



ADVIK LABORATORIES LIMITED

**FIFTEENTH
ANNUAL REPORT
2008-2009**

(HEALTH IS OUR PRIME MOTTO)

ADVIK LABORATORIES LIMITED

Board of Directors

Mr. V.K. Jain	-Managing Director
Mr. F. M. Banthiya	-Director
Mr. Sushil Kr. Singh	-Director
Mr. Kishan Kumar	-Director

Company Secretary

Ms. Kanupriya Tulsyan

Auditors

VBR & Associates
Chartered Accountants
205, Laxman Palace,
19, Veer Sawarkar Block
Shakarpur, Delhi-110092.

Bankers

Indian Overseas Bank
HDFC Bank
Punjab National Bank
State Bank of India

Corporate Office

203, Allied House, 1, L.S.C Complex
Opp. Pushpa Bhawan, Madangir
New Delhi-110 062(INDIA)
Tel No.: 91-11-41649171/73/74
FAX : 91-11-41649171
E-Mail: mail@advikindia.com
Website: www.advikindia.com

Registered Office & Works

138, Roz-Ka-Meo, Industrial Area,
Sohna, Distt. -Mewat (Haryana)
INDIA
Tel. No.: 0124-2362471

Share Transfer Agent

Beetal Financial & Computer Services (P) Ltd.
Beetal House, 3rd Floor, 99, Madangir
Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir
New Delhi-110 062.
Tel: 91-11-29961281/82
Fax: 91-11-29961284
E-mail: beetal@rediffmail.com

NOTICE

Notice is hereby given that the 15th (Fifteenth) Annual General Meeting of the Members of **ADVIK LABOROTORIES LIMITED** will be held on Wednesday, 30th September 2009 at 11.00 A.M at its Registered Office at 138, Roz- Ka - Meo, Industrial Area Sohna, Distt. Mewat-122 103 (Haryana) INDIA to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2009, the Profit & Loss account for the period ended on that date, Auditors Report and Directors Report thereon.
2. To appoint a Director in place of Shri F.M.Banthiya, who retires by rotation and being eligible, offer himself for reappointment.
3. To consider and thought fit, to pass, with or without modification(s) the followings resolution as ordinary resolution
"RESOLVED THAT pursuant to the provisions of section 224(1) and other applicable provisions, if any, of the Companies Act, 1956, M/s VBR & Associates,, Chartered Accountants be and is here by re-appointed as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors and/or any committee thereof."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as
Ordinary Resolution:
"RESOLVED THAT Mr. Sushil Kr. Singh who was appointed as Additional director of the company pursuant to provisions of Section 260 of the Companies Act, 1956 at its Board Meeting held on 30.01.2009 be and is hereby appointed as Director of the Company."
5. To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as
Ordinary Resolution:
"RESOLVED THAT Mr. Kishan Kumar who was appointed as Additional director of the company pursuant to provisions of Section 260 of the Companies Act, 1956 at its Board Meeting held on 30.01.2009 be and is hereby appointed as Director of the Company."
6. To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as
Ordinary Resolution
" RESOLVED THAT as approved by the Remuneration committee and by the Board of Directors in its meeting held on 29th October, 2008 and pursuant to the provisions of Section 198,269,309,310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 & rules & regulations made thereunder (any statutory modification or re-enactment thereof for the time being in force), and any other approvals as may be necessary, the consent of the company be and is hereby accorded to the appointment & revision of remuneration of Shri V.K.Jain, the Managing Director of the Company for a period of 5 years w.e.f 01st November, 2008 up to 31st October, 2013 on the term & conditions as given below:-

Remuneration of Mr. V. K. Jain

1. Salary: Rs. 50,000/- per month with annual increment that the Board may decide, but not exceeding 20%. Further, his salary in any case shall not exceed Rs. 1,50,000/- per month inclusive of all Remuneration and Perks.
2. Perquisites: These shall be restricted to an amount equal to the annual Salary or Rs 6,00,000/- whichever is less, perquisite are classified into three categories "A", "B" and "C" as Follows:

Category "A"

- Housing: Expenditure by the Company on hiring furnished accommodation for Mr. V. K. Jain will be subject to a ceiling of 60% of the Salary over and above 10% payable by the Company.
- In case no accommodation is provided by the Company to Mr. V. K. Jain, he shall be entitled to House Rent Allowance subject to the ceiling laid down in (1) above.
- In case accommodation is owned by the Company, 10% of the Salary of Mr. V. K. Jain shall be deducted by Company.
- Gas, Electricity, Water & Furnishings: The expenditure incurred by the Company on gas, electricity, water, and furnishings shall be valued as per Income Tax Act, 1962.
- Medical Reimbursement: Reimbursement of actual expenses incurred by Mr. V. K. Jain and his family subject to ceiling of One Months salary in a year or Three months Salary over a period of Three years.
- Leave Travel Concession: Leave Travel Concession incurred for self and family once in a year in accordance with rules of the Company.
- Club Fees: Fees of clubs subject to a maximum of two Clubs. No admission or life membership fee shall be paid.
- Personal Accident Insurance: Personal Accident Insurance, the premium whereof shall not exceed Rs. 10,000/- per annum.

Category "B"

- Contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on the perquisites to the extent all these, either singly or put together, are not taxable under the Income Tax Act.
- Gratuity payable shall not exceed half a month salary for each completed year of services.
- Earned Leave: Earned Leave pay as per the rules of the Company.

Category "C"

- Car & Telephone : Provision of car for use on Company's business and Telephone, Telefax, Internet and other communication facilities at residence will not be considered as perquisites. Personal long distance telephone calls and use of car for private purpose shall be billed by the Company to Mr. V.K. Jain.
3. For the purpose of perquisites stated herein above, " Family" means spouse, dependent children and parents of Mr. V.K. Jain
 4. Mr. V. K. Jain shall be entitled to reimbursement of all actual expenses or charges including travel entertainment or other out-of-pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business and objects.
 5. In the event of loss or inadequacy of profits in any year during the tenure of his office, Mr. V. K. Jain shall be entitled to the above remuneration by way of salary, perquisites & benefits as minimum remuneration."

RESOLVED FURTHER THAT in the events of any statutory amendment(s) modification(s) in Schedule XIII, the consent of the company be & is hereby accorded to vary the term & conditions of aforesaid appointment and/or remuneration including salary perquisites, allowances, benefits and amenities etc., within such prescribed limit and term & conditions of aforesaid appointment be suitably amended to give effect to such amendment modification(s) in Schedule XIII or in terms & conditions of appointment or in remuneration .

FURTHER RESOLVED THAT the consent of the company be and is hereby accorded that in case of loss or inadequacy of profits in any financial year of the company, the salary and perquisite payable to Mr. V.K.Jain as aforesaid shall be treated as minimum remuneration within the meaning of section 198 of the Companies Act read with Schedule XIII.

Place: Sohna, Mewat

Dated: 03.09.2009

**By order of the Board of Directors
For Advik Laboratories Limited**

Sd/-

Kanupriya Tulsyan
Company Secretary

NOTES:-

- i. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- ii. The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the time of the meeting
- iii. All documents referred to in the notice are open for inspection at the Registered Office of the Company between 11.00 a. m to 1.00 p.m. on any 10 (Ten) Working days prior to the date of the meeting and also at the meeting.
- iv. The Register of Members of the Company and Share Transfer Books shall remain closed from 28th September to 30th September, 2009 (both days inclusive)
- v. The members are requested to:-
 - i) Notify change in their address, if any.
 - ii) Send their queries, if any, at least 7 days in advance of the meeting so that the information can be made available at the meeting.
 - iii) Members/proxies should bring the attendance slip duly filled in for attending the meeting.
 - iv) Bring their copy of Annual Report while coming to attend the meeting.
 - v.) Members holding shares in the same names under different folios are requested to apply for consolidation of such folios and send relevant share certificates.
- vi) Since the Shares of the Company are under Compulsory Demat form and hence those members are requested whose shares are under physical form to demat their shares.

Item No. 4

Mr. Sushil Kumar Singh was appointed as Additional director of the company pursuant to provisions of Section 260 of the Companies Act, 1956 at its Board Meeting held on 30.01.09. The company has received a notice from Mr. Sushil Kumar Singh under Section 257 of the Companies Act, 1956 who has signified his intention to offer his candidature for the directorship of the company. Mr. Sushil Kumar Singh is a Qualified Professional having lot of experience in this field. His continuation as the Board Member in the company would be worthful for the organization and would be in the interest of the company.

Pursuant to the Provisions of the Section 257 of the Companies Act, 1956, his appointment requires the approval of Members of the Company. Hence the same appointment is presented for your approval. None of the directors of your Company are interested in the proposed resolution, except to the extent of their share holdings in the Company.

Item No. 5

Mr. Kishan Kumar was appointed as Additional director of the company pursuant to provisions of Section 260 of the Companies Act, 1956 at its Board Meeting held on 30.01.09. The company has received a notice from Mr. Kishan Kumar under Section 257 of the Companies Act, 1956 who has signified his intention to offer his candidature for the directorship of the company. Mr. Kishan Kumar is a Qualified Professional having lot of experience in this field. His continuation as the Board Member in the company would be worthful for the organization and would be in the interest of the company.

Pursuant to the Provisions of the Section 257 of the Companies Act, 1956, his appointment requires the approval of Members of the Company. Hence the same appointment is presented for your approval.

None of the directors of your Company are interested in the proposed resolution, except to the extent of their share holdings in the Company.

Item no. 6

Mr. V.K.Jain, the Managing Director of company is the promoter Director. He is having a very rich experience of more than 35 years in the pharmaceuticals industry. He is a B.Sc (Hons) and aged around 60 years. Mr. V.K.Jain had been conferred a Udyog Patra award for his outstanding contribution to the pharma industry by then Commerce Minister to Govt. of India, Mr. Ram Krishna Hegde in 1999.

Keeping in mind his outstanding contribution to the growth of the organization the Board of Directors of your Company reappointed him as Managing Director with effect from 01st November, 2008 to 31st October, 2013 for a period of 5 years & also revised his salary from Rs. 30000/-month to 50000/-month apart from the perquisites which would be restricted to Rs. 600000/- per annum as approved by the Remuneration Committee of the company. Your Board of Directors recommend this resolution for your kind approval. The proposed reappointment & revision of remuneration is in accordance with Schedule-XIII of the Companies Act, 1956 and other applicable provisions

In case of loss or inadequacy of profits in any financial year of the company, the salary and perquisite payable to Mr. V.K.Jain as aforesaid shall be treated as minimum remuneration within the meaning of section 198 of the Companies Act read with Schedule XIII.

None of the Directors except Mr. V.K.Jain, is interested in the resolution. This may be treated as an abstract of the revision of terms and conditions of appointment of Shri V.K.Jain in terms of section 302 of the companies Act 1956.

Place: Sohna, Mewat

Dated: 03.09.2009

**By order of the Board of Directors
For Advik Laboratories Limited**

Sd/-

Kanupriya Tulsyan
Company Secretary

DIRECTORS REPORT

To

The Members of Advik Laboratories Limited,

Your Directors have great pleasure in presenting the 15th Annual Report of the Company along with the Audited Statement of Accounts for the year ended 31st March 2009, and Auditors report thereon.

1. FINANCIAL RESULTS

(Rs. in Lacs)

	2008-09	2007-08
Gross Sales	1200.01	1053.37
Other Income	3.52	12.29
Gross profit/ (Loss) before interest & dep..	48.07	23.17
Interest	31.12	21.33
Depreciation	35.80	34.89
Net profit/ (Loss) for the year	(18.85)	(33.05)

2. REVIEW OF OPERATIONS

During the year under review the sales of your company has gone up by 14% but the profitability has not gone up. For mos of the times, during the year under review the manufacturing facilities of the company was not operational due to on going work of modernization in the plant to meet the requirement of WHO-GMP which is mandatory with the reason that new guidelines for WHO-GMP certification has come into force. hence to obtain WHO-GMP Certification, we have to adhere all the norms of latest guidelines in force. This requirement & improvement in pharmaceuticals is needed with the view to export our products to the overseas buyers. Due to stringent norms of WHO-GMP compatibility, more & more companies are entering into the domestic tender business of pharmaceuticals, where only GMP is required. This is affecting more & more competition in the Govt. business. Hence, our company is putting all its eyes to tap the overseas market & trying to get some foreign pharma companies on the international level, who may manufacture medicine from our company in the coming days on job work/export basis. This will give us better yield of profitability as compared to previous supplies to the various Govt. Institutions, which is giving us marginal margins & more expenses.

3. FUTURE OUTLOOK

Company's representing to various countries for the Registration of its products in the overseas. Company is planning to file around 20 products for registration to the Republic of Botswana from where we are expecting good profitable business both domestically as well as CMS(Central Medical Store supplies), of that country. In this respect a survey has already been made with the Ministry of health of Botswana & the Drug Regulatory Unit (DRU), where the samples have already been submitted. Our next eye is on Vietnam, where the Indian medicines are being exported to the tune of around 500 million dollars, we are just waiting for WHO-GMP approval & its renewal. This may give a fourfold profit to the company & we shall be able come out from the losses to the profitability in the near future.

4. FIXED DEPOSIT

The company has not accepted any fixed Deposits within the meaning of Section 58 A of the Companies Act, 1956 and the rules made there under.

5. DIRECTORS

a.) During the period, Mr. Sushil Kumar Singh who was appointed as Additional Director of the company on 30.01.09 and who shall hold office upto the date of ensuing Annual General Meeting of the Company. He has offered his candidature to be appointed as Director of the Company. Therefore, Board of Directors recommends his appointment as Director of the company.

b.) During the period, Mr. Kishan Kumar who was appointed as Additional Director of the company on 30.01.09 and who shall hold office upto the date of ensuing Annual General Meeting of the Company. He has offered his candidature to be appointed as Director of the Company. Therefore, Board of Directors recommends his appointment as Director of the company.

c) Mr. F.M.Banthiya is the Director liable to retire by rotation and being eligible offers himself for reappointment.

Mr. F.M.Banthiya is aged around 74 years and having very rich experience in this field. Mr. F.M.Banthiya is Non Executive Independent Director and designated as the Chairman of Audit Committee & Remuneration Committee. He is the member of the Share Transfer Committee as well as member of the Shareholder Grievance Committee of your company.

Being eligible he offers himself for re-appointment in terms of section 256 of the Companies Act 1956. Keeping in mind his rich experience and qualification, your Board of Directors recommends him for re-appointment.

None other than Mr. F.M.Banthiya is interested in this resolution.

c.) During the period, Mr. Ashwani Talwar and Mr. Aditya Jain have resigned from the directorship of the Company with effect from 30.01.09 respectively. The Board places on record their sincere contribution towards the growth of the Company.

6. AUDIT COMMITTEE

The company has an audit committee comprises of three Non-Executive directors which are Mr. F. M. Banthiya being an Independent Director is the Chairman of the Committee and Mr. Sushil Kumar Singh and Mr. Kishan Kumar are the members of the Audit committee. The Committee works as per the requirement of Section 292 A of the Companies Act, 1956 and the Clause-49 of the Listing Agreement on Corporate Governance. The Audit committee meets at periodic intervals to transact the business as per the terms of reference made to it in the light of requirements of Section 292 A of the Companies Act, 1956 and the clause-49 of the Listing Agreement on Corporate Governance.

7. AUDITORS

M/s VBR & Associates New Delhi Chartered Accountants are the Auditors of the Company and they retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. The company has received a certificate from the retiring auditors to the effect that the appointment, if made, will be in accordance with the limit as specified in Section 224(1B) of the Companies Act, 1956.

8. BOARD'S COMMENT ON AUDITOR'S REPORT

The company always strives to present an unqualified Financial Statement. However there is an Audit qualification by Auditors in the Auditor's Report as to financial statements of the company for the year 2008-09 as to non compliance of AS-15. The Board has taken note of the same and it will ensure that adequate remedial measures are taken and will further ensure the proper compliance of AS-15 in future.

9. **DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956**

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Board of Directors confirms having: -

- I. Followed the applicable accounting standards with proper explanation relating to material departures in the preparations of the Annual Accounts.
- II. Selected and applied such accounting Policy consistently and made judgments and estimates that were reasonable and prudent manner so as to give true and fair view of the state of affairs of the Company as at the end of financial year 2008-09 and of the profit or loss of your company for that period.
- III. 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; and
- IV. Prepared the accounts for the financial year ended 31st March 2009 on a 'going concern basis'.

10. **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A detailed Management Discussion and Analysis Report, pursuant to Clause 49 of the Listing agreement are annexed hereto, forming integral part of this report.

11. **SAFETY & ENVIRONMENT**

The company is taking each and every step to maintain good safety measures and arranged for all the equipments and conditions, which are inevitable to keep the environment suited to the health of the employees of our Company. The company has adequate insurance cover on its assets to recover the loss caused due to any unfortunate happening

12. **PARTICULARS OF EMPLOYEES**

In terms of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, None of the employee is receiving remuneration above the limit therefore no particulars is required to be given.

13. **REPORT ON CORPORATE GOVERNANCE**

Pursuant to Clause-49 of the Listing Agreement with the stock Exchanges, a report on Corporate Governance along with Auditor's Certificate on its compliance report is annexed hereto (Annexure-B) forming integral part of this report.

14. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

The Company lay focus on Conservation of energy with studies, discussions and analysis, which are undertaken regularly for further improvements.

In terms of requirement 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 the required information relating to, conservation of energy, technology absorptions and foreign exchange earnings and outgo are Annexed hereto as Annexure-A.



15. LISTING

The Shares of your company continued to be listed at Bombay Stock exchange Limited and Ahmedabad Stock Exchange Limited. Listing fee of BSE has already been paid for the financial year 2008-09. Further Annual custodial fee has also been paid to CDSL.

16. INDUSTRIAL RELATIONS

The industrial relations in the company remained cordial and peaceful. Your Company is fully co-operating with other Companies and in turn getting their cooperation.

17. ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, bankers, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

**By order of the Board of Directors
For Advik Laboratories Limited**

Place: Sohna, Mewat

Dated: 03.09.2009

Sd/-
V. K. Jain
Managing Director

Sd/-
Kishan Kumar
Director

Auditor's Certificate on compliance with the condition of corporate governance under clause 49 of the Listing Agreement(s)

To the members of Advik Laboratories Ltd.

We have examined the compliance of the conditions of Corporate Governance by Advik Laboratories Ltd. for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

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

In our opinion and to the best of our information and explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended March 31, 2009 no investor grievances are pending against the company as per the records maintained by the Registrar & Share Transfer Agent and the company and presented to the shareholders Grievances Committee.

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

Place: Sohna, Mewat

Date : 03.09.2009

For VBR & Associates
Chartered Accountants
Sd/-
(Vijay Bansal)
Membership No. : 88744

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

As it is a well known fact that after IT, Pharma is the fastest growing industry as far as our country is concerned. We have received a remarkable achievement of earning a huge foreign exchange from IT as well as from Pharma exports. Today India is reaching on third or fourth position in Pharma export business. Pharma industry, where lot of research & clinical trials are going on in India along with biotechnology, the future for pharma industry will ever be green & one day Indian pharma will be some where from fourth to the second level in the world wide production of pharmaceuticals/ drug preparation & we hope to rule over the world in this field.

Opportunities & Threats/Risks & Concerns

The Product patents have been brought into force with effect from January, 1995. As expected, this has triggered a series of litigations, but advik believes that these patents have no merit. The recent global outbreak of swine flu and the subsequent concerns about availability of medicines to combat the epidemic has vindicated our oft-repeated stand on intellectual property laws. When it comes to saving lives, the destiny of the world cannot be left to one or two companies. It is necessary for all countries to modify their intellectual property laws to ensure availability of essential & life-savings drugs. This is possible only by introducing a permanent compulsory licensing system for all drugs, whereby a suitable royalty on net sales should be paid to the inventor & patent holder.

We think that Indian Government has to modify its intellectual property laws to safeguard Indian consumers from monopoly. The Indian government should adopt a pragmatic compulsory licensing system. This is the only possible way to make drugs available for the healthcare needs of our large population, at affordable prices. Recently, as reported in the media, pharmaceuticals drugs of certain Indian companies were labeled as counterfeit drugs and some of these products are being detained at international airports for no valid reason. Thankfully, the Government of India has intervened in this matter to ensure that the interest of exports from India is not affected. Drug companies & regulatory authorities must keep aside vested interests, recognize ground realities and work together to resolve such issues.

Segment wise or product wise performance

As per the requirements of AS-17, the segment reporting is not applicable to the company, as there are no other segments in the company.

Outlook

Despite a global recession, we expect demand in the Indian pharmaceutical sector to remain largely stable, driven by the inherent stability of demand for core pharmaceutical products and the likely support from global demand for low cost Indian generics in comparison with their branded counterparts. We note that Indian pharmaceutical companies operating in relatively more discretionary product categories such as nutraceuticals could potentially face demand pressure. However, these products still account for a relatively small proportion of Indian pharmaceutical volumes.

Nonetheless, we expect overall profitability could be weighed down by pricing pressures, stricter regulations in developed markets, higher depreciation costs, increased interest costs and notional losses on account of foreign exchange fluctuations. We also note that the sector could face liquidity pressures due to longer working capital cycles.



Internal Control System & Adequacy

The company's internal control procedures are tailored to match the organisation's pace of growth and increasing complexity of operations. These ensure compliance with various policies, practices and statutes. Advik's internal audit team carries out extensive audits throughout the year, across all functional areas.

Human Resources and Industrial Relations

Engaging the best minds in the business, nurturing them with care in a professional environment and bringing out the best in them in our continuous endeavor. At Advik, we believe in offering learning and development opportunities to allow people to realize their full potential, and we have created various process that encourage employees in this direction.

During the year under review, the Industrial relations were smooth and cordial.

Cautionary Statement

Statements in this "Management Discussions & Analysis" describing the Company's objectives, estimates, expectations or projections may be forward looking statements within the meaning of applicable laws & regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include: Government regulations; patent laws; tax regime; development within India.

ANNEXURE "A" TO THE DIRECTOR'S REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the company (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2009.

A) CONSERVATION OF ENERGY

	Year Ended 31.03.2009	Year Ended 31.03.2008
I) Power and Fuel Consumption		
1.) Electricity	79305	111942
a) Purchased Unit (kwh)	357004	528272
Total amount	4.50	4.72
Rate/ Unit (Rs/Kwh)		
b) Own generation		
i) Through Diesel Generator		
Unit (Kwh)	10350	47538
Unit per litre of Diesel oil (Kwh)	4.60	4.17
Cost/Unit (Rs/ Kwh)	7.31	7.57
ii) Through Steam Turbine	—	—
Generator Unit (Lakh kwh)	—	—
Unit per tonne of fuel (kwh)	—	—
Cost/unit (Rs/kwh)	—	—
2.) Coal	—	—
3.) Furnace Oil	—	—
4.) Others/internal generation	—	—

II) Consumption per unit of production:

Product	Formulation	
Electricity (kWh)	.002	.01
Furnace oil (ltr)	nil	nil
Fuel (t)	nil	—

B) TECHNOLOGY ABSORPTION

I) Research & Development (R & D)	nil	nil
II) Technology absorption, adoption & Innovation	nil	nil

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current Year 2008-09	Previous Year 2007-08
Foreign Exchange Earned (Rs)	Nil	Nil
Foreign Exchange used (Rs)	621000	283300

ANNEXURE "B" TO THE DIRECTOR REPORT

CORPORATE GOVERNANCE AT ADVIK LABORATORIES LIMITED

The Advik Laboratories Limited is committed to the adoption of best governance practices and its adherence in the true spirit at all the times. Our governance practices stems from an inherent desire to improve and innovate and reflects the culture of trusteeship that is deeply rooted in our value system and form parts of the strategic thought process. Corporate Governance is the system by which the affair of an organization is directed, controlled and its objectives are attained. It specifies a structure governing the relationship among various stakeholders, also distributing rights & responsibilities among different stakeholders in the organization, such as the Board, Employees shareholders, Customers and other end users. It also spells out the rules & procedures for making decisions on corporate affairs. It also provides the structure through which the Company objectives are set out, the means of attaining these objectives & monitoring performance for these objectives are ensured. The essence of Corporate Governance revolves around three basic inter related segments. Integrity & fairness, transparency & disclosures & accountability & responsibility. It is about commitment to values & ethical business conduct, voluntary practices & compliance with laws & regulations leading to effective control & management of the organization in achieving the objectives.

In accordance with Clause 49 of the listing agreement with the stock exchange(s) on Corporate Governance, report on the practices & compliances by the company is given below :

1. BOARD OF DIRECTORS

As on 31.03.2009 there were 4 Directors on the Board. Out of these one is Executive Director whereas 3 are non-executive Independent Directors. The Non-Executive Directors Independent Directors constituted more than two third of the total strength of the Board of Directors. Three of the total four Directors were Independent non-executive Directors, which duly complied with requirement of the clause-49 of the Listing Agreement i.e Corporate Governance code. Further the independent directors do not have any material pecuniary relationship or transactions with the company, its promoters, its Directors and its senior management, which may affect their independence. All the non executive independent directors have understanding of business/profession /finance.

Directors bring to the Board the wide range of expertise and skills. The Board is primarily responsible to protect and enhance the shareholders value. The Board reviews the corporate performance periodically and it safeguards the interest of the shareholders.

The information on the Composition of Board of Directors, category of directors, their attendance at the Board meetings and at the last AGM held during the year financial year 2008-09 is given below:

<i>Name</i>	<i>Designation Status</i>	<i>No. of meetings attended</i>	<i>Other BoD's or Board Committees</i>	<i>Attendance at last AGM</i>	<i>No. of shares held</i>
Mr. Ashwani Talwar (Till 30.01.09).	Chairman Non-executive Independent Director	4	N. A.	Yes	N/A
Mr. V. K. Jain	Managing Director Executive Director	6	1	No	1008999
Mr. F. M Banthiya	Non - Executive Independent Director	5	N. A.	Yes	N/A

Mr. Aditya Jain (Till 30.01.09)	Non - Executive Director	4	N. A.	Yes	5300
Mr. Sushil Kr. Singh (Since 31.01.09)	Non - Executive Independent Director	1	N. A.	No	N/A
Mr. Kishan Kumar (Since 31.01.09)	Non- Executive Independent Director	1	N. A.	No	N/A

There were total 6 Board Meetings held during the financial year 2008-09 on the following dates:

S. No.	DATE OF BOARD MEETINGS
1.	30.04.2008
2.	29.07.2008
3.	04.09.2008
4.	29.10.2008
5.	12.12.2008
6.	30.01.2009

Code of Conduct:

The Board of Directors of the Company has laid down a code of conduct for all the members and senior management personnel of the company who have affirmed their compliance therewith. The same has been uploaded on the website www.advikindia.com

Board Meeting & Procedures

The Company holds at least four Board meeting in a year, one in each quarter to review the financial results and other items or the agenda and the gap between two Board meeting does not exceed four calendar months. Apart from the four scheduled Board meeting, additional Board meetings are also convened to address the specific needs of the Company. In case of the business exigencies or urgency of matters, resolutions are also passed through circulations.

Holding and Subsidiary Company

The company doesn't have any holding or subsidiary company.

2. AUDIT COMMITTEE

The Audit Committee of the Board of Directors comprises of Mr. F. M. Banthiya, Mr. Sushil Kumar Singh and Mr. Kishan Kumar (All non-executive Independent directors). Mr. F. M. Banthiya being an independent director is the Chairman of the committee & he has rich experience in the field of finance & accounts. The other members of the audit committee are financially literate and can read, understand and analyse the Profit & Loss account, Balance Sheet, Cash Flow statement.

During the financial year 2008-09 five Audit Committee meetings were held and the details of attendance by the members of the Audit committee are as under:-

<i>Name</i>	<i>Designation</i>	<i>No. of Meetings</i>
Mr. F. M Banthiya	Chairman	5
Mr. Ashwani Talwar (Till 30.01.09)	Member	5
Mr. Aditya Jain (Till 30.01.09)	Member	3
Mr. Sushil Kumar Singh (Since 30.01.09)	Member	Nil
Mr. Kishan Kumar (Since 30.01.09)	Member	Nil

The company Secretary acts as the secretary of the audit committee.

The terms of reference of the Audit Committee include the matters specified under clause-49 of the Listing Agreement entered into with the stock exchanges as well as those provided in Section 292A of the Companies Act, 1956 and iter-alia includes the following:-

1. Oversight of the company's financial reporting process and the disclosures of its financial information to ensure that the financial statements is correct, sufficient and credible.
2. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and fixation of the audit fees.
3. Approval of the payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with the management the annual financial statements before submission to the Board, for approval, with particular reference to :
 - a) Matters required to be included in The Director's Responsibility Statement to be included in the Board's report in terms of Clause 2AA of Section 217 of the Companies Act., 1956.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments arising out of audit findings.
 - e) Compliance with listing agreement and legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualification in draft Audit report.
5. Reviewing with the management the quarterly financial statements before submission to the Board for approval.
6. Reviwing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board.
10. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, if any, and shareholders (in case of non payment of declared dividends) and creditors.
11. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as the post audit discussion to ascertain any area of concern.
12. To review the functioning of the whistle blower mechanism, in case the same is existing in the organization.
13. To review the following mandatory requirements:-

I. Management Discussion and analysis of financial condition and results of operations.

- II. Statement of significant related party transactions submitted by the management.
 - III. Management letters/ letters of internal control weaknesses issued by the statutory auditors.
 - IV. Internal audit reports relating to internal control weaknesses, and
 - V. The appointment and removal of internal auditor of the company shall be subject to the review by the audit committee.
14. Carrying out any other function as is mentioned in the terms of reference of Audit Committee as amended from time to time by the Listing agreement and Companies Act, 1956.

3. REMUNERATION COMMITTEE

The remuneration committee of the Board of Directors comprises Mr. F. M. Banthiya as Chairman, Mr. Sushil Kumar Singh as Member, Mr. Kishan Kumar as Member. Chairman of the Committee is Non-executive independent Director. Further Non – Executive Directors are not paid any remuneration.

A sitting fee of Rs. 2000/- per meeting is being paid to Non-executive Directors for attending the meeting of the Board of Directors of the company, as per the approval of the Remuneration committee.

Details of remuneration by way of salary and perquisites paid to Managing Director of the Company for the year 01.04.2008 to 31.03.2009 are as follows:

Particulars	Total Amount (Rs.)
Salary	400000.00
Perquisites	13823.00
Total	413823.00

Salary includes Basic Salary, House Rent Allowance and other allowances.

Perquisites includes re-imbursement of medical expenses of Rs. 13823.00

4. SHARE TRANSFER CUM SHAREHOLDERS' GRIEVANCE COMMITTEE

Composition:

Mr. V.K. Jain - Chairman
 Mr. F.M.Banthiya - Member
 Mr. Sushil Kumar - Member

The meeting of the Shareholder's Grievance & Transfer Committee takes place at periodic intervals to look into the matter of investors' grievances and transfer lodged during the period. Every grievance of the shareholder is paid a due heed and its proper redressal on time is ensured.

The Company confirms that there are no share transfers for more than 30 days from the date of lodgments.

Further there were no investor complaints pending on 31st March 2009.

5. GENERALBODY MEETINGS

The last three Annual General Meetings of the Company were held on Registered Office of the Company. Date, time and attendance of directors at AGM during the last three financial years are as follows.

Year	Date of AGM	Time of AGM	Venue	Attendance of Directors	No. of SR Pased
2006	30-09-06	11.00 A.M	Registered Office: 138,Roz-Ka-Meo, Industrial Area, Sohna, Distt: Gurgaon-122103	V. K. Jain Ashwani Talwar F.M. Banthiya	S.R-0 O.R-4
2007	29-09-07	11.00 A.M	Registered Office: 138,Roz-Ka-Meo, Industrial Area, Sohna, Distt: Gurgaon-122103	V. K. Jain A. P. Jain	S.R-0 O.R-3
2008	29-09-08	11.30 A.M	Registered Office: 138,Roz-Ka-Meo, Industrial Area, Sohna, Distt: Gurgaon-122103	Ashwani Talwar F.M. Banthiya Aditya Jain	S.R-0 O.R-3

“S.R” Means Special Resolution

“O.R” means Ordinary Resolution

6. DISCLOSURES

Related Party Transaction

The summary of the materially significant related party transaction are provided in the Notes to the Accounts forming part of this Annual Report. However, none of the related party transactions have potential conflict with the interest of the company at large, and all the transactions were entered into on arms-length basis.

Your company has a Related Party Transaction with ADVIK FINANCE & PROPERTIES (P) LTD., in which your Managing Director, Mr. V.K.Jain and his son Mr. Vivek Jain are Directors.

Suitable disclosure as required by Accounting Standard (AS-18) on Related Party Transactions has been made in the Annual Report.

Details of non-compliances, penalties, strictures by Stock Exchanges/SEBI/Statutory Authorities on any manner related to capital markets during the year 2008-09.

There has been no instance of non-compliance relating to capital markets during the year 2008-09.

7. MANAGEMENT DISCUSSIONS AND ANALYSIS FORMS PART OF THE ANNUAL REPORT.

8. MEANS OF COMMUNICATION

The quarterly unaudited financial results and the annual audited financial results of the Company are sent to the stock exchanges. The un – audited financial results are also published as per the requirements of the Listing Agreement in one English (Financial Expresss) and one Hindi (Hari Bhumi) newspapers. The un-audited financial results are also sent to the shareholders on their request.

Further the company also complies the requirements of Clause-51 of the Listing Agreement, which requires filling of required data on the site www.sebiedifar.nic.in, within the prescribed period.

Auditor's Certificate

Auditor's Report certifying that the condition of Corporate Governance as stipulated in Clause-49 of the Listing Agreement with the Stock Exchanges is annexed to the report.

The Certificate from the Statutory Auditor's would be sent to the Stock Exchanges along with the Annual Report of the company.

9. GENERAL SHAREHOLDER INFORMATION

Date, Time and Venue of the Fifteenth Annual General Meeting:

30th September 2009 at 11.00 A.M at Registered Office of the company at 138, Roz Ka Meo Industrial Area, Sohna – 122103 Mewat (Haryana).

Book Closure Date: 28th September to 30th September (Both Days Inclusive)

Listing on Stock Exchange : Stock Exchanges at Mumbai & Ahmedabad
ISIN No allotted to Equity Shares : INE537C01019
Stock Code : Stock Exchange, Mumbai-531686
: Ahmedabad Stock Exchange-01636/ADVIK LABO (ASE)
Market Price data : Monthly high & low quotations at BSE during each
Month between April 01, 2008 to March 31, 2009 are given
in the table below:

Month	High Price	Low Price	No. of Shares
April 2008	7.65	6.05	88217
May 2008	7.05	5.52	111486
June 2008	6.55	4.87	104853
July 2008	5.94	4.15	125059
August 2008	7.00	4.72	185866
September 2008	6.39	4.06	139007
October 2008	5.42	2.53	135437
November 2008	3.90	2.75	51739
December 2008	3.59	2.62	60779
January 2009	3.59	2.45	41001
February 2009	3.10	2.11	67067
March 2009	4.10	2.30	285189

Share Transfer Agent : Beetal Financial & Computer Services (P) Ltd.
 Beetal House, 3rd Floor, 99, Madangir
 Behind Local Shopping Centre,
 Near Dada Harsukhdas Mandir
 New Delhi-110 062.
 Tel: 91-11-29961281/82
 Fax: 91-11-29961284
 E-mail: beetal@rediffmail.com

Compliance Officer Name : Mr. V.K.Jain, Managing Director
E-mail id for Investors : investors@advikindia.com, mail@advikindia.com

Share Transfer System:

The Company has appointed M/s Beetal Financial & Computers Services (P) Limited as Shares Transfer Agents for both physical and Demat form of shares. Requisite and Regular meetings of the Share Transfer cum Shareholders' Grievance Committee is held to approve the transfers/ transmission etc. and to look into shareholder's grievances, if there is any. All the complete transfer documents, which are received till three days prior to the date of the meeting, are normally considered for approval in the meeting. As the shares of the Company are in compulsory demat mode, after approval an option letter is sent to the transferee giving him/ her option to receive either in the physical mode or in the demat mode, and as per the mode opted by the transferee the shares are transferred.

Shareholding Pattern as on 31st March 2009

Category of Shareholder	No. of Share-holders	% of Share-holders	No. of Share held	% of share holding
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Shareholding of Promoter & Promoter Group

Indian	10	0.15	2412403	25.79
foreign	0	0	0	0
Total	10	0.15	2412403	25.79
Public Shareholding				
Institutions	0	0	0	0
Non-Institutions				
-Bodies Corporate	172	2.60	665128	7.11
-individuals	6416	96.83	6249000	66.81
-Others				
-NRI	24	0.36	25854	0.28
-Clearing Member	4	0.06	1015	0.01
Total	6616	99.85	6940997	74.21
GRAND TOTAL				
	6626	100.00	9353400	100

Distribution Schedule as on 31st March 2009

Holding of Nominal value of Rs.	No. of Share holders	%	No. of Shares	Amount in Rs.	% to total
Up to 500	4397	66.35	1146219	11462190	12.254
5001 to 10000	1197	18.07	1083846	10838460	11.587
10001 to 20000	512	7.73	856502	8565020	9.157
2000 to 30000	194	2.93	516629	5166290	5.523
30001 to 40000	68	1.03	250246	2502460	2.675
40001 to 50000	86	1.30	415319	4153190	4.44
50001 to 100000	97	1.46	732567	7325670	7.83
100001 & above	75	1.13	4352072	43520720	46.53
TOTAL	6626	100.00	9353400	93534000.00	100.00

Dematerialisation of Shares:

As on 31st March 2009 the break up of the equity capital in Physical and demat form is as follows.

	No. of Shares	Percentage
NSDL -	7407413	79.19
CDSL -	1934607	20.68
PHYSICAL -	11380	0.12

Further those members of the Company are requested whose shares are still in the physical mode to get their shares dematerialized at the earliest

Registered Office & Plant Location

138, Roz ka Meo, Industrial Area, Sohna, Distt Mewat, Haryana -122 103

Address of Communication

Address: 203 & B4-Allied House. 1, LSC Madangir New Delhi 110062.

Telephone: 011 - 41649171, 41649173, 41649174

Compliance of Corporate Governance Code under Clause-49 of Listing Agreement

As required by Clause-49 of the listing Agreement, certificate of Practicing Chartered accountant regarding compliance with the provisions of Corporate Governance forms part of the Director's Report.

DECLARATIONS UNDER CLAUSE-49 I (D) (II) BY THE MANAGING DIRECTOR OF AFFIRMATION BY THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT OF COMPLIANCE WITH THE CODE OF CONDUCT

To the Shareholders,

To the best of my knowledge and belief and information available with me, I hereby declare that all Board Members and Senior Management Personnel of M/s Advik Laboratories Limited have complied with Code of conduct during the financial year 2008-09 (as applicable on them).

Place: Sohna, Mewat

Date: 03.09.09

Sd/-
V.K.Jain
Managing Director

NON MANDATORY REQUIRMENTS UNDER CLAUSE -49 OF THE LISTING AGREEMENT

The company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement with the stock exchanges. Further, compliance of non-mandatory requirements of the said clauses is provided below:

I. Non –Executive Chairman’s office:

Mr. Ashwani talwar was the non-executive Chairman of the company till 30.01.09.

II. Remuneration Committee

The company has constituted the remuneration committee to approve the payment of remuneration to the executive directors. Non executive directors are not entitled to any remuneration except sitting fees.

III. Shareholder’s rights

The quarterly financial results of the company are published in English language newspaper having nation wide circulation and also in regional language newspaper of the registered office of the company. Annual Reports containing the detailed balance Sheet and Profit and Loss a/c is also sent to individual shareholders of the company.

Result of the company is also uploaded on the www.sebiedifar.nic.in along with other relevant requirements.

IV. Audit Qualifications

The company always strives to present an unqualified Financial Statement. However there is Audit qualification by Auditors in the financial statements of the company for the year 2008-09 as to non compliance of AS-15 . The Board has taken note of the same and it will ensure that adequate remedial measures are taken and will further ensure the proper compliance of AS-15 in future.

V. Training of the Board members

The board of directors of the company is continuously briefed with the developments and performance of the company so as to enable them to monitor the same at regular intervals. Reports on risk assessment and minimization process and new initiatives proposed by the company are also presented to them for suggestions and up gradation.

VI. Whistle Blower policy

The company intends to promote a policy for employees to have and open access to the respective Functional heads, Managing Director so as to ensure ethical and fair conduct of the business of the company.

For and behalf of the Board of Directors

Place: Sohna, Mewat

Dated: 03.09.2009

Sd/-
V. K. Jain
Managing Director

Sd/-
Kishan Kumar
Director

AUDITORS REPORT

To,

The members of Advik Laboratories Limited

1. We have audited the attached Balance Sheet of **ADVİK LABORATORIES LIMITED** as at 31st March, 2009, and also the Profit and Loss Account 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. *Except as discussed in the following paragraph, 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 include examining, on test basis, evidence supporting the amount 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 reasonable basis for our opinion.*
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. *As more fully discussed in Accounting Policy VII of Schedule 18 to the financial statements, the Company records gratuity benefit payable to the employees under the Payments of Gratuity Act, 1972 on a cash basis of accounting in its books of accounts and has not accrued for any liability as at March 31, 2009. Also the Company is following a cash basis of accounting for leave encashment. This accounting policy is not in accordance with the AS-15 on Retirement Benefits issued by Institute of Chartered Accountants of India and does not meet the requirement of following the accrual basis of accounting prescribed under Section 209 of the Companies Act, 1956. Presently, the Company is in process of estimating these liabilities hence, the impact on account of these on the Company's profits for the year are not ascertainable.*
5. Further to our comments in the Annexure referred to in paragraph 3 above read together with notes on accounts, 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 *except for the matters stated in para 4 above.*
 - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of such books audit *except for the matters stated in para 4 above.*
 - c. The Company's Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account & returns.

- d. In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement complies with the mandatory Accounting Standards referred in Section 211(3C) of the Companies Act, 1956 *except for Accounting Standard 15, Employee Benefits' as stated in para 4 above*
- e. On the basis of the written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in term of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, *subject to the effects of such adjustments, if any, as might have been determined to be necessary regarding the effect of the matter stated in Para 4 above*, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view : -
 - a) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2009;
 - b) in the case of the Profit & Loss Account of the Loss for the year ended on that date; and
 - c) in the case of the Cash Flow Statement of the cash flows for the year ended on that date.

Place: Delhi

Dated: 03.09.2009

For VBR & ASSOCIATES
Chartered Accountants

Sd/-
(Vijay Bansal)
Membership No. 88744

Advik Laboratories Limited

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

- 1.(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- 2.(a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedure 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 stocks and the book records were not material.
- 3.(a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of clause (iiib), (iiic) and (iiid) of paragraph 4 of the order are not applicable.
- (b) The company has taken interest free unsecured loans from one company and six other parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 109.61 lacs and the year end balance was Rs. 95.44 lacs.
- (c) In our terms and conditions on which these unsecured loans are taken are not, prima facie, prejudicial to the interest of the company.
4. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of Inventory and fixed assets and for the sale of goods and services. There is no continuing failure to correct major weakness in internal control system.
5. According to information and explanations given to us, we are of the opinion that during the year, particulars of contracts or arrangements referred to in section 301 of the Companies Act have been entered in the register required to maintain under that section.
6. The Company did not accept any deposits from the public as envisaged under Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.
7. In our opinion, the company has the adequate internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the Company's business.
- 9.(a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, Service tax, custom duty, excise duty, cess and other statutory dues applicable to it except disputed liabilities.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax Sales tax, wealth tax, Service tax, customs duty and excise duty were outstanding, as at March 31, 2009 for a period of more than six months from the date they became payable.
- (c) According to the records of the company, there are no dues of sales tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute. The particulars of disputed dues on account of Income-tax matters that have not been deposited by the Company are as follows:

Name of Statute	Nature of dues	Amount (Rs.)	Period to which the amt. relates	Forum where dispute pending
Income-tax Act	Income-tax	15,59,084/-	A/Y 2003-04	ITAT

10. The accumulated losses of the Company are not more than fifty percent of its net worth. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. Based on our audit procedures and on the information explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to banks, financial institutions or debenture holders.
12. According to information and explanations given to us and based on the 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.
13. 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 (as amended) are not applicable.
14. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
15. According to information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. In our opinion, on the basis of information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets except core (permanent) working capital.
18. Based on our examination of records and the information provided to us by management we report that the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. During the period covered by our audit report, the company has not issued any debentures. The question of creation of any security does not arise.
20. The company has not made any public issue during the year.
21. Based upon the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Place: Delhi

Dated: 03.09.2009.

For VBR & Associates
Chartered Accountants
Sd/-
(Vijay Bansal)
Partner
M.No. 88744

ADVIK LABORATORIES LIMITED

Balance Sheet as at March 31, 2009

	Schedule	As at 31.03.09 (Rs)	As at 31.03.08 (Rs)
SOURCES OF FUNDS			
Share Holders Funds			
- Share Capital	1	93,534,000	93,534,000
- Reserves & Surplus	2	17,575,567	18,289,963
		<u>111,109,567</u>	<u>111,823,963</u>
Loan Funds			
- Secured Loans	3	27,640,546	17,490,951
- Unsecured Loans	4	10,831,958	8,563,590
		<u>38,472,504</u>	<u>26,054,541</u>
Deferred Tax Liability		6,932,597	8,215,317
Total		<u>156,514,668</u>	<u>146,093,821</u>
APPLICATION OF FUNDS			
Fixed Assets	5		
- Gross Block		92,817,414	87,107,931
- Less Depreciation		40,435,184	36,855,596
Net Block		<u>52,382,230</u>	<u>50,252,335</u>
Investments	6	9,960,152	9,879,597
Current Assets, Loans & Advances			
- Inventories	7	47,372,513	38,328,307
- Sundry Debtors	8	78,443,773	44,402,506
- Cash & Bank Balances	9	1,822,555	1,890,648
- Loans & Advances	10	22,311,257	24,295,989
		<u>149,950,098</u>	<u>108,917,450</u>
Less: Current Liabilities & provisions	11		
- Current Liabilities		55,665,249	22,890,889
- provisions		112,563	64,672
		<u>55,777,812</u>	<u>22,955,561</u>
Net Current Assets		<u>94,172,286</u>	<u>85,961,889</u>
Total		<u>156,514,668</u>	<u>146,093,821</u>
Notes to the Accounts	17		
As per our report attached		For and on behalf of the Board	
for VBR & Associates			
Chartered Accountants			
Sd/-		Sd/-	
(Vijay Bansal)		(V.K. Jain)	
Partner		Managing Director	
Place : Sohna, Mewat		Sd/-	
Date : 03.09.2009		(Kishan Kumar)	
		Director	

ADVIK LABORATORIES LIMITED**Profit and Loss Account for the year ended March 31, 2009**

	Schedule	As at 31.03.09 (Rs)	As at 31.03.08 (Rs)
INCOME			
Gross Sales		120,001,345	105,337,234
Less : Excise Duty		1,439,219	2,664,302
Net Sales		<u>118,562,126</u>	<u>102,672,932</u>
Other Income		352,070	1,228,504
Total		<u>118,914,196</u>	<u>103,901,436</u>
EXPENDITURE			
Manufacturing Expenses	12	102,734,529	86,426,774
Payment to & Provision for Employees	13	3,215,719	4,851,881
Administrative & other Expenses	14	5,717,018	6,540,187
selling & Distribution Expenses	15	2,440,130	3,765,361
Interest & Finance Charges	16	3,111,765	2,133,464
Depreciation		3,579,588	3,489,120
		<u>120,798,749</u>	<u>107,206,787</u>
Loss before tax for the year		(1,884,553)	(3,305,351)
Less : Provision for Fringe Benefit Tax		112,563	126,987
Deffered Tax assets during the year		1,282,720	1,071,486
Loss After Tax		(714,396)	(2,360,852)
Surplus as per last Balance Sheet		18,289,963	(20,650,815)
Balance Carried forward to Balance Sheet		<u>17,575,567</u>	<u>18,289,963</u>

Notes to the Accounts

17

As per our report attached

For and on behalf of the Board

for VBR & Associates
Chartered Accountants

Sd/-

(Vijay Bansal)
Partner

Sd/-

(Kanupriya Tulsyan)
Company Secretary

Sd/-

(V. K. Jain)
Managing Director

Sd/-

(Kishan Kumar)
DirectorPlace : Sohna, Mewat
Date : 03.09.2009

ADVIK LABORATORIES LIMITED**Schedule forming part of the Accounts****As at 31.03.09
(Rs)****As at 31.03.08
(Rs)****1 SHARE CAPITAL**

Authorised
1,20,00,000/-Equity Shares of Rs. 10/-each

120,000,000**120,000,000****120,000,000****120,000,000**

Issued Subscribed and Paid-up
93,53,400 Equity Shares of Rs. 10/-each

93,534,000**93,534,000****93,534,000****93,534,000****2 RESERVES AND SURPLUS**

Profit & Loss Account (As per last Balance Sheet)
Less : Loss During the year

18,289,963**20,650,815****(714,396)****(2,360,852)**

Total Reserve & Surplus Carried Forwarded
to Balance Sheet

17,575,567**18,289,963****3 UNSECURED LOANS**

- Inter Corporate Loans
- from Director, Friends & Relatives
- Others

5,299,396**5,368,381****4,245,207****3,195,209****1,287,355****-****10,831,958****8,563,590****4 SECURED LOANS**

Working Capital Loan
Indian Overseas Bank
(Secured By First Charge On Stocks Of
Finished Goods, Raw Materials. W.I.P
& Sundry Debtors

19,471,209**17,490,951****Term Loan****8,169,337**

Indian Overseas Bank
(Secured By First Charge On Building
Plant & Machinery)

27,640,546**17,490,951**

ADVIK LABORATORIES LIMITED

5. FIXED ASSETS

(Amount in Rupees)										
	Gross Block				Depreciation				Net Block	
Description	As at 01.04.08	Additions during the year	Adjustments during the year	As at 31-Mar-09	Upto 31-Mar-08	During the Year	Sales/ Adjustments	As at 31-Mar-09	As at 31-Mar-09	As at 31-Mar-08
Land	4,840,000	-	-	4,840,000	-	-	-	-	4,840,000	4,840,000
Building	32,327,474	1,697,047	-	34,024,521	11,346,657	1,091,021	-	12,437,678	21,586,843	20,980,817
Plant & Machinery	48,059,493	4,007,036	-	52,066,529	24,261,144	2,316,785	-	26,577,929	25,488,600	23,798,349
Furniture & Fixture	221,684	-	-	221,684	109,053	14,033	-	123,086	98,598	112,631
Computer	-	5,400	-	5,400	-	340	-	340	5,060	-
EPABX	6,095	-	-	6,095	4,703	386	-	5,089	1,006	1,392
Cycle	1,225	-	-	1,225	1,069	87	-	1,156	69	156
Vehicle	1,651,960	-	-	1,651,960	1,132,970	156,936	-	1,289,906	362,054	518,990
This Year	87,107,931	5,709,483	-	92,817,414	36,855,596	579,588	-	40,435,184	52,382,230	50,252,335
Previous year	87,775,819	45,760	713,648	87,107,931	34,121,076	3,489,120	754,600	36,855,596	50,252,335	53,654,743

ADVIK LABORATORIES LIMITED

Schedule forming part of the Accounts

As at 31.03.09
(Rs)As at 31.03.08
(Rs)

6 INVESTMENTS

Shares of Un-quoted Companies

25000 equity shares of A.G Fats Ltd. of Rs. 100/-per share	2,500,000	2,500,000
50000 equity shares of Braham Hosiery Pvt. Ltd of Rs. 10/-per share	500,000	500,000
100000 equity shares of R.N. Knitfab (P). Ltd. of Rs. 10/-per share	1,000,000	1,000,000
5,38,000 equity shares of India Securities Ltd. of Rs. 10/-per share	5,380,000	5,380,000

Others:

Purchase of Gold coins	580,152	499,597
	<u>9,960,152</u>	<u>9,879,597</u>

7 INVENTORIES

(As valued and certified by the Management
at lower of cost or net realisable value)

Raw Materials & Packing Materials	9,630,222	6,657,815
Finished Goods	31,770,091	24,341,292
Work in Process	5,972,200	7,329,200
	<u>47,372,513</u>	<u>38,228,307</u>

8 SUNDRY DEBTORS

(Unsecured and considered Good)

Exceeding Six months	35,059,008	27,165,265
Less than Six months	43,384,765	17,237,241
	<u>78,443,773</u>	<u>44,402,506</u>

9 CASH AND BANK BALANCES

Cash in hand	753,814	288,929
Balance with scheduled Banks		
- In Current Accounts	20,556	23,019
- Margin money with IOB	1,048,185	1,578,700
	<u>1,822,555</u>	<u>1,890,648</u>

10 LOANS AND ADVANCES

(Unsecured considered goods)

Advances recoverable in cash or in kind or for value to be received	20,614,688	21,884,433
Excise Duty Deposit A/c	413,180	743,728
Tax Deducted at Source	83,129	79,518
Minimum Alternative Tax	454,000	454,000
Security Deposit	746,260	1,134,310
	<u>22,311,257</u>	<u>24,295,989</u>

ADVIK LABORATORIES LIMITED

Schedule forming part of the Accounts	As at 31.03.09 (Rs)	As at 31.03.08 (Rs)
---------------------------------------	------------------------	------------------------

11 CURRENT LIABILITIES AND PROVISIONS

Current Liabilities

- Sundry Creditors

53,474,152

19,850,259

- Other Current Liabilities

2,191,097

3,040,630

55,665,249
22,890,889

Provisions

-Fringe Benefit Tax Payable

112,563

64,672

112,563
64,672

ADVIK LABORATORIES LIMITED**Schedule forming part of the Accounts**Asat 31.03.09
(Rs)Asat 31.03.08
(Rs)**12 MANUFACTURING EXPENSES**

Material Consumed		6,657,815	9,567,218
Opening Stock		109,912,328	97,993,924
Add : Purchases		9,630,222	6,657,815
Less : Closing Stock	A	<u>106,939,921</u>	<u>100,903,327</u>
Opening Stock			
- Finished Goods		24,341,292	10,667,214
- Work In Progress		7,329,200	3,888,320
		<u>31,670,492</u>	<u>14,555,534</u>
Less : Closing Stock			
Finished Goods		31,770,091	24,341,292
Work In Progress		5,972,200	7,329,200
		<u>37,742,291</u>	<u>31,670,492</u>
Stock Adjustments	B	<u>(6,071,799)</u>	<u>(17,114,958)</u>
Consumables		71,616	142,089
Power & Fuel		432,717	887,724
Repair & Maintenance to building		240,003	52,621
Repair & Maintenance to Plant & Machineries		60,081	166,395
Testing Charges		138,376	562,513
Wages & Salary		923,614	827,063
	C	<u>1,866,407</u>	<u>2,638,405</u>
TOTAL (A+B+C)		<u>102,734,529</u>	<u>86,426,774</u>

13 SALARY, WAGES & OTHER ALLOWANCES

Salary & Wages	1,211,308	1,732,054
Other allowance & service charges	1,750,479	2,824,576
Employer Contribution to PF & ESI	131,630	142,266
Uniform Expenses	15,451	7,812
Recruitment Expenses	9,611	27,056
Staff Welfare	78,417	110,410
Medical exps	18,823	7,707
	<u>3,215,719</u>	<u>4,851,881</u>

ADVIK LABORATORIES LIMITED**Schedule forming part of the Accounts****As at 31.03.09****(Rs)****As at 31.03.08****(Rs)****14 ADMINISTRATIVE & OTHER GENERAL EXPENSES**

Bank Charges	295,514	156,170
Rant	439,200	529,200
Printing & Stationery	74,501	109,094
Vehicle expenses	235,368	325,281
Conveyance expenses	44,891	103,854
Telephone expenses	301,156	356,375
General repair & maintenance	260,313	252,062
Postage & telegram	29,363	56,790
Director travelling expenses	781,317	740,990
Legal & Professional expenses	410,492	235,792
Audit fee	70,000	70,000
Rates & Taxes & other fee's	397,450	243,456
Insurance (Key Man)	705,451	1,462,629
Insurance (Others)	290,195	302,079
Travelling expenses	504,100	998,451
Miscellaneous expenses	229,507	190,929
AGM exps	125,575	94,098
Diwali expenses	278,500	54,377
Books Newspapers & Periodicals	5,360	2,200
Water & Electricity	238,765	256,360
	<u>5,717,018</u>	<u>6,540,187</u>

15 SELLING & DISTRIBUTION EXPENSES

Advertisement	48,425	96,836
Business Promotion Expenses	258,909	381,609
Packing & Forwarding Expenses	459,963	558,713
Selling & Distribution Expenses	982,383	1,578,773
Meeting, Conference & Training Expenses	-	28,012
Commission	690,450	1,121,418
	<u>2,440,130</u>	<u>3,765,361</u>

16 INTEREST & OTHER FINANCE CHARGES

Interest	3,111,765	2,133,464
	<u>3,111,765</u>	<u>2,133,464</u>

ADVIK LABORATORIES LIMITED**SCHEDULE—17****(ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS)****1. SIGNIFICANT ACCOUNTING POLICIES**

- I. The Accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 and are in consonance with generally accepted accounting principles.
- II. Fixed Assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowings costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.
- III. Depreciation is provided pro-rata to the period of use on the Straight Line method at the rates prescribed under Schedule XIV to the Companies Act, 1956 on fixed assets used for the purpose of business.
- IV. Inventories are valued at the lower of cost and net realizable value. Cost is determined on first-in-first out basis and includes all applicable overheads in bringing the inventories to their present location and condition. Excise duty arising on raw materials & finished goods in stock are treated as part of the cost inventories.
- V. Tax expenses comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has carry forwarded of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonable certain that future taxable income will be available against which such deferred tax assets can be realized.

- VI. Long term investments are stated at cost as reduced by amounts written off/provision made for diminution in value. Current investments are stated at cost or fair value, whichever is lower.
- VII. Retirement benefits in the form of Provident Fund and Employee State Insurance is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due. The company accounts for gratuity and leave encashment on cash basis.
- VIII. Sales are accounted for as soon as goods are dispatched by the company to its customers from its stocking points. Sales are exclusive of sales tax & excise duty & net of returned.
- IX. Impairment of Assets if any, is ordinarily assessed by comparing value in use or cash generative units

NOTES ON ACCOUNTS.

	Current year	Previous year
1. <u>Contingent Liabilities not provide for</u>		
Performance Guarantees/Bank Guarantees	50,92,740	32,00,000
2. Amount paid to Auditors:	Current year (Rs.)	Previous year (Rs.)
a) Audit Fee	50000	50000
b) Tax Audit Fee	20000	20000
3. Remuneration paid to Managing Director:-		
Salary	413823	364996
(Including of perquisites)		
4. Loan & Advances are subject to confirmation, some advances are old more than one year, but in the opinion of the management, are fully realizable to the extent stated.		
5. The Balance confirmation from Debtors & Creditors have not received. Some sundry Debtors are old more than one year, but in the opinion of the management, are fully realizable to the extent stated.		
6. The company has Cash Credit Limit of Rs. 200.00 lacs from Indian Overseas Bank. Against this sanctioned limit outstanding balance as on 31 st March, 2009 is Rs. 194.71 lacs. The company is also having non fund based limit for Letter of Guarantee/Letter of Credit of Rs. 400.00 lacs. Non fund based limits utilized as on 31 st March, 09 are Rs. 50.93 lacs.		

7. Regarding the disclosure as per the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 the Company has no information regarding the status of the service providers/suppliers as per the provisions of the said Act. In view of this the above disclosure relating to the amount unpaid as at the end of the year together with interest paid/payable has not been given.

8. Related Party Disclosures

Related party disclosures as required under Accounting Standard on "Related Party Disclosure" issued by the Institute of Chartered Accountants of India are given below:-

a)	Key Management Personnel	i)	Mr. V.K.Jain, Director
b)	Entities over which key management personnel are able to exercise significant influence	ii)	Advik Finance & Properties Pvt. Ltd
		iii)	Mr. V.K.Jain, M.D. of Company.
c)	Related Parties		
d)	Summary of Transactions	(Rs. in lacs)	
	Transactions with entities of Key Management Personnel	2008-09	2007-08
	- Loan taken	53.82	55.18
	- Loan repaid	0.83	1.51

9. **INVESTMENTS**

The company has written letters to various companies in which company has invested for the issuance of duplicate shares certificates, as company has misplaced/lost the share certificates during the shifting of records & still is in the process of getting the same. As such these shares certificates are not physically held by the company as on 31st March, 2009.

10 **DEFERRED TAX ASSETS/(LIABILITY)**

Consequent to the adoption of Accounting Standard 22, Accounting for Taxes on Income issued by The Institute of Chartered Accountants of India tax expenses comprise of current tax and deferred tax. The deferred tax liabilities accumulated at the beginning of the year is Rs. 82,15,317/- and the current year effect has been charged to Profit & Loss A/c for the year.

	Deferred Tax Assets/ (Liability) as on 31.03.2009	Deferred Tax Assets/ (Liability) as on 31.03.2008
Difference between Book And Tax Depreciation	(88,91,376)	(1,02,71,230)
Brought forward business Losses and allowance	19,58,779	20,55,913
Total	<u>(69,32,597)</u>	<u>(82,15,317)</u>

11. The company is dealing only in one type of product as such as per Accounting Standard-17 there is no segment reporting required.
12. The company has made some trading activities from its Delhi office, which includes in the Sales amount.
13. Earning per share as computed with the Accounting standard-20

	2008-09	2007-08
Net Profit after Tax(Rs. in lacs)	(7.14)	(23.61)
Number of equity shares	9353400	9353400
Basic & Diluted earning per share	(0.08)	(0.25)

14. Schedule 1 to 17 form an integral part of Balance Sheet and Profit and Loss Account.
15. Previous year figure have been regrouped, re-arranged or readjusted wherever deemed necessary to make them comparable with current year figures.
16. The Company carries out a periodic review of all assets with a view to identify any impairment. Impairment of assets if any, identified on the basis of such review is accounted for in the books as required by the Accounting Standard on Impairment of Assets (AS-28) issued by the Institute of Chartered Accountants of India. No impairment of assets has been identified during the review carried out in the current year.
17. Disclosure pursuant to Clause 32 of the Listing Agreement :
 - i) Loan & Advances in the nature of Loans to Subsidiaries/Associates: Nil
 - ii) Investment by the loanee in the share of the Parent Company & Subsidiary Co.: Nil
18. Additional Information Pursuant to Provision of Paragraph 3, 4C & 4D of Schedule VI of the Companies Act, 1956:

i. Licensed Capacity

ii. Installed Capacity

Capacity (Per Shift/Day)

In Lacs

Classes of Goods	Unit	Qty.
Tablets	Nos.	35.00 (35.00)
Capsules	Nos.	12.00 (12.00)
Dry Syrups	Nos.	0.12 (0.12)

iii. Detail of Sales of finished goods

Class of goods	Unit	Quantity	Value(in lacs)
Tablets/Capsules/ointment/liquids/powder	Thousand	40568.92	178.72
Purchase/sale of finished goods	Ton	784.23	1021.92

iv Detail of major Raw Materials Consumed

(in thousand)

Description	Unit	Qty.(2008-09)	Qty.(2007-08)
Active Raw Materials	Kgs.	28.66	66.80

19. Expenditure in Foreign Currency

(Rs. in lacs)

	2008-09	2007-08
I. - On account of Travel	6.21	2.83
II. Earning in Foreign Exchange	—	—

As per our report attached
for VBR & Associates.
Chartered Accountants

For and on behalf of the Board

Sd/-
Vijay Bansal
Partner

Sd/-
Kanupriya Tulsyan
Company Secretary

Sd/-
V.K.Jain
Managing Director

Sd/-
Kishan Kumar
Director

Place : Sohna, Mewat
Date : 03.09.2009

ADVİK LABORATORIES LIMITED

Cash Flow Statement for the year ended March 31,2009

Particulars	As at 31.03.09 (Rs)	As at 31.03.08 (Rs)
A. Cash Flow from operating Activities		
Net profit before tax and extraordinary items	(1,884,553)	(3,305,351)
Add : Adjustment for Depreciation	3,579,588	3,448,168
Direct Tax Debited	-	(7,763)
	<u>1,695,035</u>	<u>135,054</u>
Operating profit before working capital changes		
Adjustment for		
Trade & other payable	32,774,360	(6,790,867)
Trade & other Receivables	(32,056,535)	18,811,233
Inventories	(9,044,206)	(14,205,555)
Cash Generated from Operations	(6,631,346)	(2,050,135)
Direct Tax Paid/debited	(64,672)	(275,356)
Net Cash from operating activities	<u>(6,696,018)</u>	<u>(2,325,491)</u>
B. Cash flow from investing activities		
Purchase of Fixed Assets	(5,709,483)	(45,760)
Purchase of Investment	(80,555)	-
Net Cash used	<u>(5,790,038)</u>	<u>(45,760)</u>
C. Cash Flow from financing activities		
Proceeds from issue of share capital	-	-
Proceeds from share Forfeiture	-	-
Proceeds from short term borrowings	12,417,963	3,119,384
Proceeds from long term borrowings	-	-
Net cash used in financial Activities	<u>12,417,963</u>	<u>3,119,384</u>
Net Increase in cash (A+B+C)	(68,093)	748,133
Cash & Cash Equivalents (Opening balance)	1,890,648	1,142,515
Cash & Cash Equivalents (Closing balance)	1,822,555	1,890,648

As per our report attached

For and on behalf of the Board

for VBR & Associates
Chartered Accountants

S d/-

(Vijay Bansal)
Partner

S d/-

(Kanupriya Tulsyan)
Company Secretary

S d/-

(V.K. Jain)
Managing Director

S d/-

(Kishan Kumar)
Director

Place : Sohna, Mewat

Date : 03.09.2009

I. Registration Details

Registration No. L74899HR1994PLC038300

State Code 05

Balance Sheet date 31.03.2009

II. Capital Raised during the year (Amount in Rs.)

Public Issue Nil

Right Issue Nil

Bonus Issue Nil

Private Placement Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.)

Source of Funds

- Paid up Capital 9,35,34,000

- Profit & Loss A/c 1,75,75,567

- Secured Loans 2,76,40,546

- Unsecured Loans 1,08,31,958

- Deffered Tax Liabilities 69,32,597

Total Liabilities 15,65,14,668

Application of Funds

- Net Fixed Assets 5,23,82,230

- Investment 99,60,152

- Net Current Assets 9,41,72,286

Total Assets 15,65,14,668

IV. Performance of Company (Amount in Rs.)

Turnover incl.other income 11,89,14,196

Total Expenditure 12,07,98,749

Profit/Loss Before Tax (18,84,553)

Profit/Loss After Tax (7,14,396)

Earning Per Share in Rs. (.08)

Dividend (%) Nil

V. Generic Names of Principle Products of Company

Item Code No.

(ITC Code) 30.04

Product Description Formulation Products

**ADVIK LABORATORIES LIMITED**

Registered office: 138,Roz-K-Meo,Industrial Area ,Sohna ,Distt Mewat
Haryana-122 103

FORM OF PROXY

Fourteenth Annual General Meeting, 30 September, 2009

DP Id*: _____

Client id*: _____

Regd.Folio No. _____

No. of Shares held _____

I/We _____

R/o _____

_____being a Member/Members of the Advik Laboraotires Ltd. hereby
appoint Mr./Ms. _____ of _____ or failing
him/her Mr./Ms. _____ of _____ as my/our proxy
to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held
on Monday, 29th September, 2008 at 11:30 A.M at Registered Office of the Company.

Signed this..... day of 2009

Signature

Affix a 1
rupee
revenue
stamp

* Applicable to investors holding shares in electronic form.

Note: Proxy Form must reach to the Company's Registered office not less than 48 hours before the
Meeting. The proxy need not be a member of the Company.

**ADVIK LABORATORIES LIMITED**

Registered office: 138,Roz-Ka-Meo,Indutrial Area,Sohna,Distt: Gurgaon
Haryana—122 103

ATTENDANCE SLIP

Annual General Meeting-30th September, 2009

DP Id*: _____

Regd.Folio No. _____

Client Id*: _____

No. of Shares held _____

Name of the Shareholder(s) _____ (In block Letters)

I hereby record my presence at the Annual General Meeting at 11:00 A.M. at the Registered office of the company.

Notes:

Signature of Member/Proxy
(To be done at entry point)

* Applicable to investors holding shares in electronic form.

1. Memebers/Joint Memebers /proxies are requested to bring the attendance slips with them.
Duplicate Slips will not be issued at the venue.
2. For the convenience of members, persons other than members/proxies will not be admitted.
3. Please bring your copy of Annual report at the Meeting.