saahil Parikh, the then Wholetime Director of the said Harleystreet Pharmaceuticals Ltd. was appointed as the General Manager – Quality Assurance of the Company to manage the Quality Assurance Operations of the Company's formulations manufacturing unit at Ahmedabad.

The Board of Directors of the Company at their meeting held on 10<sup>th</sup> August, 2011 appointed Mr. Saahil Parikh as Additional Director of the Company and designated him as the Wholetime Director of the Company for a period of 3 years with effect from 11<sup>th</sup> August, 2011.

Therefore, it is necessary to pass this special resolution under Section 314 of the Companies Act, 1956 for Mr. Umesh Parikh, father of Mr. Saahil Parikh, Wholetime Director, to hold and continue to hold an office or place of profit as the General Manager – Operations of the Company with remuneration and other benefits as stated in the Resolution.

Mr. Umesh Parikh, aged 64 years has experience of over 30 years in the pharmaceuticals industry in varied fields.

The Board recommends the passing of the Special Resolution contained in item No. 8 of the accompanying notice.

None of the Directors of the Company, except Mr. Saahil Parikh, Wholetime Director, is interested or concerned in passing of this Special Resolution.

**Registered Office:**

54D, Kandivli Industrial Estate  
Kandivli (West), Mumbai – 400 067

Mumbai  
30<sup>th</sup> May, 2012

By Order of the Board  
For **Makers Laboratories Limited**

**Purnima Jain**  
Wholetime Director

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting the 27<sup>th</sup> Annual Report and Audited Accounts for the year ended 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS

|  | For the year ended<br>31.3.2012<br>(Rs.Lacs) | For the year ended<br>31.3.2011<br>(Rs.Lacs) |
|--|--|--|
| <b>Sales and other Income</b> (net of excise duty & sales tax) | <b>6300.23</b>                               | 5466.37                                      |
| Profit before financial cost, Depreciation and taxation        | <b>161.11</b>                                | 690.25                                       |
| Less : Financial Cost  | <b>123.87</b>                                | 106.59                                       |
| Depreciation   | <b>101.76</b>                                | 70.46  |
| <b>Profit/(Loss) before tax</b>                                | <b>(64.52)</b>                               | 513.20                                       |
| Provision for taxation   |  |  |
| Current  | <b>0.05</b>                                  | 150.00                                       |
| Deferred   | <b>(8.91)</b>                                | 17.76  |
| Less: Short Tax provision of earlier years                     | <b>1.55</b>                                  | -  |
| <b>Net Profit/(Loss) after Tax</b>                             | <b>(57.21)</b>                               | 345.44                                       |

### YOUR DIRECTORS RECOMMEND THE FOLLOWING APPROPRIATIONS

|  |                |        |
|--|----------------|--------|
| Surplus in Profit & Loss Account as per last Balance Sheet | <b>240.72</b>  | 252.43 |
| Net Profit / (Loss) for the year                           | <b>(57.21)</b> | 345.44 |
| Less:  |                |        |
| Transfer to General Reserve                                | -              | 300.00 |
| Dividend   | -              | 49.17  |
| Tax on Dividend  | -              | 7.98   |
| Balance as at year end                                     | <b>183.51</b>  | 240.72 |

### Management Discussion and Analysis

#### a) Financial Performance and Operations Review

Sales and other income for the financial year under report amounted to Rs. 6300.23 lacs as compared with Rs. 5466.37 lacs for the previous year, a growth of 15.25%.

During the financial year under report, the Company has incurred a net loss of Rs.57.21 lacs as compared to a net profit after tax of Rs. 345.44 lacs in the previous financial year.

The Company is continuously adding new products and improving the distribution channel in the Indian market. However, pricing pressure in generic formulations business due to severe competition coupled with all-round increase in input costs due to inflationary pressure impacted the overall margins resulting into losses incurred during the financial year under report.

#### b) Opportunities, Threats, Risk and Concerns

The Indian generic formulations market is currently in the growth phase. It is expected that use of generic formulations will gradually increase in India. However, cut throat competition, quality issues of generics manufactured in the country and non existence of organised generic formulations distribution and retailing system are a cause of concern and is hampering the growth of generic formulations market.

**c) Internal Control Systems**

The Company has an adequate internal control system including suitable monitoring procedures commensurate with its size and the nature of the business. The internal control systems provide for all documented policies, guidelines, authorisation and approval procedures. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit committee of the Board.

**d) Human Resources**

Your Company continued to have cordial and harmonious relations with its employees at all levels.

Your Company has adopted TQM culture across the organisation in all Line and Staff functions at all the locations. The TQM culture has helped your Company in achieving productivity improvement, cost reduction and waste elimination through employee involvement at all levels.

Your Company has 236 permanent employees as at 31<sup>st</sup> March, 2012.

**e) Cautionary Statement**

Certain statements in the Management Discussion and Analysis may be forward looking within the meaning of applicable securities law and regulations and actual results may differ materially from those expressed or implied. Factors that would make differences to Company's operations include competition, price realisation, changes in government policies and regulations, tax regimes and economic development within India.

**COMPLIANCE CERTIFICATE**

A compliance certificate under section 383A of the Companies Act, 1956, received from the Company Secretary in whole time practice is attached herewith

**DIVIDEND**

In view of the losses incurred during the financial year under report, no dividend payment has been proposed by the Board.

**DIRECTORS**

Ms. Purnima Jain and Mr. Prashant Godha retire as directors by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

At the meeting of the Board of Directors of the Company held on 10<sup>th</sup> August, 2011, Mr. Saahil U. Parikh was appointed as an Additional Director and designated as Wholetime Director of the Company with effect from 11<sup>th</sup> August, 2011.

Mr. Prashant Godha resigned as the Executive Director of the Company w.e.f 10<sup>th</sup> August, 2011. However, he will continue as Non-Executive, Non-Wholetime Director of the Company.

A brief note on Directors retiring by rotation and eligible for re-appointment as well as Director appointed is furnished in the Report on Corporate Governance.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2012 and of the loss of the Company for the year;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors had prepared the annual accounts on a going concern basis.



**CORPORATE GOVERNANCE**

As per the requirement of listing agreement with the Stock Exchanges, your Company has complied with the requirements of Corporate Governance in all material aspects.

A report on Corporate Governance together with a certificate of its compliance from the Statutory Auditors, forms part of this report.

**FIXED DEPOSITS**

Your Company has not accepted any deposits from the public during the year under review.

**AUDITORS AND AUDIT REPORT**

M/s Agarwal & Mangal, Chartered Accountants, retire as auditors and, being eligible, offer themselves for re-appointment.

The Auditors' Report read with the notes to the accounts referred to therein are self-explanatory and, therefore, do not call for any further comments.

**COST AUDIT**

Pursuant to the provisions of Section 233B of the Companies Act, 1956 and with the prior approval of the Central Government, M/s. Sevekari, Khare & Associates, Cost Accountants (Regn. No. 00084) were appointed as the Cost Auditors to conduct audit of cost records for Bulk Drugs and Formulations activities of the Company for the financial year 2011-12.

The Cost Audit Report for the financial year 2010-11, which was due to be filed with the Ministry of Corporate Affairs within 180 days from the close of the financial year, was filed on 27<sup>th</sup> September, 2011.

**PARTICULARS OF EMPLOYEES**

There were no employees employed by the Company and covered under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

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

In accordance with the requirements of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, statement showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the enclosed Annexure.

**ACKNOWLEDGEMENTS**

Your Directors place on record their appreciation for the co-operation and support extended to the Company by Axis Bank Ltd. Your Directors also place on record their appreciation of the continued hard work put in by employees at all levels.

For and on behalf of the Board

Mumbai  
30<sup>th</sup> May, 2012

**K. C. Jain**  
Director

**Purnima Jain**  
Wholetime Director



## Annexure I

Information pursuant to the Companies (Disclosure of particulars in Report of the Board of Directors) Rules, 1988

### 1. CONSERVATION OF ENERGY

#### (i) Energy conservation measures taken :

During the year under review all possible efforts were made to ensure optimum conservation of electricity and fuel at the Plants of the Company.

#### (ii) Additional investments and proposals being implemented for reduction of energy consumption :

Nil

#### (iii) Impact of the above measures :

The efforts put in have helped the Company in reducing power consumption and also improving power factor.

#### (iv) A. Power and fuel Consumption:

|   | <u>2011-12</u> | <u>2010-11</u> |
|---|----------------|----------------|
| a) Electricity :                          |                |                |
| (i) Purchased :                           |                |                |
| Units (KWH)                               | <b>1247389</b> | 1188740        |
| Total Amount (Rs. in lacs)                | <b>75.99</b>   | 64.91          |
| Rate / Unit (Rs.)                         | <b>6.09</b>    | 5.46           |
| (ii) Own Generation :                     |                |                |
| Through Diesel Generator                  |                |                |
| Units (KWH)                               | <b>28634</b>   | 41033          |
| Units per Ltr. Of Diesel Oil / LDO (KWH)  | <b>2.84</b>    | 2.27           |
| Cost of Diesel/LDO & others per KWH (Rs.) | <b>16.39</b>   | 19.13          |
| b) Light Diesel Oil (LDO) :               |                |                |
| Quantity (K.Ltrs.)                        | <b>130.359</b> | 133.351        |
| Total Amount (Rs. in lacs)                | <b>81.66</b>   | 58.98          |
| Average Rate/Ltr. (Rs.)                   | <b>62.64</b>   | 44.23          |
| c) Others (Rs. in lacs) :                 |                |                |
| H.S. Diesel / Diesel                      | <b>34.57</b>   | 32.25          |

#### B. Consumption per unit of Production:

In view of the varied nature of the products and packs, the compilation of accurate consumption per unit of production is not feasible.

### 2. TECHNOLOGY ABSORPTION

Research & Development

(A) Specific areas in which R&D work was carried out by the Company:

None

(B) Benefits derived as a result of the above R & D:

None

(C) Future Plan of Action :

None

(D) Expenditure on R & D:

None

(E) Imported technology (imported during last 5 years):

The Company has not imported any technology during the last 5 years.

**3. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange Earnigs - Nil. Foreign Exchange expenditure details are furnished in the Notes to the Accounts.

For and on behalf of the Board

Mumbai  
30<sup>th</sup> May, 2012

**K. C. Jain**  
Director

**Purnima Jain**  
Wholetime Director

CIN No:L24230MH1984PLC033389

Authorised Capital: Rs. 7,50,00,000/-

**Compliance Certificate**

To,  
The Members  
**MAKERS LABORATORIES LIMITED**  
54 D, Kandivli Industrial Estate,  
Kandivli (West), Mumbai 400 067

We have examined the registers, records, books and papers of **MAKERS LABORATORIES LIMITED** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31<sup>st</sup> March, 2012**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained the registers as stated in Annexure `A` to this certificate, as per the provisions of the Act and the rules made thereunder and the entries therein have been recorded.
2. The company has filed the forms and returns as stated in Annexure `B` to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time as mentioned in the said annexure.
3. The Company being a Public Limited Company, comments that a Private Limited Company has minimum prescribed paid-up capital, maximum number of members, invitation to public to subscribe for shares and acceptance of deposits from persons other than its members, directors or their relatives, are not required.
4. The Board of Directors duly met 5 (Five) times on 22.04.2011, 20.05.2011, 10.08.2011, 21.10.2011 and on 02.02.2012 in respect of which meetings notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. (No circular resolution was passed)
5. The Company closed its Register of Members from Tuesday, 02.08.2011 to Wednesday, 10.08.2011 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31<sup>st</sup> March, 2011 was held on 10.08.2011 after giving notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors and/ or persons or firms or companies referred to in the Section 295 of the Act during the financial year.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or the previous approval of the Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13. (i) The Company has delivered all the certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.  
(ii) The Company has deposited the amount of dividend declared in a separate bank account on 11.08.2011 which is within five days from the date of declaration of such dividend.  
(iii) The Company has posted warrants for dividends to all the members within the period of 30 days from the date of declaration of dividend and that all unclaimed /unpaid dividend has been transferred to Unpaid Dividend Account of the Company with ICICI Bank, Mumbai-400058 on 15<sup>th</sup> September, 2011.

- (iv) There are no unpaid dividends, application money due for refund, matured deposits, matured debentures or the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
- (v) The Company has complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the appointments of additional director during the financial year has been duly made.
15. The appointment of Wholetime Director has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act, during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has obtained on 11.04.2011 an Order from Hon'ble High Court of Bombay approving the scheme of amalgamation of Harleystreet Pharmaceuticals Limited with the Company.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has issued 5,71,440 equity shares during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from financial institutions & banks during the financial year ending 31<sup>st</sup> March, 2012 is within the borrowing limits of the company.
25. The company has not made any loans and investments or given guarantees or provided securities to other bodies corporates during the financial year.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny in terms of the scheme of amalgamation of Harleystreet Pharmaceuticals Limited with the Company as per the Order of the Hon'ble High Court of Bombay.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For **Parikh Parekh & Associates**  
Company Secretaries

Place: Mumbai  
Date: 30<sup>th</sup> May, 2012

**J. U. Poojari**  
Partner  
C. P. No. : 8187

**Annexure 'A'****Statutory Registers as maintained by the Company**

1. Register of Members u/s 150 of the Act. (Maintained with RTA)
2. Minutes Book of Board Meetings u/s 193 of the Act. (In loose leaf)
3. Minutes Book of Audit Committee Meetings (In loose leaf)
4. Minutes Book of Shareholders' Grievance Committee Meetings (In loose leaf)
5. Minutes Book of Remuneration Committee Meetings (In loose leaf)
6. Minutes Book of General Meetings u/s 193 of the Act. (In loose leaf)
7. Books of Accounts u/s 209 of the Act are being audited by the Statutory Auditors of the Company.
8. Register of Contracts u/s 301 of the Act.
9. Register of particulars of Directors etc. u/s 303 of the Act.
10. Register of Disclosure of Interest u/s 301 of the Act.
11. Register of Directors' Shareholding u/s 307 of the Act.
12. Register of loans/ Investments u/s 372A of the Act.

**Other Registers**

1. Attendance Register of Board Meetings
2. Attendance Register of Audit Committee Meetings
3. Attendance Register of Shareholders' Greivance Committee Meetings
4. Attendance Register of Remuneration Committee Meetings.
5. Attendance Register of General Meetings

For **Parikh Parekh & Associates**  
Company Secretaries

Place: Mumbai  
Date: 30<sup>th</sup> May, 2012

**J. U. Poojari**  
Partner  
C. P. No. : 8187

### Annexure 'B'

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended on March 31, 2012:

| Sr. No. | Form No./ Return | Filed under section | For  | Date of filing | Whether filed within prescribed time Yes/No | If delay in filing whether requisite additional fee paid. Yes/No |
|---------|------------------|---------------------|--|----------------|---|--|
| 1.      | Form 62          | 205C                | Quarterly Return on IEPF for quarter ended 31.03.2011  | 08.04.2011     | Yes   | N.A.   |
| 2.      | Form 21          | 394(1) & 621A       | Order of Hon'ble High Court, Bombay dated 25.03.2011 for merger of the Harleystreet Pharmaceuticals Ltd (HPL) with the company | 20.04.2011     | Yes   | N.A.   |
| 3.      | Form 23 C        | 233B(2)             | Application for appointment of Cost Auditor 2011-2012 (Bulk Drugs)   | 10.05.2011     | Yes   | N.A.   |
| 4.      | Form 23 C        | 233B(2)             | Application for appointment of Cost Auditor 2011-2012 (Formulations)   | 10.05.2011     | Yes   | N.A.   |
| 5.      | Form 23 C        | 233B(2)             | Application for appointment of Cost Auditor 2010-2011 (Formulations)   | 15.06.2011     | Yes   | N.A.   |
| 6.      | Form 23 C        | 233B(2)             | Application for appointment of Cost Auditor 2010-2011 (Bulk Drugs)   | 15.06.2011     | Yes   | N.A.   |
| 7.      | Form 62          | 205C                | Quarterly Return on IEPF for quarter ended 30.06.2011  | 08.07.2011     | Yes   | N.A.   |
| 8.      | Form 2           |                     | Allotment of Equity Sares-571440 on 20.05.2011   | 11.07.2011     | No  | Yes  |
| 9.      | Form 32          | 303                 | Change in designation of Prashant Godha as Director & Appointment of Saahil Parikh as Additional Director w.e.f. 11.08.2011    | 19.08.2011     | Yes   | N.A.   |

| Sr. No. | Form No./ Return   | Filed under section | For   | Date of filing | Whether filed within prescribed time Yes/No | If delay in filing whether requisite additional fee paid. Yes/No |
|---------|--|---------------------|---|----------------|---|--|
| 10.     | Form 32  | 303                 | Change in designation of Saahil Parikh as Whole Time Director w.e.f. 11.08.2011 | 22.08.2011     | Yes   | N.A.   |
| 11.     | Form 66  | 383A                | Compliance Certificate for the year ended 31.03.2011                            | 03.09.2011     | Yes   | N.A.   |
| 12.     | Form 25C   | 269(2)              | Appointment of Saahil Parikh as Whole Time Director w.e.f. 11.08.2011           | 03.09.2011     | Yes   | N.A.   |
| 13.     | Form 20B alongwith Annual Return made as on 10.08.2011                               | 159                 | Annual General Meeting held on 10.08.2011                                       | 05.10.2011     | Yes   | N.A.   |
| 14.     | Form 62  | 205C                | Quarterly Return on IEPF for quarter ended 30.09.2011                           | 18.10.2011     | Yes   | N.A.   |
| 15.     | Form 25C   | 269(2)              | Reappointment of Purnima Jain as Wholetime Director w.e.f. 30.10.2011           | 23.11.2011     | Yes   | N.A.   |
| 16.     | Form 32  | 303                 | Change in designation of Purnima Jain as Whole Time Director w.e.f. 30.10.2011  | 23.11.2011     | Yes   | N.A.   |
| 17.     | Form 23 AC & Form 23ACA (XBRL) alongwith Annual Report for the year ended 31.03.2011 | 220                 | Approved at the Annual General Meeting held on 10.08.2011                       | 30.11.2011     | Yes   | N.A.   |
| 18.     | Form 62  | 205C                | Quarterly Return on IEPF for quarter ended 31.12.2011                           | 18.01.2012     | Yes   | N.A.   |

For **Parikh Parekh & Associates**  
Company Scretaries

Place: Mumbai  
Date: 30<sup>th</sup> May, 2012

**J. U. Poojari**  
Partner  
C. P. No. : 8187

## REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, given below is a report on the Corporate Governance in the Company:

### A. MANDATORY REQUIREMENTS

#### 1. Company's philosophy of Corporate Governance is to ensure :

- i) that the Board and top management of the Company are fully apprised of the affairs of the Company that is aimed at assisting them in the efficient conduct of the Company's business so as to meet Company's obligation to the shareholders.
- ii) that the Board exercises its fiduciary responsibilities towards shareholders and creditors so as to ensure high accountability.
- iii) that all disclosure of information to present and potential investors are maximised.
- iv) that the decision making process in the organisation is transparent and are backed by documentary evidences.

#### 2. Board of Directors

The present strength of the Board of Directors of the Company is 6 directors of which 1 Director is a Promoter Non-Executive Director, 2 professional Non-Promoter Wholetime Directors and 3 Directors who are Non-Executive Independent Directors with independent judgement in the deliberation and decisions of the board.

- Number of Board Meetings held and the dates of the Board Meetings.

5 (Five) Board Meetings were held during the Financial Year 2011-12. The date on which the said meetings were held are as follows:

|                              |                                |                                |
|------------------------------|--------------------------------|--------------------------------|
| 22 <sup>nd</sup> April, 2011 | 10 <sup>th</sup> August, 2011  | 2 <sup>nd</sup> February, 2012 |
| 20 <sup>th</sup> May, 2011   | 21 <sup>st</sup> October, 2011 |                                |

- The last Annual General Meeting of the Company was held on 10<sup>th</sup> August, 2011.

Details of attendance at the Board Meetings, Annual General Meeting and shareholding of each Director are as follows:

| Name of the Director | Category   | No. of board meetings Held | No. of board meetings attended | Attendance at last AGM | No. of Equity shares held in the Co.* |
|----------------------|--|----------------------------|--------------------------------|------------------------|---------------------------------------|
| Mr. K. C. Jain       | Non-Executive Independent  | 5                          | 5                              | Yes                    | 600                                   |
| Mr. S. V. Loyalka    | Non-Executive Independent  | 5                          | 1                              | No                     | Nil                                   |
| Mr. Prashant Godha   | Promoter, Non-Executive, Non Independent Director (Executive Director upto 10.08.2011) | 5                          | 5                              | Yes                    | 94,375                                |
| Dr. Rajeshwar Singh  | Non-Executive Independent  | 5                          | 5                              | Yes                    | Nil                                   |
| Ms. Purnima Jain     | Executive, Non Independent Director  | 5                          | 5                              | Yes                    | 1,075                                 |
| Mr. Saahil Parikh    | Executive, Non Independent Director (Appointed as Wholetime Director w.e.f 11.08.2011) | 5                          | 2                              | N/A                    | 660                                   |

\*The above shareholding as at 31<sup>st</sup> March, 2012 is in respect of shares which are held by Directors as a first holder and in which shares they have beneficial interest



- Number of other Companies or Committees of which the Director is a Director/Member/Chairman :

| Name of Director    | No. of other public limited Companies in which Director | No. of Committees in which Member (other than Makers) | No. of Committees of which he is Chairman (other than Makers) |
|---------------------|---|---|---|
| Mr. K. C. Jain      | None  | None  | None  |
| Mr. S. V. Loyalka   | 2   | None  | None  |
| Mr. Prashant Godha  | 1   | 1   | None  |
| Dr. Rajeshwar Singh | None  | None  | None  |
| Ms. Purnima Jain    | None  | None  | None  |
| Mr. Saahil Parikh   | None  | None  | None  |

Directorship held by Directors mentioned above does not include Directorship of private limited companies.

The Company has a process to provide, inter-alia, the information to the Board as required under Annexure I to Clause 49 of the listing agreement pertaining to Corporate Governance.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the companies in which they are Directors. All the Directors have made necessary disclosures in this regard to the Company.

The Company has not entered into any materially significant transactions during the year under report with promoters, directors, senior management staff, etc. other than the transactions entered into in the normal course of Company's business.

- **Code of Conduct**

The Board has laid down a code of conduct for Board members and senior management staff of the Company. The Board members and senior management staff have affirmed compliance with the said code of conduct.

- **Information required under Clause 49IV (G) of the listing agreement on Directors seeking appointment / re- appointment**

**Ms. Purnima Jain**

Ms Purnima Jain, aged 61 years is Commerce and Law graduate and has experience of over 28 years in the field of commercial and general management. She had been with the Company since February, 1989 and held the position of General Manager – Commercial before being appointed as Wholetime Director of the Company with effect from 30<sup>th</sup> October, 2006.

She holds 1075 shares of the Company.

She also holds Directorship in Exon Laboratories Pvt. Ltd.

**Mr. Prashant Godha**

Mr. Prashant Godha aged 36 years is a promoter Non Wholetime Director. He is a graduate in Commerce and has experience of over 13 years in pharmaceutical marketing and general management.

He holds 94,375 shares of the Company.

He is also a Director of the following companies:

|   |   |    |  |
|---|---|----|--|
| 1 | Ipca Laboratories Ltd.                  | 2  | Kaygee Investments Pvt. Ltd.               |
| 3 | Gudakesh Investment & Traders Pvt. Ltd. | 4  | Paranthapa Investments & Traders Pvt. Ltd. |
| 5 | Ipca Traditional Remedies Pvt. Ltd.     | 6. | Saraswati Entertainment Private Ltd.       |

### Mr. Saahil Parikh

Mr. Saahil Parikh aged 36 years has done his Bio-Chemistry from Gujarat University. He has also done his Diploma in Management Studies from Ahmedabad Management Association. He has nearly 15 years experience in Pharma Production. Quality Control, Projects and General Management.

He holds 660 equity shares of the Company.

### 3. Audit Committee

#### ■ Terms of Reference & Composition, Name of Members and Chairman :

The Audit Committee of the Company comprises of Mr. K. C. Jain, Chairman of the Committee; Dr. Rajeshwar Singh and Mr. S. V. Loyalka, all being Independent Directors with independent judgement in the deliberation and decisions of the Board as well as Audit Committee. Mrs. Purnima Jain, Wholetime Director who is in-charge of Finance function of the Company along with Statutory Auditors are invitees to the meetings of the Audit Committee. The terms of Reference to this Committee, inter-alia, covers all the matters specified under Section 292 (A) of the Companies Act, 1956 and also all the matters listed under Clause 49 of the Listing Agreement with Stock Exchanges.

The Audit Committee has powers, inter-alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company as well as seek outside legal and professional advice.

The Audit committee reviews all the information that is required to be mandatorily reviewed by it under the corporate governance.

#### **Audit Committee meetings and the attendance during the financial year 2011-12.**

There were 5 (five) meetings of the Audit Committee during the Financial Year 2011-12 as under:

|                              |                                |                                |
|------------------------------|--------------------------------|--------------------------------|
| 22 <sup>nd</sup> April, 2011 | 10 <sup>th</sup> August, 2011  | 2 <sup>nd</sup> February, 2012 |
| 20 <sup>th</sup> May, 2011   | 21 <sup>st</sup> October, 2011 |                                |

The attendance of each member of the Audit Committee in the committee meeting is given below:

| Name of the Director | No. of meetings held | No. of meetings attended |
|----------------------|----------------------|--------------------------|
| Mr. K. C. Jain       | 5                    | 5                        |
| Mr. S. V. Loyalka    | 5                    | 1                        |
| Dr. Rajeshwar Singh  | 5                    | 5                        |

### 4. Remuneration Committee

The remuneration committee comprises of Mr. K.C. Jain, Chairman of the Committee and Mr. S. V. Loyalka and Dr. Rajeshwar Singh, all non-promoter and independent directors to function in the manner and to deal with the matters specified in the clause 49 of the listing agreement.

There were 2 (two) meetings of the Remuneration Committee during the Financial Year 2011-12 as under:

|                               |                                |
|-------------------------------|--------------------------------|
| 10 <sup>th</sup> August, 2011 | 21 <sup>st</sup> October, 2011 |
|-------------------------------|--------------------------------|

The attendance of each member of the Remuneration Committee in the committee meeting is given below:

| Name of the Director | No. of meetings held | No. of meetings attended |
|----------------------|----------------------|--------------------------|
| Mr. K. C. Jain       | 2                    | 2                        |
| Mr. S. V. Loyalka    | 2                    | Nil                      |
| Dr. Rajeshwar Singh  | 2                    | 2                        |

- A) The details of the remuneration paid to Whole time Directors for the Financial Year 2011-12 is given below :  
(Rs.)

| Name of the Director  | Designation        | Salary    | Benefits and Perquisites | Commission | Total     |
|---|--------------------|-----------|--------------------------|------------|-----------|
| Mr. Prashant Godha (Executive Director upto 10.08.2011)             | Director           | 7,15,000  | 2,86,913                 | Nil        | 10,01,913 |
| Ms. Purnima Jain  | Wholetime Director | 12,45,404 | 7,13,244                 | Nil        | 19,58,648 |
| Mr. Saahil Parikh (Appointed as Wholetime Director from 11.08.2011) | Wholetime Director | 6,28,667  | 4,05,255                 | Nil        | 10,33,922 |

Presently the Company does not have any scheme for grant of any stock option either to the Directors or to the employees.

The appointment of Wholetime Directors is contractual and is generally for a period of 3 years. The Company has entered into agreement with Ms. Purnima Jain on 21<sup>st</sup> October, 2011 which is valid upto 29<sup>th</sup> October, 2014 and with Mr. Saahil Parikh on 11<sup>th</sup> August, 2011 which is valid upto 10<sup>th</sup> August, 2014. Either party is entitled to terminate the agreement by giving not less than one month / two months notice in writing to the other party.

- B) The Non-Executive Directors do not draw any remuneration from the Company. The Non-Executive Directors are entitled only to the sitting fees for every meeting of the Board and Committee thereof attended by them. Details of sitting fees payment made to the Non-Executive Directors in the Financial Year 2011-12 are as under :

| Name of the Director | Sitting fees Paid (Rs) | Commission paid (Rs) |
|----------------------|------------------------|----------------------|
| Mr. K. C. Jain       | 88,000                 | Nil                  |
| Mr. S. V. Loyalka    | 15,000                 | Nil                  |
| Dr Rajeshwar Singh   | 88,000                 | Nil                  |
| Mr. Prashant Godha   | 25,000                 | Nil                  |

##### 5. Shareholders / Investors Grievance Committee

- Details of the Members, Compliance Officer, No. of complaints received and pending, No. of transfers pending as on close of the financial year.

The Shareholders / Investors Grievance Committee comprises of Mr. K. C. Jain, Chairman of the Committee, Dr. Rajeshwar Singh, the Non-Executive Independent Director and Mr. Prashant Godha, Director. Mrs. Purnima Jain, Wholetime Director is the Compliance Officer of the Company.

There were 2 (two) meetings of the Shareholders/Investor Grievance Committee during the Financial Year 2011-12 as under:

|                            |                                |
|----------------------------|--------------------------------|
| 20 <sup>th</sup> May, 2011 | 2 <sup>nd</sup> February, 2012 |
|----------------------------|--------------------------------|

The attendance of each member of the Shareholders / Investors Grievance Committee in the committee meeting is given below:

| Name of the Director | No. of meetings held | No. of meetings attended |
|----------------------|----------------------|--------------------------|
| Mr. K. C. Jain       | 2                    | 2                        |
| Dr. Rajeshwar Singh  | 2                    | 2                        |
| Mr. Prashant Godha   | 2                    | 2                        |

During the year, the Company received 15 complaints from the shareholders all of which are attended to. The Company had no unattended request pending for transfer of its equity shares at the close of the financial year.

## 6. General Body Meetings

- Details of the location where the last 3 (three) Annual General Meetings were held and the details of the resolution passed or proposed to be passed by Postal Ballot.

| AGM for the financial year ended | Date & time of AGM                                    | Special Resolution passed   |
|----------------------------------|---|---|
| 31 <sup>st</sup> March, 2011     | Wednesday, 10 <sup>th</sup> August, 2011 at 4.00 p.m. | None  |
| 31 <sup>st</sup> March, 2010     | Friday, 27 <sup>th</sup> August, 2010 at 4.00 p.m.    | None  |
| 31 <sup>st</sup> March, 2009     | Friday, 21 <sup>st</sup> August, 2009 at 11.00 a.m.   | 1. Increase in the Remuneration payable to Ms. Purnima Jain<br>2. Reappointment of Mr. Prashant Godha as the Executive Director and remuneration payable to him |

All the AGMs were held at Plot No. 47, Kandivli Industrial Estate, Charkop, Kandivli (West), Mumbai-400 067. All the resolutions set out in the respective notices calling the AGM were passed by the shareholders. No postal ballots were used for voting at these meetings.

At the forthcoming AGM, there is no agenda which needs approval by postal Ballot.

## 7. Disclosures

- (1) Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large.

None

The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

Transactions with the related parties are disclosed in the notes to the accounts forming part of the Annual Report.

- (2) Details of non-compliance by the Company, penalties, strictures imposed on the Company by SEBI, ROC, Stock Exchanges or any other statutory authorities on any matter related to capital market during the last 3 financial years.

None

- (3) There is a whistle blowing policy in the Company and that no personnel has been denied access to the Audit Committee.

- (4) The Company has complied with all the mandatory requirements of Corporate Governance under Clause 49 of the Listing Agreement. The Company is yet to adopt the non-mandatory requirements of the Clause 49 of the Listing Agreement pertaining to Corporate Governance.

- (5) The CEO/CFO certification forms part of this Annual Report.

## 8. Means of Communication

|   |  |
|---|--|
| Quarterly Results   | : The results of the Company are published in the Newspapers.  |
| Newspapers in which results are generally published             | : The Free Press Journal and Nav Shakti.   |
| Website, where displayed  | : The Company does not have its own website  |
| Whether website also displays official news releases;           | : N.A.   |
| Presentation made to institutional investors or to the analysts | : Presentations were not made to institutional investors or analysts during the financial year 2011-12 |

## 9. Shareholders Information

|  |  |
|--|--|
| AGM : Date, Time and Venue   | : Thursday, 2 <sup>nd</sup> August, 2012 at 4.00 p.m at Plot No.47, Kandivli Industrial Estate, Opposite Anand Mangal Hall, Charkop, Kandivli (West), Mumbai- 400 067  |
| Financial calendar   | : 1 <sup>st</sup> April –31 <sup>st</sup> March  |
| First quarter results  | Last week of July*   |
| Second quarter results   | Last week of October*  |
| Third quarter results  | Last week of January*  |
| Annual results   | Last week of May*  |
|  | * Tentative  |
| Date of Book closure   | : Wednesday, 25 <sup>th</sup> July, 2012 to Thursday, 2 <sup>nd</sup> August, 2012 (both days inclusive).  |
| Dividend   | : No dividend has been declared for the financial year ended 31 <sup>st</sup> March, 2012.   |
| Listing on Stock Exchanges   | : The Stock Exchange, Mumbai (BSE) and Ahmedabad Stock Exchange Ltd. (ASE).<br>Listing fees have been paid to both the Stock Exchanges for the financial year 2012-13 in April, 2012. The fees of the depositories for the financial year 2012-13 is also paid in April, 2012. |
| Corporate Identity Number allotted by Ministry of Corporate Affairs    | : L24230MH1984PLC033389  |
| Stock code – Physical<br>ISIN Number for NSDL & CDSL                   | : 506919 on BSE, 35210 on ASE<br>INE 987A01010   |
| Market price date : High, Low during each month in last financial year | : Please see Annexure 'A'  |
| Stock performance in comparison to BSE sensex                          | : Please see Annexure 'B'  |

|  |   |
|--|---|
| Registrars and Share Transfer Agents   | : Link Intime India Pvt. Ltd.<br>C-13, Pannalal Silk Mills Compound<br>L B S Marg, Bhandup (W)<br>Mumbai 400 078<br>Tel. No. (022) 2596 3838<br>Fax no. (022) 2596 2691   |
| Share Transfer system  | All share transfers, subject to correctness and completion of all documents would normally be registered and returned within 2 weeks from the date of receipt.  |
| Distribution of shareholding/ shareholding pattern as on 31.3.2012                                   | : Please see Annexure 'C'   |
| Dematerialisation of shares and liquidity  | : 91.40% of the paid-up share capital has been dematerialised as on 31 <sup>st</sup> March, 2012.   |
| Outstanding GDRs/ADRs/warrants/ convertible instruments etc  | : Not applicable since none of the said instruments are ever issued.  |
| Plant Location   | : Dombivali, (Thane Dist), Maharashtra<br>GIDC, Naroda, Ahmedabad   |
| Share Transfer and other communications may be addressed to the Registrars and Share Transfer Agents | : Link Intime India Pvt. Ltd.<br>C-13, Pannalal Silk Mills Compound<br>L B S Marg, Bhandup (W)<br>Mumbai 400 078<br>Tel. No. (022) 2596 3838<br>Fax no. (022) 2596 2691   |
| Investors complaint may be addressed to  | : Ms. Purnima Jain–Wholetime Director<br>Makers Laboratories Limited<br>54D, Kandivli Industrial Estate<br>Kandivli (W), Mumbai 400 067<br>E-mail: investors@makerslabs.com<br>Tel (022) 6111 2800 / 3290 4098<br>Fax (022) 6111 2835 |

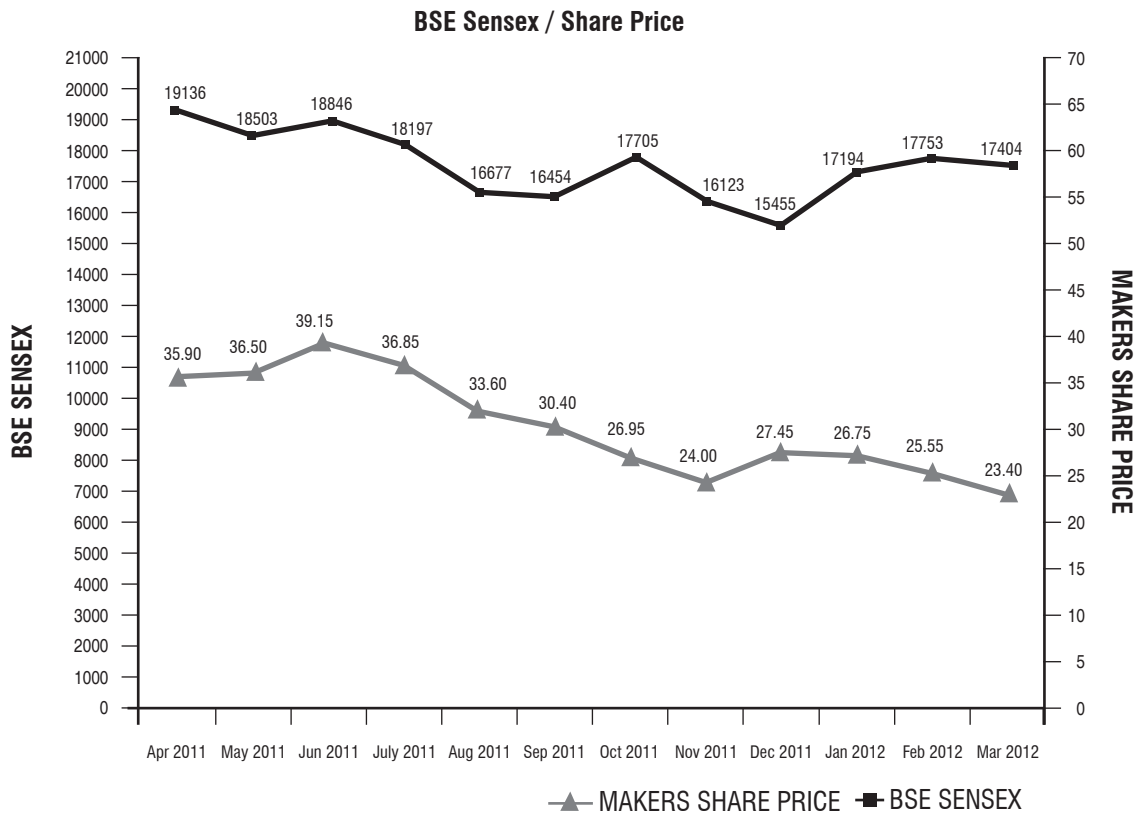
### Annexure A

High/Low of Market price of the Company's shares traded on The Stock Exchange, Mumbai during the financial year 2011-12 is furnished below:

| Year | Month     | Highest (Rs.) | Lowest (Rs) |       |
|------|-----------|---------------|-------------|-------|
| 2011 | April     | 35.90         | 31.00       |       |
|      | May       | 36.50         | 30.15       |       |
|      | June      | 39.15         | 31.50       |       |
|      | July      | 36.85         | 28.10       |       |
|      | August    | 33.60         | 25.00       |       |
|      | September | 30.40         | 25.75       |       |
|      | October   | 26.95         | 21.75       |       |
|      | November  | 24.00         | 18.00       |       |
|      | December  | 27.45         | 17.15       |       |
|      | 2012      | January       | 26.75       | 18.00 |
|      |           | February      | 25.55       | 20.25 |
|      |           | March         | 23.40       | 18.00 |

### Annexure B

Graph of Share Price/ BSE Sensex



## Annexure C

The distribution of shareholding as on 31<sup>st</sup> March, 2012 is as follows :

| No. of equity shares held              |    |       | No. of shareholders | %             | No. of shares  | %             |
|--|----|-------|---------------------|---------------|----------------|---------------|
| Upto                                   |    | 500   | 3915                | 86.14         | 610121         | 12.41         |
| 501                                    | to | 1000  | 357                 | 7.85          | 279431         | 5.68          |
| 1001                                   | to | 2000  | 120                 | 2.64          | 182952         | 3.72          |
| 2001                                   | to | 3000  | 59                  | 1.30          | 145583         | 2.96          |
| 3001                                   | to | 4000  | 13                  | 0.29          | 46586          | 0.95          |
| 4001                                   | to | 5000  | 22                  | 0.48          | 101616         | 2.07          |
| 5001                                   | to | 10000 | 29                  | 0.64          | 211045         | 4.29          |
| 10001                                  | &  | above | 30                  | 0.66          | 3339646        | 67.92         |
| <b>Grand Total</b>                     |    |       | <b>4545</b>         | <b>100.00</b> | <b>4916980</b> | <b>100.00</b> |
| No. of shareholders in Physical Mode   |    |       | 2004                | 44.09         | 422938         | 8.60          |
| No. of shareholders in Electronic Mode |    |       | 2541                | 55.91         | 4494042        | 91.40         |

Shareholding pattern as on 31<sup>st</sup> March, 2012 is as follows :

| Category                      | No. of shareholders | No. of shares  | % holding     |
|-------------------------------|---------------------|----------------|---------------|
| Indian Promoters              | 12                  | 2869947        | 58.37         |
| Banks and Insurance Companies | 1                   | 100            | 0.00          |
| UTI and Mutual Funds          | 0                   | 0              | 0.00          |
| FII's and NRI's               | 109                 | 65705          | 1.34          |
| Domestic Companies            | 84                  | 129169         | 2.63          |
| Resident Individuals          | 4339                | 1852059        | 37.66         |
| <b>Total</b>                  | <b>4545</b>         | <b>4916980</b> | <b>100.00</b> |



## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members of

**MAKERS LABORATORIES LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by MAKERS LABORATORIES LIMITED for the period ended on 31<sup>st</sup> March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We state that no Investor grievance is pending for a period exceeding one month against the Company as per the records and other documents maintained by the Shareholders/Investors Grievance Committee.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**FOR AGARWAL & MANGAL**

Chartered Accountants  
Firm Reg. No. 100061W

**B. P. MANGAL**

Partner  
Membership No. 32973

Place : Mumbai

Dated : 30<sup>th</sup> May, 2012

To,  
All the Members of  
**Makers Laboratories Limited**

It is hereby certified and confirmed that as provided in Clause 49 I (D) of the listing agreement with the stock exchanges, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31<sup>st</sup> March, 2012.

For **Makers Laboratories Limited**

**Purnima Jain**  
Wholetime Director / CEO

---

The Board of Directors  
**Makers Laboratories Limited**  
54-D, Kandivli Industrial Estate,  
Kandivli - West  
Mumbai – 400 067

**CEO/CFO CERTIFICATION**

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2012 and that to the best of our knowledge and belief;
  - 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 existing accounting standards, applicable laws and regulations.
- (b) No transaction is entered into by the company during the year which is 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 that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we 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:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware 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.

For **Makers Laboratories Limited**

**Purnima Jain**  
Wholetime Director / CEO

**AUDITORS' REPORT****TO THE MEMBERS OF  
MAKERS LABORATORIES LIMITED**

1. We have audited the Balance Sheet of **MAKERS LABORATORIES LIMITED** as at 31<sup>st</sup> March, 2012 and the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ( as amended ) issued by the Central Government of India in terms of Section 227 ( 4A ) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred in paragraph 3 above, we report that :
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of the books.
  - (c) The Balance Sheet and the Statement of Profit and Loss dealt with by this report are in agreement with the books of accounts.
  - (d) In our opinion, the Balance Sheet and the Statement of Profit & Loss 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 the written representations received from the Directors as on 31<sup>st</sup> March, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a Director 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 accounts read with the Notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India :
    - (i) in the case of the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2012 ;
    - (ii) in the case of the Statement of Profit and Loss of the Loss for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement of the Cash Flows for the year ended on that date.

**FOR AGARWAL & MANGAL**  
Chartered Accountants  
Firm Reg. No. 100061W

**B. P. MANGAL**  
Partner  
Membership No. 32973

Place : Mumbai  
Dated : 30<sup>th</sup> May, 2012

**Annexure referred to in paragraph 3 of our audit report of even date,**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets of the Company have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification. In our opinion, having regard to size of the Company and the nature of its business, the frequency of verification is reasonable.
- (c) During the year, the Company has not disposed off substantial part of the Fixed Assets.
- (ii) (a) The inventory of the Company has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical records and the book records were not material.
- (iii) (a) The Company has granted loans to Two Companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 3.80 Crores and the year end balance of loan granted to such Companies was Rs. 1.36 Crores. In our opinion, the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interests of the Company. The principal amount is not due for repayment and the interest charged is being received in time and there are no overdue amount of interest. There is no over due amount in excess of Rupees One Lac in respect of the loans granted to the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has not taken any loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, clause (iii) (f) and (iii) (g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness was noticed in the internal control system.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under the said section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and the rules framed thereunder.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- (viii) According to the records produced and information given to us, the cost records and accounts as prescribed by the Central Govt. under Section 209 (1) (d) of the Companies Act, 1956 have been made and maintained by the company but no examination of such records and accounts have been carried out by us.

- (ix) (a) According to the records of the Company, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess were outstanding as at 31<sup>st</sup> March, 2012 for a period of more than six months from the date they became payable.
- (b) As at 31<sup>st</sup> March, 2012, there have been no disputed dues which have not been deposited with the respective authorities in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax and Cess except the Income Tax dues of Rs. 1196426/- for A.Y. 2009 – 2010. Company has filed an Appeal with appellate authority, Commissioner of Income Tax (Appeal).
- (x) The Company does not have accumulated losses as on 31<sup>st</sup> March, 2012. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of the information and explanations given by the management, the Company has not defaulted in repayment of dues to bank. The Company has not taken any loan from financial institutions. Further, no loan has been taken by way of issuance of debentures.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- (xvi) Based on our examination of records and information and explanations given to us, we are of the opinion that the term loans were applied for the purpose for which the loans were obtained.
- (xvii) On the basis of overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- (xviii) 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.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based on the information and explanations furnished by the management, which have been relied upon by us, there were no fraud on or by the Company noticed or reported during the year.

For **AGARWAL & MANGAL**  
Chartered Accountants  
Firm Reg. No. 100061W

**B. P. MANGAL**

Partner  
Membership No. 32973

Place : Mumbai  
Date : 30<sup>th</sup> May, 2012

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012

|  | Note Ref | 31 <sup>st</sup> March, 2012<br>Rupees | 31 <sup>st</sup> March, 2011<br>Rupees |
|--|----------|--|--|
| <b>I EQUITY &amp; LIABILITIES</b>                  |          |  |  |
| <b>1 Shareholders' Funds</b>                       |          |  |  |
| (a) Share Capital                                  | 1        | 4,91,69,800                            | 4,91,69,800                            |
| (b) Reserves & Surplus                             | 2        | 14,94,91,119                           | 15,52,12,330                           |
| (c) Money Received Against Share Warrants          |          | -                                      | -                                      |
|  |          | <u>19,86,60,919</u>                    | <u>20,43,82,130</u>                    |
| <b>2 Share Application Money Pending Allotment</b> |          |  |  |
|  |          | -                                      | -                                      |
| <b>3 Non-Current Liabilities</b>                   |          |  |  |
| (a) Long Term Borrowings                           | 3        | 46,07,000                              | 92,15,000                              |
| (b) Deferred Tax Liabilities (net)                 | 4        | 50,87,000                              | 59,78,000                              |
| (c) Other Long Term Liabilities                    | 5        | 1,21,05,000                            | 99,70,000                              |
| (d) Long Term Provisions                           | 6        | 12,43,670                              | 7,77,342                               |
|  |          | <u>2,30,42,670</u>                     | <u>2,59,40,342</u>                     |
| <b>4 Current Liabilities</b>                       |          |  |  |
| (a) Short Term Borrowings                          | 7        | 7,56,38,606                            | 10,04,95,832                           |
| (b) Trade Payables                                 | 8        | 7,39,58,550                            | 3,58,86,642                            |
| (c) Other Current Liabilities                      | 9        | 77,02,776                              | 90,97,549                              |
| (d) Short Term Provisions                          | 6        | 18,71,894                              | 78,16,790                              |
|  |          | <u>15,91,71,826</u>                    | <u>15,32,96,813</u>                    |
|  |          | <u>38,08,75,415</u>                    | <u>38,36,19,285</u>                    |
| <b>Total</b>                                       |          |  |  |
| <b>II ASSETS</b>                                   |          |  |  |
| <b>1 Non-Current Assets</b>                        |          |  |  |
| (a) Fixed Assets                                   |          |  |  |
| (i) Tangible Assets                                | 10       | 12,37,40,606                           | 12,11,22,343                           |
| (ii) Intangible Assets                             | 10       | 66,921                                 | 94,016                                 |
| (iii) Capital Work-in-Progress                     |          | -                                      | -                                      |
| (iv) Intangible Assets Under Development           |          | -                                      | -                                      |
|  |          | <u>12,38,07,527</u>                    | <u>12,12,16,359</u>                    |
| (b) Non-Current Investments                        | 11       | 4,59,83,634                            | 4,59,83,634                            |
| (c) Deferred Tax Assets (net)                      |          | -                                      | -                                      |
| (d) Long Term Loans and Advances                   | 12       | 2,10,98,150                            | 4,69,53,379                            |
| (e) Other Non-Current Assets                       | 13       | 5,126                                  | 26,665                                 |
|  |          | <u>19,08,94,437</u>                    | <u>21,41,80,037</u>                    |
| <b>2 Current Assets</b>                            |          |  |  |
| (a) Current Investments                            | 11       | -                                      | 10,000                                 |
| (b) Inventories                                    | 14       | 9,61,55,596                            | 7,89,03,146                            |
| (c) Trade Receivables                              | 15       | 7,36,25,654                            | 7,10,62,139                            |
| (d) Cash and Bank Balances                         | 16       | 46,12,448                              | 78,34,431                              |
| (e) Short Term Loans and Advances                  | 12       | 1,50,98,559                            | 1,11,86,014                            |
| (f) Other Current Assets                           | 13       | 4,88,721                               | 4,43,518                               |
|  |          | <u>18,99,80,978</u>                    | <u>16,94,39,248</u>                    |
|  |          | <u>38,08,75,415</u>                    | <u>38,36,19,285</u>                    |
| <b>Total</b>                                       |          |  |  |

**Significant Accounting Policies  
Notes on Financial Statements**

1 to 34

As per our Report of even date attached  
For **AGARWAL & MANGAL**  
Chartered Accountants  
Firm Reg. No. 100061W

**B. P. MANGAL**  
Partner  
Membership No.32973  
Mumbai,  
30<sup>th</sup> May, 2012

**For and on behalf of the Board**

Purnima Jain - Wholetime Director  
K.C. Jain - Director  
Prashant Godha - Director

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

|   | Note Ref | 2011-2012     |               | 2010-2011    |               |
|---|----------|---------------|---------------|--------------|---------------|
|   |          | Rupees        | Rupees        | Rupees       | Rupees        |
| <b>I Revenue</b>  |          |               |               |              |               |
| Revenue from Operations (Gross)   |          |               |               |              |               |
| Sale of products  | 17       | 55,67,77,018  |               | 47,03,80,159 |               |
| Manufacturing Charges Income  |          | 7,97,56,165   |               | 8,38,55,107  |               |
| Other operating revenue   | 18       | 6,75,590      |               | 8,07,411     |               |
| Less : Excise duty  |          | 1,31,14,164   | 62,40,94,609  | 1,46,07,268  | 54,04,35,409  |
| <b>II Other Income</b>  | 19       |               | 59,28,267     |              | 62,01,125     |
| <b>III Total Revenue (I + II)</b>   |          |               | 63,00,22,876  |              | 54,66,36,534  |
| <b>IV Expenses</b>  |          |               |               |              |               |
| Cost of Materials Consumed  | 20       | 22,15,70,147  |               | 21,30,47,125 |               |
| Purchase of Traded Goods  |          | 21,82,85,647  |               | 10,54,93,432 |               |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade     | 21       | (2,82,80,295) |               | 1,26,20,098  |               |
| Employee Benefit Expenses   | 22       | 7,25,95,834   |               | 5,28,35,049  |               |
| Finance Cost  | 23       | 1,23,86,691   |               | 1,06,59,235  |               |
| Depreciation & Amortisation   | 24       | 1,01,76,331   |               | 70,45,604    |               |
| Other Expenses  | 25       | 12,97,40,373  | 63,64,74,728  | 9,36,16,395  | 49,53,16,938  |
| <b>Total Expenses (IV)</b>  |          |               | 63,64,74,728  |              | 49,53,16,938  |
| <b>V Profit / (Loss) Before exceptional, extraordinary items and Tax (III-IV)</b> |          |               | (64,51,852)   |              | 5,13,19,596   |
| <b>VI Exceptional Items</b>   |          |               | -             |              | -             |
| <b>VII Profit / ( Loss ) Before extraordinary items and Tax (V-VI)</b>            |          |               | (64,51,852)   |              | 5,13,19,596   |
| <b>VIII Extraordinary Items</b>   |          |               | -             |              | -             |
| <b>IX Profit / (Loss) Before Tax (VII-VIII)</b>                                   |          |               | (64,51,852)   |              | 5,13,19,596   |
| <b>X Tax Expense</b>  |          |               |               |              |               |
| 1 Current Tax   |          | 5,000         |               | 1,50,00,000  |               |
| 2 Deferred Tax  |          | (8,91,000)    |               | 17,76,000    |               |
| 3 Tax Provision for earlier years   |          | 1,55,359      | (7,30,641)    | (780)        | 1,67,75,220   |
| <b>XI Profit / (Loss) After Tax (IX - X)</b>                                      |          |               | (57,21,211)   |              | 3,45,44,376   |
| <b>XII Earnings per Equity Share</b>  | 29       |               |               |              |               |
| Basic/Diluted   |          |               | (1.16)        |              | 7.03          |
| Par Value   |          |               | Rs. 10/- each |              | Rs. 10/- each |

### Significant Accounting Policies

Notes on Financial Statements 1 to 34

As per our Report of even date attached  
For **AGARWAL & MANGAL**  
Chartered Accountants  
Firm Reg. No. 100061W

**B. P. MANGAL**  
Partner  
Membership No.32973  
Mumbai,  
30<sup>th</sup> May, 2012

### For and on behalf of the Board

Purnima Jain - Wholetime Director  
K.C. Jain - Director  
Prashant Godha - Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

|   | 2011 - 2012   |                      | 2010 - 2011   |                      |
|---|---------------|----------------------|---------------|----------------------|
|   | Rupees        | Rupees               | Rupees        | Rupees               |
| <b>A Cash flow from Operating Activities</b>                    |               |                      |               |                      |
| Net Profit / (Loss) Before Tax                                  |               | (64,51,852)          |               | 5,13,19,596          |
| <b>Adjustments for</b>  |               |                      |               |                      |
| Depreciation  | 1,01,76,331   |                      | 70,45,604     |                      |
| Provision for Leave Encashment                                  | 3,01,127      |                      | (1,43,914)    |                      |
| Provision for Leave Travel Allowance                            | 16,428        |                      | 3,20,336      |                      |
| Assets Scrapped   | -             |                      | 2,00,619      |                      |
| Bad Debts Written off   | 9,49,633      |                      | 5,29,177      |                      |
| Loss on Sale of Assets  | 5,52,650      |                      | 45,768        |                      |
| Profit on Sale of Assets  | (1,05,517)    |                      | (45,652)      |                      |
| Dividend Income   | (2,83,256)    |                      | (3,22,440)    |                      |
| Interest Income   | (41,54,741)   |                      | (31,82,886)   |                      |
| Interest Expense  | 1,23,86,691   | 1,98,39,346          | 93,32,735     | 1,37,79,347          |
| <b>Operating profit before Working Capital Changes</b>          |               | <b>1,33,87,494</b>   |               | <b>6,50,98,943</b>   |
| <b>Working Capital Changes</b>                                  |               |                      |               |                      |
| (Increase) / Decrease in Inventories                            | (1,72,52,450) |                      | 16,41,818     |                      |
| (Increase) / Decrease in Receivables                            | 2,24,60,005   |                      | 1,05,40,887   |                      |
| Increase / (Decrease) in Short Term Borrowings                  | (2,48,57,226) |                      | 1,57,12,059   |                      |
| Increase / (Decrease) in Trade Payables                         | 3,86,68,688   | 1,90,19,017          | (1,33,04,231) | 1,45,90,533          |
| Cash Generated from Operations                                  |               | <b>3,24,06,511</b>   |               | <b>7,96,89,476</b>   |
| Gratuity contribution to LIC                                    | -             |                      | (13,66,737)   |                      |
| Income Tax paid   | (44,93,924)   | (44,93,924)          | (1,84,45,180) | (1,98,11,917)        |
| <b>Net Cash Flow from Operating Activities - I</b>              |               | <b>2,79,12,587</b>   |               | <b>5,98,77,559</b>   |
| <b>B Cash Flow for Investing Activities</b>                     |               |                      |               |                      |
| Purchase of Fixed Assets  | (1,38,00,348) |                      | (3,57,40,373) |                      |
| Purchase of Investment  | -             |                      | (11,77,072)   |                      |
| Proceeds from sale of Investments                               | 16,010        |                      | -             |                      |
| Proceeds from sale of Assets                                    | 5,85,716      |                      | 2,47,088      |                      |
| Dividend Received   | 2,83,256      |                      | 3,22,440      |                      |
| <b>Net Cash Flow for Investing Activities - II</b>              |               | <b>(1,29,15,366)</b> |               | <b>(3,63,47,917)</b> |
| <b>Cash Flow after Investing Activities - III = (I - II)</b>    |               | <b>1,49,97,221</b>   |               | <b>2,35,29,642</b>   |
| <b>C Cash Flow from Financing Activities</b>                    |               |                      |               |                      |
| Increase/ (Decrease) in Long Term Borrowings                    | (46,08,000)   |                      | (70,73,488)   |                      |
| Dividend Paid   | (55,34,892)   |                      | (61,77,862)   |                      |
| Interest Received   | 41,54,741     |                      | 31,82,886     |                      |
| Interest Paid   | (1,24,22,989) |                      | (93,32,735)   |                      |
| <b>Net Cash flow from Financing Activities - IV</b>             |               | <b>(1,84,11,140)</b> |               | <b>(1,94,01,199)</b> |
| <b>Net Cash flow after Financing Activities-V= (III+IV)</b>     |               | <b>(34,13,919)</b>   |               | <b>41,28,443</b>     |
| Opening Cash and Cash Equivalents                               | 74,45,915     |                      | 9,62,618      |                      |
| Add: - Cash and Cash Equivalents received on amalgamation       | -             |                      | 23,54,854     |                      |
| Closing Cash and Cash Equivalents                               | 40,31,996     |                      | 74,45,915     |                      |
| <b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b> |               | <b>(34,13,919)</b>   |               | <b>41,28,443</b>     |

As per our Report of even date attached  
 For **AGARWAL & MANGAL**  
 Chartered Accountants  
 Firm Reg. No. 100061W

**B. P. MANGAL**  
 Partner  
 Membership No.32973  
 Mumbai,  
 30<sup>th</sup> May, 2012

**For and on behalf of the Board**

Purnima Jain - Wholetime Director  
 K.C. Jain - Director  
 Prashant Godha - Director



## **SIGNIFICANT ACCOUNTING POLICIES**

### **ACCOUNTING POLICIES**

#### **a) Accounting convention**

The financial statements have been prepared to comply in all material respects with the notified accounting standards by the Companies (Accounting Standards) Rules 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Revised Schedule VI to the Companies Act, 1956.

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year, except for the change in accounting policy explained herein below.

The Company was presenting local sales inclusive of sales tax and excise duty, the same is now presented inclusive of excise duty only. The impact of this change on the profit/loss for the year is Rs. Nil.

#### **b) Use of Estimates**

The preparation of the financial statements in conformity with the Generally Accepted Accounting Principles applicable in India and the provisions of the Companies Act, 1956 requires that the Management makes estimates and assumptions that affect the reported amounts of the assets and liabilities, disclosure of the contingent liabilities as at the date of the Financial Statements and reported amount of the revenue and expenses during the reported year. Actual results could differ from those Estimates.

#### **c) Inflation**

Assets and Liabilities are shown at historical cost and no adjustments are made for changes in purchasing power of money.

#### **d) Fixed Assets**

i) Fixed Assets are recorded at cost of acquisition or construction less CENVAT / Service Tax Credit availed.

ii) Intangible assets are recorded at cost of Acquisition.

#### **e) Depreciation, Amortisation and Impairment**

Depreciation on fixed assets is charged on Straight Line method at Dombivli and Head Office and on Written Down Value method at Ahmedabad in accordance with the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Intangible assets are amortised over the economic useful life estimated by the Management.

Impairment of assets is ascertained at each balance sheet date in respect of the Company's Fixed Assets. An impairment loss is recognised whenever carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

#### **f) Borrowing Costs**

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as a part of such assets. All other borrowing costs are charged to revenue in the year in which they are incurred.

#### **g) Investments**

Long term Investments are stated at cost. Diminution in the value of Investments is provided for by reducing the value of investments and charging the same to Statement of Profit & Loss.

**h) Inventories**

Item of inventories are valued on the basis given below:

Raw Materials and Packing Materials : At cost net of CENVAT computed on First-In-First-Out method.

Work- in- process and Finished Goods : At cost including material cost net of CENVAT, labour cost and production overheads incurred till the stage of completion of production for Work-In-Process and the same or net realisable value whichever is lower in case of Finished Goods. Excise duty is considered as cost of finished goods wherever applicable.

Stores & Spares : Stores and spare parts are valued at purchase cost.

**i) Cash and Cash Equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at bank, cheques on hand, cash in hand and short term investments with an original maturity of three months or less.

**j) CENVAT Credit**

CENVAT Credit utilised during the year is accounted for in excise duty expenses account and unutilised CENVAT balance at the year end is considered as advance excise duty.

**k) Service Tax Credit**

Service Tax credit utilised during the year towards excise liability is accounted in Excise duty and unutilised Service Tax credit at the year end is considered as advance excise duty.

**l) Sales**

Local Sales include Excise duty.

**m) Revenue Recognition**

Revenue in respect of insurance / other claims, interest, commission etc. are recognised only when it is reasonably certain that the ultimate collection will be made.

**n) Contingent Liabilities**

These are disclosed by way of notes to the accounts . Provision is made in respect of those liabilities which are likely to materialise after the year end, till the finalisation of accounts and have material effect on the position stated in the Balance Sheet.

**o) Retirement Benefits**

i) Contribution to Provident Fund and Family Pension Fund are charged to Statement of Profit & Loss.

ii) Gratuity is charged to revenue on actuarial valuation by Life Insurance Corporation of India under the Employees Group Gratuity policy with them

iii) Leave encashable on retirement has been provided for on the basis of actuarial valuation.

iv) Leave Travel Assistance (LTA) Liability has been accounted based on actual accumulated obligation.

**p) Research & Development**

Revenue expenditure on research & development is charged to Statement of Profit & Loss in the year in which it is incurred. Capital expenditure on Research & Development is considered as addition to fixed assets.

**q) Foreign Exchange Transactions**

Transactions denominated in foreign currency settled / negotiated during a month are recorded at exchange rate on the date of settlement / negotiation. Foreign currency transaction remaining not settled / negotiated at the end of each month are converted into rupees at the month end rates. All gains or losses on foreign exchange transaction are recognised in the Statement of Profit and Loss.

**r) Taxation**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961. Deferred Tax is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

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

|  | 31.03.2012                 |                    | 31.03.2011                 |                    |
|--|----------------------------|--------------------|----------------------------|--------------------|
| <b>1 SHARE CAPITAL</b>   |                            |                    |                            |                    |
| Face Value   | Rs. 10/- each              |                    | Rs. 10/- each              |                    |
| Class of Shares  | Equity Shares (Fully paid) |                    | Equity Shares (Fully paid) |                    |
|  | <u>No. of shares</u>       | <u>Rupees</u>      | <u>No. of shares</u>       | <u>Rupees</u>      |
| Authorised Capital   | 75,00,000                  | 7,50,00,000        | 75,00,000                  | 7,50,00,000        |
| Issued, Subscribed And Paid up Capital   | 49,16,980                  | 4,91,69,800        | 49,16,980                  | 4,91,69,800        |
| <b>PER BALANCE SHEET</b>   | <u>49,16,980</u>           | <u>4,91,69,800</u> | <u>49,16,980</u>           | <u>4,91,69,800</u> |
| <b>Of the above :</b>  |                            |                    |                            |                    |
| 5,71,440 Equity Shares of Rs.10/- each allotted as fully paid-up to the shareholders of Harleystreet Pharmaceuticals Ltd pursuant to the scheme of Amalgamation. |                            |                    |                            |                    |
| <b>i) Reconciliation of number of shares</b>   | <u>No. of shares</u>       | <u>Rupees</u>      | <u>No. of shares</u>       | <u>Rupees</u>      |
| Shares outstanding at the beginning of the year  | 49,16,980                  | 4,91,69,800        | 43,45,540                  | 4,34,55,400        |
| Shares Issued during the year  | -                          | -                  | 5,71,440                   | 57,14,400          |
| Shares outstanding at the end of the year  | <u>49,16,980</u>           | <u>4,91,69,800</u> | <u>49,16,980</u>           | <u>4,91,69,800</u> |
| <b>ii) Details of Shareholding in excess of 5%</b>   |                            |                    |                            |                    |
| <b>Name of Shareholder</b>   | <u>No. of shares held</u>  | <u>Percentage</u>  | <u>No. of shares held</u>  | <u>Percentage</u>  |
| Exon Laboratories Pvt. Ltd.  | 6,50,000                   | 13.22%             | 6,50,000                   | 13.22%             |
| Kaygee Investments Pvt. Ltd.   | 8,54,400                   | 17.38%             | 8,50,800                   | 17.30%             |
| Paschim Chemicals Pvt. Ltd.  | 7,66,672                   | 15.59%             | 7,66,672                   | 15.59%             |
| <b>2 RESERVES &amp; SURPLUS</b>  |                            |                    |                            |                    |
| <b>a) Capital Reserve</b>  |                            |                    |                            |                    |
| Per last Balance Sheet   | 3,02,76,029                |                    | 17,16,530                  |                    |
| Addition on Amalgamation   | -                          | 3,02,76,029        | 2,85,59,499                | 3,02,76,029        |
| <b>b) Securities Premium Reserve</b>   |                            |                    |                            |                    |
| Per last Balance Sheet   |                            | 1,08,63,850        |                            | 1,08,63,850        |
| <b>c) Other Reserves</b>   |                            |                    |                            |                    |
| <b>General Reserve</b>   |                            |                    |                            |                    |
| Per last Balance Sheet   | 9,00,00,000                |                    | 6,00,00,000                |                    |
| Transferred from surplus   | -                          | 9,00,00,000        | 3,00,00,000                | 9,00,00,000        |
| (General reserve represents the reserve created in accordance with Companies (transfer of profit to reserve) Rules, 1975)  |                            |                    |                            |                    |
| <b>d) Surplus in Profit &amp; Loss account</b>   |                            |                    |                            |                    |
| Per last Balance Sheet   | 2,40,72,451                |                    | 2,52,42,712                |                    |
| Add : Net Profit / ( Loss ) for the year   | (57,21,211)                |                    | 3,45,44,376                |                    |
| Less: Transfer to General Reserve  | -                          |                    | 3,00,00,000                |                    |
| Proposed Dividend  | -                          |                    | 49,16,980                  |                    |
| Tax on above Dividend  | -                          | 1,83,51,240        | 7,97,657                   | 2,40,72,451        |
| <b>PER BALANCE SHEET</b>   | <u>14,94,91,119</u>        |                    | <u>15,52,12,330</u>        |                    |

|  | <u>31.03.2012</u>       | <u>31.03.2011</u>         | <u>31.03.2012</u>       | <u>31.03.2011</u> |
|--|-------------------------|---------------------------|-------------------------|-------------------|
|  | Rupees                  | Rupees                    | Rupees                  | Rupees            |
| <b>3 LONG-TERM BORROWINGS</b>  |                         |                           |                         |                   |
| <b>i) Secured Loans:</b>   |                         |                           |                         |                   |
| Term Loan from Axis Bank Ltd.  | <b>46,07,000</b>        | 92,15,000                 | <b>46,08,000</b>        | 46,08,000         |
| Repayable in equal quarterly installments from 30/06/2010, Secured by way of mortgage of immovable properties of the Company situated at Mumbai and Dombivli, hypothecation of all plant and machineries both present and future and hypothecation of stock-in-trade and book debts. |                         |                           |                         |                   |
| <b>Sub Total - (i)</b>   | <u><b>46,07,000</b></u> | <u>92,15,000</u>          | <u><b>46,08,000</b></u> | <u>46,08,000</u>  |
| <b>ii) Unsecured Loans:</b>  |                         |                           |                         |                   |
| <b>Sub Total - (ii)</b>  | -                       | -                         | -                       | -                 |
| <b>Total Long Term Borrowings (i) + (ii):</b>  | <u><b>46,07,000</b></u> | <u>92,15,000</u>          | <u><b>46,08,000</b></u> | <u>46,08,000</u>  |
| Note :- Current maturities of long term loan is reported under Other Current liabilities.  |                         |                           |                         |                   |
|  | <b>31.03.2012</b>       | <b>31.03.2011</b>         | <b>31.03.2012</b>       | <b>31.03.2011</b> |
|  | Rupees                  | Rupees                    | Rupees                  | Rupees            |
| <b>4 DEFERRED TAX LIABILITIES (NET)</b>  |                         |                           |                         |                   |
| Deferred tax liability on account of Depreciation  |                         | <b>58,59,000</b>          |                         | 66,52,000         |
| Deferred tax asset on account of Leave Encashment  |                         | <b>(7,72,000)</b>         |                         | (6,74,000)        |
| <b>PER BALANCE SHEET</b>   |                         | <u><b>50,87,000</b></u>   |                         | <u>59,78,000</u>  |
| <b>5 OTHER LONG TERM LIABILITIES</b>   |                         |                           |                         |                   |
| Dealers Deposits   |                         | <b>1,20,80,000</b>        |                         | 99,45,000         |
| Other Deposits   |                         | <b>25,000</b>             |                         | 25,000            |
| <b>PER BALANCE SHEET</b>   |                         | <u><b>1,21,05,000</b></u> |                         | <u>99,70,000</u>  |
|  | <b>31.03.2012</b>       | <b>31.03.2011</b>         | <b>31.03.2012</b>       | <b>31.03.2011</b> |
|  | Rupees                  | Rupees                    | Rupees                  | Rupees            |
| <b>6 PROVISIONS</b>  |                         |                           |                         |                   |
|  |                         | <b>Long Term</b>          |                         | <b>Short Term</b> |
| Provision for Taxation (Net of Prepaid Taxes)  |                         | -                         | 81,486                  | -                 |
| Provision for Leave encashment   | <b>12,43,670</b>        |                           | 6,95,856                | <b>11,35,340</b>  |
| Provision for Leave Travel Assistance(LTA)   |                         | -                         | -                       | <b>7,36,554</b>   |
| Proposed Dividend  |                         | -                         | -                       | 7,20,126          |
| Corporate Tax on Dividend  |                         | -                         | -                       | 49,16,980         |
|  |                         | -                         | -                       | 7,97,657          |
| <b>PER BALANCE SHEET</b>   | <u><b>12,43,670</b></u> | <u>7,77,342</u>           | <u><b>18,71,894</b></u> | <u>78,16,790</u>  |

**Disclosures:**

- a) As per Accounting Standard -15 "Employee Benefits" and as defined in the accounting standard, the summarised components of net benefit expense recognized in the Statement of profit and loss and the funded status and amounts recognized in the balance sheet are given herein below :

|             | Particulars  | Gratuity   |             | Leave Encashment |            |
|-------------|--|------------|-------------|------------------|------------|
|             |  | 2011-2012  | 2010-2011   | 2011-2012        | 2010-2011  |
| <b>I</b>    | <b>Change in Benefit Obligation</b>                    |            |             |                  |            |
|             | Liability at the beginning of the year                 | 64,79,800  | 41,06,359   | 20,77,883        | 18,54,227  |
|             | Addition due to Amalgamation                           | -          | 8,22,071    | -                | 3,67,570   |
|             | Interest cost  | 4,30,778   | 3,94,275    | 1,10,136         | 1,03,547   |
|             | Current Service Cost                                   | 3,47,972   | 2,85,267    | 5,67,025         | 1,89,667   |
|             | Past year Service Cost                                 | -          | -           | -                | -          |
|             | Benefit Paid   | (6,06,970) | (2,87,755)  | (5,64,555)       | (4,92,507) |
|             | Actuarial (gain)/loss on obligations                   | 10,87,159  | 11,59,583   | 1,88,521         | 55,379     |
|             | Curtailments and Settlements                           | -          | -           | -                | -          |
|             | Liability at the end of the year                       | 77,38,739  | 64,79,800   | 23,79,010        | 20,77,883  |
| <b>II.</b>  | <b>Fair Value of Plan Assets</b>                       |            |             |                  |            |
|             | Fair Value of Plan Assets at the beginning of the year | 68,34,536  | 27,39,622   | -                | -          |
|             | Addition due to Amalgamation                           | -          | 6,92,468    | -                | -          |
|             | Expected Return on Plan Assets                         | 6,10,798   | 4,50,471    | -                | -          |
|             | Contributions  | 3,12,266   | 32,39,730   | -                | -          |
|             | Benefit paid   | (6,06,970) | (2,87,755)  | -                | -          |
|             | Actuarial gain/(loss) on Plan Assets                   | -          | -           | -                | -          |
|             | Fair Value of Plan Assets at the end of the year       | 71,50,630  | 68,34,536   | -                | -          |
| <b>III.</b> | <b>Actual Return on Plan Assets</b>                    |            |             |                  |            |
|             | Expected Return on Plan Assets                         | 6,10,798   | 4,50,471    | -                | -          |
|             | Actuarial gain/(loss) on Plan Assets                   | -          | -           | -                | -          |
|             | Actual Return on Plan Assets                           | 6,10,798   | 4,50,471    | -                | -          |
| <b>IV.</b>  | <b>Amount Recognised in the Balance Sheet</b>          |            |             |                  |            |
|             | Liability at the end of the year                       | 77,38,739  | 64,79,800   | 23,79,010        | 20,77,883  |
|             | Fair Value of Plan Assets at the end of the year       | 71,50,630  | 68,34,536   | -                | -          |
|             | Difference   | 5,88,109   | (3,54,736)  | 23,79,010        | 20,77,883  |
|             | Unrecognised Past Service Cost                         | -          | -           | -                | -          |
|             | Amount Recognised in the Balance Sheet                 | 5,88,109   | (3,54,736)  | 23,79,010        | 20,77,883  |
| <b>V.</b>   | <b>Expenses Recognised in the Income Statement</b>     |            |             |                  |            |
|             | Current Service Cost                                   | 3,47,972   | 2,85,267    | 5,67,025         | 1,89,667   |
|             | Interest Cost  | 4,30,778   | 3,94,275    | 1,10,136         | 1,03,547   |
|             | Expected Return on Plan Assets                         | (6,10,798) | (4,50,471)  | -                | -          |
|             | Net Actuarial (gain)/loss To Be Recognised             | 10,87,159  | 11,59,583   | 1,88,521         | 55,379     |
|             | Past Service Cost (Non Vested Benefit) Recognised      | -          | -           | -                | -          |
|             | Past Service Cost (Vested Benefit) Recognised          | -          | -           | -                | -          |
|             | Effect of Curtailment or Settlements                   | -          | -           | -                | -          |
|             | Expense Recognised in the Statement of Profit and Loss | 12,55,111  | 13,88,654   | 8,65,682         | 3,48,593   |
| <b>VI.</b>  | <b>Balance Sheet Reconciliation</b>                    |            |             |                  |            |
|             | Opening Net Liability                                  | (3,54,736) | 13,66,737   | 20,77,883        | 18,54,227  |
|             | Addition due to Amalgamation                           | -          | 1,29,603    | -                | 3,67,570   |
|             | Expense as above                                       | 12,55,111  | 13,88,654   | 8,65,682         | 3,48,593   |
|             | Past year Service cost                                 | -          | -           | -                | -          |
|             | Employers Contribution                                 | (3,12,266) | (32,39,730) | (5,64,555)       | (4,92,507) |
|             | Amount Recognised in Balance Sheet                     | 5,88,109   | (3,54,736)  | 23,79,010        | 20,77,883  |
| <b>VII</b>  | <b>Actuarial Assumptions</b>                           |            |             |                  |            |
|             | Discount Rate  | 8.00%      | 8.00%       | 8.50%            | 7.50%      |
|             | Salary Escalation Rate                                 | 6.00%      | 5.00%       | 6.00%            | 5.00%      |

- Note :**
- Employer's contribution includes payments made by the Company directly to its past employees.
  - The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
  - The Company's Gratuity fund is managed by Life Insurance Corporation of India. The plan assets under the fund are deposited under approved securities.

|  | 31.03.2012 |                           | 31.03.2011 |                            |
|--|------------|---------------------------|------------|----------------------------|
|  | Rupees     | Rupees                    | Rupees     | Rupees                     |
| <b>7 SHORT TERM BORROWINGS</b>   |            |                           |            |                            |
| Secured Loans:   |            |                           |            |                            |
| Working Capital Loan from Axis Bank  |            | <b>7,56,38,606</b>        |            | 10,04,95,832               |
| <b>PER BALANCE SHEET</b>   |            | <b><u>7,56,38,606</u></b> |            | <b><u>10,04,95,832</u></b> |
| Secured by way of mortgage of immovable properties of the Company situated at Mumbai and Dombivli, hypothecation of all plant and machineries both present and future and hypothecation of stock-in-trade and book debts.  |            |                           |            |                            |
| <b>8 TRADE PAYABLES</b>  |            |                           |            |                            |
| Trade Payables   |            |                           |            |                            |
| - Micro Small and Medium Enterprises   |            | -                         |            | -                          |
| - Others   |            | <b>7,39,58,550</b>        |            | 3,58,86,642                |
| <b>PER BALANCE SHEET</b>   |            | <b><u>7,39,58,550</u></b> |            | <b><u>3,58,86,642</u></b>  |
| The Company has obtained details from Sundry Creditors who are registered under the Micro, Small & Medium Enterprises Development Act, 2006. To the extent that the Company has received information it has evaluated that there are no amounts due to the Creditors who are Registered under the said Act beyond the period of 45 days. |            |                           |            |                            |
| <b>9 OTHER CURRENT LIABILITIES</b>   |            |                           |            |                            |
| Current maturities of long term debt<br>(Refer Note no - 3 for details)  |            | <b>46,08,000</b>          |            | 46,08,000                  |
| Interest accrued and due on borrowings   |            | <b>1,17,214</b>           |            | 1,53,512                   |
| Unclaimed Dividend   |            | <b>4,26,902</b>           |            | 2,47,157                   |
| Payable for Capital Goods  |            | <b>9,83,949</b>           |            | 38,47,110                  |
| Duties & Taxes Payable   |            | <b>15,66,711</b>          |            | 2,41,770                   |
| <b>PER BALANCE SHEET</b>   |            | <b><u>77,02,776</u></b>   |            | <b><u>90,97,549</u></b>    |

**10. FIXED ASSETS** Rupees

| Particulars  | TANGIBLE ASSETS    |                 |                    |                     |                          |                      |                  | INTANGIBLE ASSETS   |                 |                 |
|--|--------------------|-----------------|--------------------|---------------------|--------------------------|----------------------|------------------|---------------------|-----------------|-----------------|
|  | Freehold Land      | Leasehold Land  | Buildings          | Plant & Machinery   | Effluent Treatment Plant | Furniture & Fixtures | Vehicles         | Total               | Software        | Total           |
| <b>Cost</b>  |                    |                 |                    |                     |                          |                      |                  |                     |                 |                 |
| As at 1 <sup>st</sup> April, 2010                  | 1,98,39,631        | 1,64,755        | 2,38,80,294        | 2,35,44,265         | 1,97,985                 | 43,45,773            | 36,81,094        | 7,56,53,797         | 1,36,968        | 1,36,968        |
| Additions  | -                  | -               | 2,26,58,237        | 7,28,02,439         | 25,800                   | 18,29,171            | 14,62,397        | 9,87,78,044         | 2,21,630        | 2,21,630        |
| Disposals/Adjustments                              | -                  | -               | -                  | (8,45,545)          | -                        | (57,134)             | (3,51,854)       | (12,54,533)         | -               | -               |
| <b>As at 31<sup>st</sup> March, 2011</b>           | <b>1,98,39,631</b> | <b>1,64,755</b> | <b>4,65,38,531</b> | <b>9,55,01,159</b>  | <b>2,23,785</b>          | <b>61,17,810</b>     | <b>47,91,637</b> | <b>17,31,77,308</b> | <b>3,58,598</b> | <b>3,58,598</b> |
| Additions  | -                  | -               | 5,93,858           | 1,04,06,979         | 1,49,020                 | 51,012               | 25,99,479        | 1,38,00,348         | -               | -               |
| Disposals/Adjustments                              | -                  | -               | -                  | (35,75,526)         | -                        | -                    | (4,93,718)       | (40,69,244)         | -               | -               |
| <b>As at 31<sup>st</sup> March, 2012</b>           | <b>1,98,39,631</b> | <b>1,64,755</b> | <b>4,71,32,389</b> | <b>10,23,32,612</b> | <b>3,72,805</b>          | <b>61,68,822</b>     | <b>68,97,398</b> | <b>18,29,08,412</b> | <b>3,58,598</b> | <b>3,58,598</b> |
| <b>Depreciation, Amortisation &amp; Impairment</b> |                    |                 |                    |                     |                          |                      |                  |                     |                 |                 |
| As at 1 <sup>st</sup> April, 2010                  | -                  | -               | 88,03,395          | 3,36,36,748         | 1,18,465                 | 17,09,376            | 15,78,694        | 4,58,46,678         | 2,33,975        | 2,33,975        |
| Charge for the year                                | -                  | -               | 15,13,093          | 45,96,068           | 12,557                   | 3,67,325             | 5,25,954         | 70,14,997           | 30,607          | 30,607          |
| Disposals/Adjustments                              | -                  | -               | -                  | (4,96,512)          | -                        | (39,682)             | (2,70,516)       | (8,06,710)          | -               | -               |
| <b>As at 31<sup>st</sup> March, 2011</b>           | <b>-</b>           | <b>-</b>        | <b>1,03,16,488</b> | <b>3,77,36,304</b>  | <b>1,31,022</b>          | <b>20,37,019</b>     | <b>18,34,132</b> | <b>5,20,54,965</b>  | <b>2,64,582</b> | <b>2,64,582</b> |
| Additions  | -                  | -               | -                  | -                   | -                        | -                    | -                | -                   | -               | -               |
| Charges for the year                               | -                  | -               | 16,43,811          | 75,04,707           | 12,388                   | 3,88,425             | 5,99,904         | 1,01,49,235         | 27,095          | 27,095          |
| Disposals/Adjustments                              | -                  | -               | -                  | (26,11,749)         | -                        | -                    | (4,24,645)       | (30,36,394)         | -               | -               |
| <b>As at 31<sup>st</sup> March, 2012</b>           | <b>-</b>           | <b>-</b>        | <b>1,19,60,299</b> | <b>4,26,29,262</b>  | <b>1,43,410</b>          | <b>24,25,444</b>     | <b>20,09,391</b> | <b>5,91,67,806</b>  | <b>2,91,677</b> | <b>2,91,677</b> |
| <b>Net Block</b>                                   |                    |                 |                    |                     |                          |                      |                  |                     |                 |                 |
| <b>As at 31<sup>st</sup> March, 2012</b>           | <b>1,98,39,631</b> | <b>1,64,755</b> | <b>3,51,72,090</b> | <b>5,97,03,350</b>  | <b>2,29,395</b>          | <b>37,43,378</b>     | <b>48,88,007</b> | <b>12,37,40,606</b> | <b>66,921</b>   | <b>66,921</b>   |
| <b>As at 31<sup>st</sup> March, 2011</b>           | <b>1,98,39,631</b> | <b>1,64,755</b> | <b>3,62,22,043</b> | <b>5,77,64,855</b>  | <b>92,763</b>            | <b>40,80,791</b>     | <b>29,57,505</b> | <b>12,11,22,343</b> | <b>94,016</b>   | <b>94,016</b>   |

## 11. INVESTMENTS

| Sr. Name of the Body Corporate No.      | Subsidiary/ Associate /JV/ Controlled Entity/ Others             | No. of Shares / Units | Face Value | Quoted / Unquoted | Partly Paid / Fully paid | Extent of Holding (%) |               | Amount (Rs)  |                    |                    |                    |
|---|--|-----------------------|------------|-------------------|--------------------------|-----------------------|---------------|--------------|--------------------|--------------------|--------------------|
|   |  |                       |            |                   |                          | Current Year          | Previous Year | Current Year | Previous Year      |                    |                    |
| (1)                                     | (2)  | (3)                   | (4)        | (5)               | (6)                      | (7)                   | (8)           | (9)          | (10)               | (11)               | (12)               |
| <b>A. NON CURRENT INVESTMENTS</b>       |  |                       |            |                   |                          |                       |               |              |                    |                    |                    |
| <b>Investment in Equity Instruments</b> |  |                       |            |                   |                          |                       |               |              |                    |                    |                    |
| <b>(Stated at Cost)</b>                 |  |                       |            |                   |                          |                       |               |              |                    |                    |                    |
| 1                                       | Ellora Organics Pvt.Ltd.   | Others                | 1,610      | 100               | Unquoted                 | Fully paid            | 8.05%         | 34.85%       | 1,61,405           | 1,61,405           | 1,61,405           |
| 2                                       | Paschim Chemicals Pvt.Ltd  | Shareholders          | 25,000     | 100               | Unquoted                 | Fully paid            | 17.75%        | 17.75%       | 27,42,600          | 27,42,600          | 27,42,600          |
| 3                                       | Halewood Laboratories Pvt Ltd                                    | Others                | 81,200     | 10                | Unquoted                 | Fully paid            | 27.07%        | 27.07%       | 7,62,000           | 7,62,000           | 7,62,000           |
| 4                                       | Mexin Medicaments Pvt Ltd  | Shareholders          | 11,990     | 100               | Unquoted                 | Fully paid            | 11.10%        | 11.10%       | 1,31,89,000        | 1,31,89,000        | 1,31,89,000        |
| 5                                       | Exon Laboratories Pvt Ltd  | Shareholders          | 30,000     | 10                | Unquoted                 | Fully paid            | 2.68%         | 2.68%        | 1,50,00,000        | 1,50,00,000        | 1,50,00,000        |
| 6                                       | Mangalam Drugs & Organics Ltd *                                  | Others                | 3,07,468   | 10                | Quoted                   | Fully paid            | 2.33%         | 2.33%        | 86,10,934          | 86,10,934          | 86,10,934          |
| 7                                       | Ipca Laboratories Ltd  | Associate             | 1,01,480   | 2                 | Quoted                   | Fully paid            | 0.08%         | 0.08%        | 1,01,71,516        | 1,01,71,516        | 1,01,71,516        |
|   | <b>Total</b>   |                       |            |                   |                          |                       |               |              | <b>5,06,37,455</b> | <b>5,06,37,455</b> | <b>5,06,37,455</b> |
|   | Less- *Provision made for diminution in the value of Investments |                       |            |                   |                          |                       |               |              |                    | <b>46,53,821</b>   | <b>46,53,821</b>   |
|   | Mangalam Drugs & Organics Ltd                                    |                       |            |                   |                          |                       |               |              |                    | <b>4,59,83,634</b> | <b>4,59,83,634</b> |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
| 1                                       | Aggregate Book Value of Investment                               |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
| 2                                       | Aggregate Market Value of Quoted Investment                      |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Quoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | <b>PER BALANCE SHEET</b>   |                       |            |                   |                          |                       |               |              |                    |                    |                    |
|   | Unquoted   |                       |            |                   |                          |                       |               |              |                    |                    |                    |



|  | <u>31.03.2012</u>         | 31.03.2011   | <u>31.03.2012</u>         | 31.03.2011         |
|--|---------------------------|--|---------------------------|--------------------|
|  | Rupees                    | Rupees   | Rupees                    | Rupees             |
| <b>12 LOANS &amp; ADVANCES</b>   |                           |  |                           |                    |
| Unsecured considered good  |                           |  |                           |                    |
| Capital Advance  | <b>1,09,211</b>           | 31,70,872  | -                         | -                  |
| Loans & Advances given to :  |                           |  |                           |                    |
| - Employees  | <b>2,11,194</b>           | 1,59,890   | <b>15,05,255</b>          | 9,51,390           |
| - Others   | <b>1,00,00,000</b>        | 3,76,00,000  | <b>41,65,139</b>          | 3,84,736           |
| Advances Receivable in Cash or in kind   | <b>89,675</b>             | 24,505   | <b>38,87,298</b>          | 47,80,164          |
| Deposits   | <b>26,27,389</b>          | 24,73,339  | <b>4,08,628</b>           | 4,54,927           |
| Vat Refund Receivable  | <b>14,84,361</b>          | 12,00,532  | -                         | -                  |
| Prepaid Taxes (Net of Provision for Tax)   | <b>65,76,320</b>          | 23,24,241  | -                         | -                  |
| Advance to Suppliers   | -                         | -  | <b>51,32,239</b>          | 46,14,797          |
| <b>PER BALANCE SHEET</b>   | <b><u>2,10,98,150</u></b> | <u>4,69,53,379</u>                                   | <b><u>1,50,98,559</u></b> | <u>1,11,86,014</u> |
| Provision for Taxation includes provision for Wealth Tax of Rs 5,000/= (previous year Rs.5,000/=). |                           |  |                           |                    |
| <b>13 OTHER ASSETS</b>   |                           |  |                           |                    |
|  | <b>Non Current</b>        |  | <b>Current</b>            |                    |
| Bank Margin  | <b>5,126</b>              | 26,665   | -                         | -                  |
| Interest accrued on Investments  | -                         | -  | -                         | 6,010              |
| Other Income receivable  | -                         | -  | <b>4,88,721</b>           | 4,37,508           |
| <b>PER BALANCE SHEET</b>   | <b><u>5,126</u></b>       | <u>26,665</u>  | <b><u>4,88,721</u></b>    | <u>4,43,518</u>    |
|  | <b>31.03.2012</b>         |  | 31.03.2011                |                    |
|  | Rupees                    | Rupees   | Rupees                    | Rupees             |
| <b>14 INVENTORIES</b>  |                           |  |                           |                    |
| Raw Materials  |                           | <b>1,60,81,075</b>                                   |                           | 2,92,91,851        |
| Packing Materials  |                           | <b>32,93,084</b>                                     |                           | 59,30,737          |
| Work-in-Progress   |                           | <b>32,60,154</b>                                     |                           | 23,93,369          |
| Finished Goods   |                           | <b>7,29,01,380</b>                                   |                           | 4,10,37,142        |
| Stores & Spares  |                           | <b>6,19,903</b>                                      |                           | 2,50,047           |
| <b>PER BALANCE SHEET</b>   |                           | <b><u>9,61,55,596</u></b>                            |                           | <u>7,89,03,146</u> |
| <b>Valuation methodology</b>   |                           |  |                           |                    |
| Raw Materials and Packing Materials  |                           | At cost  |                           |                    |
| Work-in-Progress   |                           | At cost  |                           |                    |
| Finished Goods   |                           | At cost or Net realisable value which ever is lower. |                           |                    |
| Stores & Spares  |                           | At cost  |                           |                    |
| <b>15 TRADE RECEIVABLES</b>  |                           |  |                           |                    |
| <b>Unsecured, considered good</b>  |                           |  |                           |                    |
| Outstanding for more than six months   |                           | <b>25,07,255</b>                                     |                           | 17,11,119          |
| Other Debts  |                           | <b>7,11,18,399</b>                                   |                           | 6,93,51,020        |
| <b>PER BALANCE SHEET</b>   |                           | <b><u>7,36,25,654</u></b>                            |                           | <u>7,10,62,139</u> |
| <b>16 CASH AND BANK BALANCES</b>   |                           |  |                           |                    |
| <b>Cash &amp; Cash Equivalents</b>   |                           |  |                           |                    |
| Cash Balances  | <b>3,07,258</b>           |  | 1,00,091                  |                    |
| Balances with banks  | <b>40,31,996</b>          | <b>40,31,996</b>                                     | <u>73,45,824</u>          | 74,45,915          |
| <b>Other Bank Balances</b>   |                           |  |                           |                    |
| Unclaimed Dividend   |                           | <b>4,26,902</b>                                      |                           | 2,47,157           |
| Bank Margin  |                           | <b>1,53,550</b>                                      |                           | 1,41,359           |
| <b>PER BALANCE SHEET</b>   |                           | <b><u>46,12,448</u></b>                              |                           | <u>78,34,431</u>   |

|   | 2011-2012           |                     | 2010-2011           |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | Rupees              | Rupees              | Rupees              | Rupees              |
| <b>17 SALE OF PRODUCTS</b>  |                     |                     |                     |                     |
| Sale of Products  |                     | <b>55,67,77,018</b> |                     | 47,03,80,159        |
| <b>PER STATEMENT OF PROFIT &amp; LOSS</b>   |                     | <b>55,67,77,018</b> |                     | <b>47,03,80,159</b> |
| <b>Details of Sale of Products</b>  |                     |                     |                     |                     |
| Formulations  |                     | <b>49,80,20,400</b> |                     | 40,76,83,648        |
| Bulk Drugs/ Intermediates   |                     | <b>4,76,27,635</b>  |                     | 6,20,35,088         |
| Others  |                     | <b>1,11,28,983</b>  |                     | 6,61,423            |
| <b>Total</b>  |                     | <b>55,67,77,018</b> |                     | <b>47,03,80,159</b> |
| <b>18 OTHER OPERATING REVENUE</b>   |                     |                     |                     |                     |
| Empty containers & closure sale   |                     | <b>3,87,037</b>     |                     | 4,52,145            |
| Miscellaneous income from operations  |                     | <b>2,88,553</b>     |                     | 3,55,266            |
| <b>PER STATEMENT OF PROFIT &amp; LOSS</b>   |                     | <b>6,75,590</b>     |                     | <b>8,07,411</b>     |
| <b>19 OTHER INCOME</b>  |                     |                     |                     |                     |
| Dividend Income   |                     | <b>2,83,256</b>     |                     | 3,22,440            |
| Interest Income   |                     | <b>41,54,741</b>    |                     | 45,09,386           |
| Profit on sale of Assets  |                     | <b>1,05,517</b>     |                     | 45,652              |
| Other non-operating income  |                     | <b>13,84,753</b>    |                     | 13,23,647           |
| <b>PER STATEMENT OF PROFIT &amp; LOSS</b>   |                     | <b>59,28,267</b>    |                     | <b>62,01,125</b>    |
| <b>20 COST OF MATERIALS CONSUMED</b>  |                     |                     |                     |                     |
| <b>Raw Materials Consumed</b>   |                     |                     |                     |                     |
| Opening Stock   | <b>2,92,91,851</b>  |                     | 2,01,57,911         |                     |
| Add : Addition on Amalgamation  | -                   |                     | 8,54,464            |                     |
| Add : Purchases ( Net of Discount )   | <b>18,60,23,356</b> |                     | 19,46,76,918        |                     |
| Less : Closing Stock  | <b>1,60,81,075</b>  | <b>19,92,34,132</b> | <b>2,92,91,851</b>  | 18,63,97,442        |
| <b>Packing Materials Consumed</b>   |                     |                     |                     |                     |
| Opening Stock   | <b>59,30,737</b>    |                     | 23,92,436           |                     |
| Add : Addition on Amalgamation  | -                   |                     | 16,61,173           |                     |
| Add : Purchases (Net of Discount )  | <b>1,96,98,362</b>  |                     | 2,85,26,811         |                     |
| Less : Closing Stock  | <b>32,93,084</b>    | <b>2,23,36,015</b>  | <b>59,30,737</b>    | 2,66,49,683         |
| <b>PER STATEMENT OF PROFIT &amp; LOSS</b>   |                     | <b>22,15,70,147</b> |                     | <b>21,30,47,125</b> |
| <b>Disclosures:</b>   |                     |                     |                     |                     |
| <b>1 Details of Raw Materials Consumption</b>                                     |                     |                     |                     |                     |
| Paracetamol IP  |                     | <b>6,36,67,702</b>  |                     | 5,89,11,841         |
| Chloroquine Phosphate   |                     | <b>1,66,88,609</b>  |                     | 1,48,52,930         |
| Others (None of which individually forms more than 10% of the total consumption.) |                     | <b>11,88,77,821</b> |                     | 11,26,32,671        |
| <b>Total</b>  |                     | <b>19,92,34,132</b> |                     | <b>18,63,97,442</b> |
| <b>2 Details of Indigenous and Imported Consumption</b>                           |                     |                     |                     |                     |
| <b>Raw materials :</b>  | <b>Rupees</b>       | <b>Percentage</b>   | <b>Rupees</b>       | <b>Percentage</b>   |
| Imported  | <b>5,97,064</b>     | <b>0.3</b>          | -                   | -                   |
| Indigenous  | <b>19,86,37,068</b> | <b>99.7</b>         | 18,63,97,442        | 100.0               |
| <b>Total</b>  | <b>19,92,34,132</b> | <b>100.0</b>        | <b>18,63,97,442</b> | <b>100.0</b>        |

|  | 2011-2012          |                      | 2010-2011          |                    |
|--|--------------------|----------------------|--------------------|--------------------|
|  | Rupees             | Rupees               | Rupees             | Rupees             |
| <b>21 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE</b> |                    |                      |                    |                    |
| <b>Inventory Adjustments - WIP</b>   |                    |                      |                    |                    |
| Work-in-progress at Opening  | 23,93,369          |                      | 28,49,877          |                    |
| Addition on Amalgamation   | -                  |                      | 77,478             |                    |
| Less : Work-in-progress at Closing   | <u>32,60,154</u>   | <u>(8,66,785)</u>    | <u>23,93,369</u>   | 5,33,986           |
| <b>Inventory Adjustments - FG</b>  |                    |                      |                    |                    |
| Stock at Commencement  | 4,10,37,142        |                      | 5,21,45,126        |                    |
| Less : Stock at Closing  | <u>7,29,01,380</u> | <u>(3,18,64,238)</u> | <u>4,10,37,142</u> | 1,11,07,984        |
| <b>Variation in Excise duty on:</b>  |                    |                      |                    |                    |
| Closing Stock of finished goods  | 54,28,856          |                      | 9,78,128           |                    |
| Less : Opening Stock of finished goods   | <u>9,78,128</u>    | <u>44,50,728</u>     | -                  | 9,78,128           |
| <b>PER STATEMENT OF PROFIT &amp; LOSS</b>  |                    | <u>(2,82,80,295)</u> |                    | <u>1,26,20,098</u> |
| <b>Details of Finished Goods</b>   |                    |                      |                    |                    |
| Formulations   | 7,28,32,681        |                      | 4,10,37,142        |                    |
| Bulk Drugs/ Intermediates  | 68,699             |                      | -                  |                    |
| <b>Total</b>   | <u>7,29,01,380</u> |                      | <u>4,10,37,142</u> |                    |
| <b>22 EMPLOYEE BENEFITS</b>  |                    |                      |                    |                    |
| Salaries, Bonus, Perquisites, etc  | 6,76,34,901        |                      | 4,84,44,467        |                    |
| Contribution to Employees welfare funds  | 35,65,024          |                      | 25,71,692          |                    |
| Recruitment and Training   | 1,78,472           |                      | 7,13,392           |                    |
| Staff Welfare expenses   | 12,17,437          |                      | 11,05,498          |                    |
| <b>PER STATEMENT OF PROFIT &amp; LOSS</b>  |                    | <u>7,25,95,834</u>   |                    | <u>5,28,35,049</u> |
| <b>23 FINANCE COST</b>   |                    |                      |                    |                    |
| Interest expense   | 1,23,86,691        |                      | 1,06,59,235        |                    |
| <b>PER STATEMENT OF PROFIT &amp; LOSS</b>  |                    | <u>1,23,86,691</u>   |                    | <u>1,06,59,235</u> |
| <b>24 DEPRECIATION &amp; AMORTIZATION EXPENSES</b>                                     |                    |                      |                    |                    |
| Depreciation   | 1,01,49,236        |                      | 70,14,997          |                    |
| Amortisation   | 27,095             |                      | 30,607             |                    |
| <b>PER STATEMENT OF PROFIT &amp; LOSS</b>  |                    | <u>1,01,76,331</u>   |                    | <u>70,45,604</u>   |

|   | 2011-2012 |                     | 2010-2011 |                    |
|---|-----------|---------------------|-----------|--------------------|
|   | Rupees    | Rupees              | Rupees    | Rupees             |
| <b>25 OTHER EXPENSES</b>                  |           |                     |           |                    |
| Consumption of Stores                     |           | 52,27,978           |           | 34,28,107          |
| Outside Manufacturing Charges             |           | 1,85,03,763         |           | 1,57,82,987        |
| Power, Fuel, Gas & Water Charges          |           | 2,02,34,326         |           | 1,74,11,359        |
| Repairs :                                 |           |                     |           |                    |
| - Building                                | 16,11,281 |                     | 26,27,632 |                    |
| - Machinery                               | 35,70,479 |                     | 27,95,630 |                    |
| - Others                                  | 2,15,570  | 53,97,330           | 2,28,132  | 56,51,394          |
| Insurance                                 |           | 14,04,454           |           | 10,91,300          |
| Rent                                      |           | 33,66,137           |           | 20,63,802          |
| Rates and Taxes                           |           | 25,20,645           |           | 22,56,600          |
| Freight, Forwarding and Transportation    |           | 1,80,33,606         |           | 1,08,56,780        |
| Commission on sales                       |           | 1,36,36,062         |           | 91,51,848          |
| Field Staff expenses                      |           | 1,38,22,005         |           | 61,00,273          |
| Auditors' Remuneration :                  |           |                     |           |                    |
| - Auditor                                 | 1,10,300  |                     | 1,15,358  |                    |
| - Taxation Matters                        | 49,635    |                     | 46,156    |                    |
| - Other Services                          | 43,142    |                     | 65,792    |                    |
| - Reimbursement of expenses               | 10,331    | 2,13,408            | 34,838    | 2,62,144           |
| Loss on Sale of Assets                    |           | 5,52,650            |           | 45,768             |
| Assets scrapped                           |           | -                   |           | 2,00,619           |
| Bad Debts Written off                     |           | 9,49,633            |           | 5,29,177           |
| Marketing & Sales Administrative expenses |           | 1,35,36,199         |           | 80,26,824          |
| Professional Charges                      |           | 10,20,530           |           | 21,23,288          |
| Security Charges                          |           | 12,58,246           |           | 10,36,502          |
| Analytical Charges                        |           | 27,40,682           |           | 19,62,217          |
| Communication expenses                    |           | 19,03,528           |           | 12,59,278          |
| Printing & Stationery                     |           | 31,79,402           |           | 13,36,146          |
| Bank charges                              |           | 2,83,217            |           | 2,90,317           |
| Miscellaneous expenses                    |           | 19,56,572           |           | 27,49,665          |
| <b>PER STATEMENT OF PROFIT &amp; LOSS</b> |           | <b>12,97,40,373</b> |           | <b>9,36,16,395</b> |

**Disclosures:**

**Details of Indigenous and Imported Stores, Spares & Components**

|              | Rupees           | Percentage | Rupees           | Percentage |
|--------------|------------------|------------|------------------|------------|
| Imported     | -                | -          | -                | -          |
| Indigenous   | 52,27,978        | 100        | 34,28,107        | 100        |
| <b>Total</b> | <b>52,27,978</b> | <b>100</b> | <b>34,28,107</b> | <b>100</b> |

|   | 2011-2012 |           | 2010-2011 |           |
|---|-----------|-----------|-----------|-----------|
|   | Rupees    | Rupees    | Rupees    | Rupees    |
| <b>26 CIF Value of Imports</b>            |           |           |           |           |
| Raw materials                             |           | 77,05,761 |           | -         |
| Capital goods                             |           | 12,16,603 |           | 18,78,262 |
| <b>27 Expenditure in foreign currency</b> |           |           |           |           |
| Travelling Expenses                       |           | 1,14,225  |           | -         |

**28 Disclosure as required by Accounting Standard – AS 17 “Segment Reporting”, issued by the Institute of Chartered Accountants of India**

The entire operations of the Company relate to only one segment viz. “Pharmaceuticals”. As such, there is no separate reportable segment under Accounting Standard-AS 17 on Segment Reporting.

**29 Disclosure as required by Accounting Standard – AS 20 “Earning Per Share”, issued by the Institute of Chartered Accountants of India**

The Company has not issued any potential diluted equity share and therefore the Basic and Diluted earning per Share will be the same. The earning per share is calculated by dividing the profit after tax by weighted average number of shares outstanding.

|  | 2011-2012 |               | 2010-2011 |               |
|--|-----------|---------------|-----------|---------------|
|  | Rupees    | Rupees        | Rupees    | Rupees        |
| Profit/(Loss) after tax                    |           | (57,21,211)   |           | 3,45,44,376   |
| Equity Shares Outstanding (Nos)            |           | 49,16,980     |           | 49,16,980     |
| - Opening                                  | 49,16,980 |               | 43,45,540 |               |
| - Issued during the year                   | -         |               | 5,71,440  |               |
| - Closing                                  | -         | 49,16,980     | -         | 49,16,980     |
| Weighted Average no. of shares outstanding |           |               |           |               |
| - Basic / Diluted                          |           | 49,16,980     |           | 49,16,980     |
| Nominal value of equity share              |           | Rs. 10/- each |           | Rs. 10/- each |
| Earnings per share (Rs.)                   |           |               |           |               |
| - Basic / Diluted                          |           | (1.16)        |           | 7.03          |

**30 Disclosure as required by Accounting Standard – AS 18 “Related Parties”, issued by the Institute of Chartered Accountants of India.**

**Relationships Country**

**A. Entities where control exists :**

**Shareholders of Makers Laboratories Ltd.**

|                                    |       |
|------------------------------------|-------|
| Kaygee Investments Pvt. Ltd.       | India |
| Exon Laboratories Pvt. Ltd.        | India |
| Paschim Chemicals Pvt. Ltd.        | India |
| Others                             |       |
| Halewood Laboratories Pvt.Ltd.     | India |
| Ellora Organic Industries Pvt Ltd. | India |

**B. Key Management Personnel**

|  |        |
|--|--------|
| Mr. Prashant Godha - Director          | Indian |
| Mrs. Purnima Jain - Wholetime Director | Indian |
| Mr. Saahil Parikh - Wholetime Director | Indian |

**C. Associates**

|                        |       |
|------------------------|-------|
| Ipca Laboratories Ltd. | India |
|------------------------|-------|

**D. Other Related Parties ( Entities in which Directors or their Relatives have significant influence )**

|                            |       |
|----------------------------|-------|
| Nipra Industries Pvt. Ltd. | India |
| Kaygee Loparex Pvt. Ltd    | India |
| Keymed                     | India |

**Details of related party transaction are given in Statement - 1**

**31 Contingent liabilities not provided for in respect of :**

|  | 2011-2012 |                    | 2010-2011 |             |
|--|-----------|--------------------|-----------|-------------|
|  | Rupees    | Rupees             | Rupees    | Rupees      |
| i Corporate Guarantee given to AXIS Bank Ltd on behalf of M/s Halewood Laboratories Pvt. Ltd, under third party manufacturing arrangement for which the Company holds counter Guarantee. |           | <b>1,50,00,000</b> |           | 1,50,00,000 |
| ii Counter Guarantees given to AXIS Bank & State Bank of India in respect of guarantees given by the bank on behalf of the Company to Government Authorities.                            |           | <b>1,58,676</b>    |           | 1,68,024    |
| iii Estimated amount of contracts remaining to be executed on capital account. (Net of Capital Advances)   |           | -                  |           | 27,32,000   |
| iv Other moneys for which the Company is contingently liable for tax, excise, customs and other matters not accepted by the Company  |           | <b>11,96,426</b>   |           | -           |

**32** In the opinion of the Board of Directors, all the assets other than fixed assets and non current investments have value on realisation in the ordinary course of business atleast equal to the amount at which they are stated in the Balance Sheet.

**33 Prior period comparatives**

The Company has reclassified the published previous year figures to conform to the norms of the Revised Schedule VI. The adoption of the revised Schedule VI does not impact recognition and measurement principles followed for preparation of the financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of Balance Sheet.

**34** The Balance Sheet, Statement of Profit & Loss, Cash Flow Statement, Statement of significant accounting policy and other explanatory notes form an integral part of the financial statements of the company for the year ended on 31<sup>st</sup> March, 2012.

As per our Report of even date attached

For **AGARWAL & MANGAL**

Chartered Accountants

Firm Reg. No. 100061W

**B. P. MANGAL**

Partner

Membership No.32973

Mumbai,

30<sup>th</sup> May, 2012

**For and on behalf of the Board**

Purnima Jain - Wholetime Director

K.C. Jain - Director

Prashant Godha - Director

**STATEMENT - 1 (Refer Note No.30)**
**Related Party Disclosure as required by Accounting Standard – AS 18 issued by the Institute of Chartered Accountants of India.**
**Transactions with Related Parties**

| Description   | Entities where control exists |               |               |             | Key Management |           | Associates   |              | Other Related Parties |         | Total         |               |
|---|-------------------------------|---------------|---------------|-------------|----------------|-----------|--------------|--------------|-----------------------|---------|---------------|---------------|
|   | Shareholders                  |               | Others        |             | Personnel      |           |              |              |                       |         |               |               |
|   | 2011-12                       | 2010-11       | 2011-12       | 2010-11     | 2011-12        | 2010-11   | 2011-12      | 2010-11      | 2011-12               | 2010-11 | 2011-12       | 2010-11       |
| <b>Purchase of goods and services:</b>              |                               |               |               |             |                |           |              |              |                       |         |               |               |
| Ipca Laboratories Ltd                               | -                             | -             | -             | -           | -              | -         | 5,05,52,103  | 3,13,77,368  | -                     | -       | 5,05,52,103   | 3,13,77,368   |
| Halewood Laboratories Pvt Ltd                       | -                             | -             | 1,54,13,896   | 1,43,73,796 | -              | -         | -            | -            | -                     | -       | 1,54,13,896   | 1,43,73,796   |
| <b>Total</b>  | -                             | -             | 1,54,13,896   | 1,43,73,796 | -              | -         | 5,05,52,103  | 3,13,77,368  | -                     | -       | 6,59,65,999   | 4,57,51,164   |
| <b>Sales of goods and services:</b>                 |                               |               |               |             |                |           |              |              |                       |         |               |               |
| Ipca Laboratories Ltd                               | -                             | -             | -             | -           | -              | -         | 13,38,74,932 | 16,44,72,035 | -                     | -       | 13,38,74,932  | 16,44,72,035  |
| Halewood Laboratories Pvt Ltd                       | -                             | -             | 26,86,201     | -           | -              | -         | -            | -            | -                     | -       | 26,86,201     | -             |
| <b>Total</b>  | -                             | -             | 26,86,201     | -           | -              | -         | 13,38,74,932 | 16,44,72,035 | -                     | -       | 1,36,5,61,133 | 16,44,72,035  |
| <b>Purchase of fixed assets:</b>                    |                               |               |               |             |                |           |              |              |                       |         |               |               |
| Ipca Laboratories Ltd                               | -                             | -             | -             | -           | -              | -         | -            | 5,05,000     | -                     | -       | -             | 5,05,000      |
| <b>Total</b>  | -                             | -             | -             | -           | -              | -         | -            | 5,05,000     | -                     | -       | -             | 5,05,000      |
| <b>Sale of fixed assets:</b>                        |                               |               |               |             |                |           |              |              |                       |         |               |               |
| Ipca Laboratories Ltd                               | -                             | -             | -             | -           | -              | -         | -            | 48,475       | -                     | -       | -             | 48,475        |
| <b>Total</b>  | -                             | -             | -             | -           | -              | -         | -            | 48,475       | -                     | -       | -             | 48,475        |
| <b>Purchase of shares:</b>                          |                               |               |               |             |                |           |              |              |                       |         |               |               |
| Ipca Laboratories Ltd                               | -                             | -             | -             | -           | -              | -         | -            | 11,77,072    | -                     | -       | -             | 11,77,072     |
| <b>Total</b>  | -                             | -             | -             | -           | -              | -         | -            | 11,77,072    | -                     | -       | -             | 11,77,072     |
| <b>Excise duty, Rent and other expenses paid:</b>   |                               |               |               |             |                |           |              |              |                       |         |               |               |
| Ipca Laboratories Ltd                               | -                             | -             | -             | -           | -              | -         | 45,56,551    | -            | -                     | -       | 45,56,551     | -             |
| Halewood Laboratories Pvt Ltd                       | -                             | -             | 1,12,78,147   | 92,92,182   | -              | -         | -            | -            | -                     | -       | 1,12,78,147   | 92,92,182     |
| Others  | -                             | -             | -             | -           | -              | -         | 23,546       | 93,282       | -                     | -       | 23,546        | 93,282        |
| <b>Total</b>  | -                             | -             | 1,12,78,147   | 92,92,182   | -              | -         | 45,80,097    | 93,282       | -                     | -       | 1,58,58,244   | 93,85,464     |
| <b>Excise duty &amp; other expenses recovered:</b>  |                               |               |               |             |                |           |              |              |                       |         |               |               |
| Ipca Laboratories Ltd                               | -                             | -             | -             | -           | -              | -         | 97,21,279    | 33,65,844    | -                     | -       | 97,21,279     | 33,65,844     |
| Halewood Laboratories Pvt Ltd                       | -                             | -             | 1,06,81,950   | 1,16,50,940 | -              | -         | -            | -            | -                     | -       | 1,06,81,950   | 1,16,50,940   |
| Others  | 20,371                        | 21,123        | -             | -           | -              | -         | -            | -            | -                     | -       | 20,371        | 21,123        |
| <b>Total</b>  | 20,371                        | 21,123        | 1,06,81,950   | 1,16,50,940 | -              | -         | 97,21,279    | 33,65,844    | -                     | -       | 2,04,23,600   | 1,50,37,907   |
| <b>Net Loans &amp; advances given/(recovered) :</b> |                               |               |               |             |                |           |              |              |                       |         |               |               |
| Paschim Chemicals Pvt Ltd                           | -                             | (2,00,00,000) | -             | -           | -              | -         | -            | -            | -                     | -       | -             | (2,00,00,000) |
| Ellora Organic Industries Pvt Ltd                   | -                             | -             | (2,25,00,000) | 1,00,00,000 | -              | -         | -            | -            | -                     | -       | (2,25,00,000) | 1,00,00,000   |
| Halewood Laboratories Pvt Ltd                       | -                             | -             | (1,475,000)   | 11,630,000  | -              | -         | -            | -            | -                     | -       | (1,475,000)   | 1,16,30,000   |
| <b>Total</b>  | -                             | (2,00,00,000) | (2,39,75,000) | 2,16,30,000 | -              | -         | -            | -            | -                     | -       | (2,39,75,000) | 16,30,000     |
| <b>Interest Income :</b>                            |                               |               |               |             |                |           |              |              |                       |         |               |               |
| Halewood Laboratories Pvt Ltd                       | -                             | -             | 21,06,458     | 16,86,216   | -              | -         | -            | -            | -                     | -       | 21,06,458     | 16,86,216     |
| <b>Total</b>  | -                             | -             | 21,06,458     | 16,86,216   | -              | -         | -            | -            | -                     | -       | 21,06,458     | 16,86,216     |
| <b>Dividend Income :</b>                            |                               |               |               |             |                |           |              |              |                       |         |               |               |
| Exon Laboratories Pvt Ltd                           | 60,000                        | 30,000        | -             | -           | -              | -         | -            | -            | -                     | -       | 60,000        | 30,000        |
| Ipca Laboratories Ltd                               | -                             | -             | -             | -           | -              | -         | 2,23,256     | 2,92,440     | -                     | -       | 2,23,256      | 2,92,440      |
| <b>Total</b>  | 60,000                        | 30,000        | -             | -           | -              | -         | 2,23,256     | 2,92,440     | -                     | -       | 2,83,256      | 3,22,440      |
| <b>Remuneration to Directors :</b>                  |                               |               |               |             |                |           |              |              |                       |         |               |               |
| Prashant Godha                                      | -                             | -             | -             | -           | 10,01,913      | 34,38,662 | -            | -            | -                     | -       | 10,01,913     | 34,38,662     |
| Purnima Jain  | -                             | -             | -             | -           | 19,58,648      | 16,75,179 | -            | -            | -                     | -       | 19,58,648     | 16,75,179     |
| Saahil Parikh                                       | -                             | -             | -             | -           | 10,33,922      | -         | -            | -            | -                     | -       | 10,33,922     | -             |
| <b>Total</b>  | -                             | -             | -             | -           | 39,94,483      | 51,13,841 | -            | -            | -                     | -       | 39,94,483     | 51,13,841     |
| <b>Rent Income :</b>                                |                               |               |               |             |                |           |              |              |                       |         |               |               |
| Ipca Laboratories Ltd                               | -                             | -             | -             | -           | -              | -         | 15,84,684    | 13,14,000    | -                     | -       | 15,84,684     | 13,14,000     |
| <b>Total</b>  | -                             | -             | -             | -           | -              | -         | 15,84,684    | 13,14,000    | -                     | -       | 15,84,684     | 13,14,000     |
| Balance as on 31st March                            |                               |               |               |             |                |           |              |              |                       |         |               |               |
| <b>Receivables:</b>                                 |                               |               |               |             |                |           |              |              |                       |         |               |               |
| Ipca Laboratories Ltd                               | -                             | -             | -             | -           | -              | -         | 43,84,128    | 2,13,01,255  | -                     | -       | 43,84,128     | 2,13,01,255   |
| Halewood Laboratories Pvt. Ltd                      | -                             | -             | 9,86,201      | -           | -              | -         | -            | -            | -                     | -       | 9,86,201      | -             |
| Others  | 5,326                         | 7,115         | -             | -           | -              | -         | -            | -            | -                     | -       | 5,326         | 7,115         |
| <b>Total</b>  | 5,326                         | 7,115         | 9,86,201      | -           | -              | -         | 43,84,128    | 2,13,01,255  | -                     | -       | 53,75,655     | 2,13,08,370   |
| <b>Payables:</b>                                    |                               |               |               |             |                |           |              |              |                       |         |               |               |
| Halewood Laboratories Pvt. Ltd                      | -                             | -             | (31,19,407)   | (29,33,163) | -              | -         | -            | -            | -                     | -       | (31,19,407)   | (29,33,163)   |
| Ipca Laboratories Ltd                               | -                             | -             | -             | -           | -              | -         | 1,23,23,359  | 17,81,499    | -                     | -       | 1,23,23,359   | 17,81,499     |
| Others  | -                             | -             | -             | -           | -              | -         | -            | 12,582       | -                     | -       | -             | 12,582        |
| <b>Total</b>  | -                             | -             | (31,19,407)   | (29,33,163) | -              | -         | 1,23,23,359  | 17,94,081    | -                     | -       | 92,03,952     | (11,39,082)   |

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**Makers Laboratories Limited**  
**PROXY**

Registered Office: 54-D, Kandivli Industrial Estate, Kandivli (W), Mumbai - 400 067.

I/We .....  
of .....in the district of.....being a member/members of the above named  
Company hereby appoint.....  
of .....in the district of.....  
or failing him.....  
of .....in the district of.....  
..... as my/our proxy to vote for me/  
us on my/our behalf at the 27<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, the 2<sup>nd</sup> day of August, 2012  
at 4.00 p.m. and at any adjournment thereof.

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

Signed by the said .....

Reg. Folio No. .... No. of Shares held .....

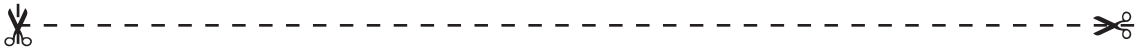
\* Client ID No. ....

\* DP ID No. ....

Note : The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited at the Registered Office of the  
Company not less than FORTY EIGHT hours before the time for holding the meeting.

\* Applicable for investors holding shares in electronic form.

Re. 1  
Revenue  
Stamp



**Makers Laboratories Limited**  
**ATTENDANCE SLIP**

Registered Office: 54-D, Kandivli Industrial Estate, Kandivli (W), Mumbai - 400 067.

I hereby record my presence at the 27<sup>th</sup> Annual General Meeting held at Plot No. 47, Kandivli Industrial Estate, Charkop, Kandivli (W),  
Mumbai-400 067 on Thursday, the 2<sup>nd</sup> day of August, 2012 at 4.00 p.m.

Name of the Shareholder (s) .....  
(In Block Capitals)

Name of the Proxy or Company Representative .....  
(In Block Capitals)

Signature of the Shareholder or  
Proxy or Company Representative .....

- Notes : 1. A Proxy attending on behalf of a Shareholder should please write the name of the Shareholder from whom he/she holds  
Proxy.  
2. Members are requested to bring their copy of the Annual Report with them to the Meeting as additional copies of the same  
will not be made available at the Meeting.

Reg. Folio No. .... No. of Shares held .....

\* Client ID No. ....

\* DP ID No. ....

\* Applicable for investors holding shares in electronic form



**MAKERS**

**Registered Office :**

**Makers Laboratories Limited**

54-D, Kandivli Industrial Estate,  
Charkop, Kandivli (West), Mumbai 400 067.