

# 24<sup>th</sup> Annual General Meeting

Date: 26<sup>th</sup> September, 2009

Day: Saturday

Time: 9.30 A.M.

Place: "The Executive Club"

439, Vill- Shahoorpur,

P.O. – Fatehpur Beri,

New Delhi- 110074

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## BOARD OF DIRECTORS

Sh. B.R.Gupta	Chairman-cum-Managing Director
Smt. Urmila Gupta	Director
Smt. Brij Bala Gupta	Director
Sh. Manohar Lal	Director
Sh. Mahesh Kumar Nanchal	Director
Sh. Bal Kishan Sharma	Director

## COMPANY SECRETARY

Sh. Jaspreet Singh

## AUDITORS

M/s Satinder Saini & Co.

Chartered Accountants

514, Suneja Tower – 1, District Center

Janak Puri

New Delhi- 110058

**BANKERS**

Punjab National Bank  
H-22, Tropical Building,  
Connaught Place,  
New Delhi- 110001

**REGISTERED OFFICE**

C-64, Lajpat Nagar-I,  
New Delhi – 110024.

**CORPORATE OFFICE**

4/4B, Asaf Ali Road, Old Delhi Stock Exchange Building,  
New Delhi – 110002.

**REGISTRAR AND TRANSFER AGENT  
FOR BOTH PHYSICAL & DEMAT**

M/s RCMC Share Registry Private Ltd.,  
B-106, Sector – 2, Noida – 201301 (U.P.)

## **CHAIRMAN'S STATEMENT**

Dear Shareholders,

I extend hearty welcome to you on the eve of the Annual General Meeting of the Company.

At the very outset, I would like to share with all of you my deep sense of satisfaction over the sterling results achieved by your Company. I am extremely happy to report to you that despite all adverse and challenging circumstances, your Company has fared very well during this year. Your company is trying to reduce the debt, increase the profitability and significantly improve the networth.

The year 2008-09 has been odd year globally for number of significant reasons. Meltdown of major economies, world wide recession, liquidity crunch, de-growth in GDPs, unprecedented jobs cuts, near bankruptcy situation for many corporate giants of the developed countries and increased threat of terrorism than ever before impacted the lives of human beings.

India was not immune to these events. However, Indian financial and banking sector was stable and timely economic stimulants implemented by the Government brought stability. Further boost was received by peoples mandate to a stable Government at the centre. Opening up of financial and insurance sectors to foreign investors and thrust given to the growth has helped the country in maintaining sustained growth and thereby boosting up investor's confidence in the Indian economy.

While all these events happening around the world, no exception to our country, your Company has recorded an unprecedented growth in income from operations and recorded increase in profits before tax to Rs. 41.41 Lacs. Revenues for the year at Rs. 409.94 lacs were higher by 442.41% compared to the previous year.

This was achieved through an increased focus on securing profitable jobs and implementing a sustained efficiency program across the enterprise, which includes working towards improving cash collection, controlling expenditure and optimizing its resources wherever possible. These initiatives are showing visible success in all major financial indicators of your Company's results for the year.

In view of the increasing profits, your Company need to wipe off its losses accumulated over the years & thus is unable to distribute any dividends. Still, we hope that if the progress goes on like this, we will be distributing dividends soon.

I am please to inform that the Bombay Stock Exchange has revoked the suspension of trading on the equity shares of the Company with effect from 29<sup>th</sup> May 2009. Thus the trading of the shares of the Company has started on Bombay Stock Exchange. Soon the Delhi Stock Exchange is also starting its Online trading Platform facilitating trading on the equity share of the Company at the DSE's trading terminals across the country.

Finally, I wish to record my sincere thanks to Brawn Group for their unstinted support and contribution in turnaround of your Company. I also wish to place on record thanks to my colleagues on the Board, shareholders, suppliers, customers, bankers and employees at all levels for their continued support.

**B. R. Gupta**  
**CHAIRMAN**

## NOTICE

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the Members of Brawn Pharmaceuticals Limited will be held on Saturday, the 26<sup>th</sup> September, 2009 at 9.30 A.M. at "The Executive Club", 439, Vill – Shahoorpur, P.O. – Fatehpur Beri, New Delhi-110074 to transact the following businesses.

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2009 and Profit and Loss Account for the year ended on that date and the Report of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Brij Raj Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mahesh Kumar Nanchal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To reappoint Statutory Auditors' of the company and fix their remuneration and for the purpose to consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.

**"RESOLVED THAT** M/s Satinder Saini & Co., Chartered Accountants, 514, Suneja Tower – 1, District centre, Janak Puri, New Delhi – 110058 be and are hereby reappointed as statutory auditors of the company to hold office from the conclusion of ensuing Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company."

### Special Business:

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

**"RESOLVED THAT** Mr. Bal Kishan Sharma, who was appointed as an Additional Director of the Company to hold office till the date of the Annual General Meeting, be and is hereby appointed as an ordinary Director of the Company whose office shall be liable for determination through retirement by rotation."

Place: New Delhi  
Date: 02-06-2009

For and on behalf of the Board of Directors

Sd/-  
(B.R. Gupta)  
Chairman-Cum-Managing Director

**Notes:**

- a.) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY, A BLANK FORM OF PROXY IS ENCLOSED HERewith AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED, DULY FILLED IN, TO THE REGISTERED/CORPORATE OFFICE OF THE COMPANY NOT LESS THAN FOURTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**
- b.) The Register of Members and Share Transfer Book of the Company will remain closed from Tuesday, the 22<sup>nd</sup> September, 2009 to Saturday, the 26<sup>th</sup> September, 2009 (both days inclusive).
- c.) Shareholders are requested to intimate the change of address, if any, to the Company's Registrar & Transfer Agent M/s. RCMC Share Registry Private Limited, B-106, Sector-2, Noida – 201301 (U.P.)
- d.) Members /Proxies should bring the attendance slip enclosed herewith duly filled in for attending the meeting. Members, who hold shares in dematerialized form are requested to bring their Client ID and DP ID Number for easy identification of attending at the meeting.
- e.) Shareholders seeking any information or having any query with regard to accounts are requested to write to the Company at least seven days before the date of the meeting, so as to enable the management to keep the information ready.
- f.) Members are requested to bring their copies of Annual Reports with them to the meeting, as extra copies of the Annual Reports will not be available for distribution at the meeting.
- g.) Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 5 is enclosed herewith.

Place: New Delhi  
Date: 02.06.2009

For and on behalf of the Board of Directors

Sd/-  
B.R. Gupta  
(Chairman-Cum-Managing Director)

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

**Item No. 5:**

Mr. Bal Kishan Sharma was co-opted on the Board of Directors of the Company as an Additional Director to hold office until the date of ensuing annual general meeting. The Board is proposing to appoint him as an ordinary director in the ensuing AGM. Accordingly, the resolution is placed before the members for their consideration and approval. The Board recommends the proposed resolution for adoption in the larger interest of the Company.

Mr. Bal Kishan Sharma is interested and concerned in the proposed resolution.

Place: New Delhi  
Date: 02.06.2009

For and on behalf of the Board of Directors

Sd/-  
B.R. Gupta  
(Chairman-Cum-Managing Director)

## DIRECTORS' REPORT

Dear Shareholders,

The Directors of your Company have pleasure in presenting to you the Twenty Fourth Annual Report on the business & operations of the company and Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2009 along with the Auditor's Report thereon.

### FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31<sup>st</sup> March 2009 are as follows:

<i>(Rs. in Lakh)</i>		
<b>Particulars</b>	<b>Year ended 31.03.2009</b>	<b>Year ended 31.03.2008</b>
Gross Sales	<b>409.94</b>	<b>92.66</b>
Profit before Depreciation & Interest	<b>41.52</b>	<b>8.00</b>
Interest	<b>0.02</b>	<b>NIL</b>
Depreciation	<b>0.09</b>	<b>NIL</b>
Profit/(Loss) before Tax	<b>41.41</b>	<b>8.00</b>
Excess Provision for Income Tax of previous year written back	<b>-</b>	<b>0.13</b>
Provision of Gratuity	<b>0.24</b>	<b>0.01</b>
Provision for Income Tax	<b>4.39</b>	<b>0.33</b>
Provision for Deferred Tax	<b>-</b>	<b>(6.84)</b>
Net Profit/(Loss) after Tax	<b>36.78</b>	<b>0.93</b>
Profit/Loss brought forward	<b>202.35</b>	<b>(203.28)</b>
Amount Available for Appropriation	<b>(165.57)</b>	<b>(202.35)</b>
<b>Appropriations</b>		
Transfer to General Reserve	<b>NIL</b>	<b>NIL</b>
Balance carried to Balance Sheet	<b>(165.57)</b>	<b>(202.35)</b>

### OPERATIONS AND PERFORMANCE

During 2008-09, your Company made a strategic entry with its generic formulations in the premium markets of Iraq and consolidated its strengths in the less regulated and emerging markets. This was done while striving for leadership position in the domestic market. The total export sales of the Company were Rs 246.72 Lacs while the domestic sales were Rs 163.22 Lacs.

All these positive developments helped your Company to improve its top and bottom line. It has placed huge orders for manufacture and hence the operating profit was much higher over the previous year. Revenues for the year at Rs. 409.94 lacs were higher by 442.41%. Brawn Pharmaceuticals Ltd. is effectively facing the challenges of entering into severely competitive markets, prevailing high product prices. The strengths of the Company's ability to manage resources from end-to-end and capacity to deliver what the customer wants at affordable prices, is helping the company to overcome the constraints.

Your Company sees big potential with its large basket of regulatory approved products in the regulated markets.

The Company had massive trading activities during the year. However the company has obtained drug license on loan license basis of getting its products manufactured from other parties. Also, the pipeline of new products being developed by the team in R&D would add to the offers to the market in the future.

## **DIVIDEND**

In view of profits earned by the Company, your Directors regret their inability to recommend any dividend for the year 2008-2009 to cover up the losses of the past years.

## **DIRECTORS**

After the last Annual General Meeting, Mr. Bal Kishan Sharma was appointed as additional director. In terms of the provisions of the Companies Act, 1956, they hold office until the date of the ensuing Annual General Meeting. His appointment as an ordinary Director of the Company is placed before the Members for consideration. The Board recommends the resolution(s) for adoption by the members.

After the last Annual General Meeting, Mr Trilok Chand Sharma resigned from the Board. The Board takes this opportunity to place its gratitude for services rendered by them.

Mr. Brij Raj Gupta and Mr. Mahesh Kumar Nanchal retire by rotation and being eligible offers themselves for re-appointment. Directors recommend their re-appointment.

## **AUDITORS**

The Statutory Auditors, M/s. Satinder Saini & Co., Chartered Accountants, New Delhi retire at the forthcoming Annual General Meeting and offer themselves for re-appointment as the Auditors' of the company.

As required under Section 224 (1B) of the Companies Act, 1956, the company has obtained from them a confirmation to the effect that their appointment, if made, would be in conformity with the limits prescribed in the said section.

## **AUDITORS' REPORT**

Observations to the Auditors when read together with the relevant notes to the accounts and accounting policies are self-explanatory.

## **DEVELOPEMENT**

One of the main objectives of the company in the current financial year is to improve and develop good export market.



## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of your Company state:

- (a) That in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- (b) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) 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;
- (d) That the Directors had prepared the annual accounts for the year ended 31<sup>st</sup> March 2009 on a going concern basis.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

Particulars in respect of conservation of energy, technology absorption and other particulars required under Section 217 (1)(e) of The Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 is enclosed as Annexure 'A' and forms part of this report.

## **CORPORATE GOVERNANCE**

Your Company believes in conducting the business with due compliance of all the applicable laws, rules and regulations. The Company has duly implemented the system of corporate governance as per the requirements of the Listing Agreement. Detail report appears in the Annexure forming part of this report.

## **EMPLOYEES RELATION**

Your Directors wish to express their sincere appreciation of the efficient services rendered by the employees at all levels throughout the company.

## **PARTICULARS OF EMPLOYEES**

None of the Employee of the Company has received remuneration above the limits as prescribed in Sub-section 2A of Section 217 of the Companies Act, 1956 read with Companies (Particular of Employees) Rules, 1975.

## **FIXED DEPOSIT**

The Company has not accepted any fixed deposit from the public during the year under review.

## **ACKNOWLEDGEMENT**

Your Directors wish to place on record their gratitude to the Government Authorities, Company's Bankers, Dealers, Customers and its Business Associates for their valued support extended to the company.

For and on behalf of the Board of Directors

PLACE: New Delhi

DATE: 02.06.2009

**Sd/-**  
**(B.R. Gupta)**  
**CHAIRMAN-CUM-MANAGING DIRECTOR**

## ANNEXURE TO THE DIRECTORS' REPORT

### STATEMENT OF PARTICULARS UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

**(A) Conservation of Energy**

- (i) Energy Conservation Measure taken
- (ii)
  - 1) Preventive maintenance of equipment to seal energy wastages. N.A.
  - 2) Regular day to day monitoring of energy Consumption items. N.A.
- (iii) Total and per unit energy consumption  
The figure-A(see Rule-A  
Form-A (see Rule-2)  
Power and fuel consumption N.A.

**(B) Technology absorption** N.A.

**(C) Expenditure on R&D** N.A.

**(D) Foreign Exchange earnings** Rs.246.72 Lac

(Rs. In Lacs)

		Year ended 31 <sup>st</sup> March 2009	Year ended 31 <sup>st</sup> March 2008
a)	Total foreign Exchange earned	246.72	-
b)	Total foreign Exchange used on Import of raw materials, spare parts and capital goods	-	-
c)	Expenditure in Foreign Currencies for travels, subscription, consumables stores, goods for resale, commission on export sales etc.	-	-
d)	Remittance during the year in foreign currency on account of dividend.	-	-

For and on behalf of the Board of Directors

PLACE: New Delhi  
DATE: 02.06.2009

Sd/-  
**(B.R. Gupta)**  
**CHAIRMAN-CUM-MANAGING DIRECTOR**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **OUTLOOK**

The pharmaceutical industry is core to the Indian economy, a battle ground of major global majors in the pharmaceutical sectors. The industry is increasingly responding to the need to reduce various vulnerable diseases and enhance safety through vast development of life savings drugs and medicines. Its growth is being catalysed by a significant gap between demand and supply. As a result, with increasing competition, consumer preference will become paramount and product differentiation is expected to play a major role in success.

### **FINANCIAL AND OPERATIONAL PERFORMANCE**

The same has been discussed in the Board of Directors' Report.

### **HUMAN RESOURCES**

Adequate facilities and opportunities are also being provided to the staffs to update themselves in the fast changing era of technologies.

### **COMPANY PERFORMANCE**

The company could not leverage its rich technological and production strengths during the period under review due to various constraints. Even in this challenging situation the Company strives to regain its lost vigour and vitality.

### **INTERNAL CONTROL & ADEQUACY**

Your company has a proper and adequate system of internal control. Your company also ensures that transactions are authorized, recorded and reported correctly.

### **PROSPECTS**

In the wake of the ongoing economic reforms, the company is expected to make a strong showing through its current emphasis on high value added jobs, which would require considerable reinforcement in the areas of pharmaceuticals and image building as a reliable supplier with quality assurance.

### **CAUTIONARY NOTE**

The MD&A, detailing the Company's objectives, projections, estimates and expectations, may contain 'forward looking statements' within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectations of future events. The actual results may differ substantially or materially from those expressed or implied. The company assumes no responsibility to publicly amend, modify or revise any forward working statements, on the basis of any subsequent developments, information or events.

## **REPORT ON CORPORATE GOVERNANCE**

The Company continues to implement the code of Corporate Governance during the year under reference in terms of clause 49 of the Listing Agreement with Stock Exchanges.

### **1. BRIEF NOTE ON COMPANY'S PHILOSOPHY**

Corporate Governance primarily involves transparency, full disclosure, independent monitoring of the state of affairs and being fair to all stakeholders. A good Corporate Governance lead to long term shareholders value and enhances interest of other stakeholders. It brings in to focus the fiduciary and trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value.

The Company has always believed in good Corporate Governance and Standard Corporate Practice. The company has always remained prompt and regular in discharging its statutory obligations and duties.

The Board of Directors has constituted various committees such as Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievances Committee. The meetings of the Board and Committees thereof have been held as frequently as required for proper and effective control over the affairs of the Company. All the directors, attending the Board and Committee Meetings, actively participate in the proceedings.

### **2. BOARD OF DIRECTORS**

The Board of Directors comprises one Chairman-cum-Managing Director, One Non Executive Promoter Director, four Non Executive Independent Directors.

During the year, 11 Board Meetings were held.

The particulars regarding composition of the Board of Directors, particulars of Director's, other directorship of other public limited Companies and their attendance in the Meetings held during the year under review are given hereunder:

Name of the Directors & Category of Directorship		Directorship in other public limited companies		Committees Membership held in Other public Companies		No. of Meetings during the year		Attend ed Last AGM	No. of share held in the company
		Total	As Chairman	Total	Chairman	Held	Attend ed		
B.R. Gupta	Chairman & M.D	3	1	NIL	NIL	11	11	No	2,77,350
Brij Bala Gupta	Non-Executive Promoter Director	1	NIL	NIL	NIL	11	11	Yes	89,600
Urmila Gupta	Non-Executive Director	1	NIL	NIL	NIL	11	1	Yes	NIL
Manohar Lal	Non-Executive Director	NIL	NIL	NIL	NIL	11	11	Yes	NIL
Mahesh Kumar Nanchal	Non-Executive Director	NIL	NIL	NIL	NIL	11	11	Yes	3,100
Trilok Chand Sharma	Non-Executive Director	NIL	NIL	NIL	NIL	11	11	Yes	NIL

### 3. COMMITTEE OF THE BOARD

The Board of Directors have constituted the following Committees with adequate delegation of powers.

#### A. Audit Committee

Composition of Audit Committee meets all the criteria as prescribed by law. The committee comprises of three Directors, who are Non Executive & Independent. It met four times during the year 2008-09 on 2<sup>nd</sup> April, 2008; 14<sup>th</sup> June, 2008; 20<sup>th</sup> September, 2008 and 23<sup>rd</sup> January, 2009.

The details of the meeting of Audit Committee attended by the members are as under:-

Members of Audit Committee	Category	Meetings held	Meetings attended
Mr. Manohar Lal	Chairman	4	4
Mr. Mahesh Kumar Nanchal.	Member	4	4
Mr. Trilok Chand Sharma	Member	4	4

Since Mr. Trilok Chand Sharma has resigned as director, the Audit Committee is reconstituted and comprises of following Directors.

Members	Category
Mr. Manohar Lal	Chairman
Mr. Mahesh Kumar Nanchal	Member
Mr. Bal Kishan Sharma	Member

#### **B. Share Transfer & Shareholders/Investors' Grievance Committee**

The Share Transfer & Shareholders/Investors' Grievance Committee of the Company looks into the matters like transfer/transmission, issuance of duplicate shares, non-receipt of Annual Reports and declared dividend etc. and investigate the investor's complaints and take necessary steps for redressal thereof.

The details of the meeting of Share Transfer & Shareholders/Investors' Grievance Committee attended by the members are as under:-

Members	Category	Meetings held	Meetings attended
Mr. Manohar Lal	Chairman	6	6
Mr. Mahesh Kumar Nanchal.	Member	6	6
Mr. Trilok Chand Sharma	Member	6	6

Since Mr. Trilok Chand Sharma has resigned as director, the Share Transfer & Shareholders/Investors' Grievance Committee is reconstituted and comprises of following Directors.

Members	Category
Mr. Manohar Lal	Chairman
Mr. Mahesh Kumar Nanchal	Member
Mr. Bal Kishan Sharma	Member

#### **C. Remuneration Committee**

Remuneration Committee of the Board of Directors recommends/reviews the remuneration package of Managing Director & Whole Time Directors. The Remuneration Committee comprises of following Directors.

Members	Category
Mr. Manohar Lal	Chairman
Mr. Mahesh Kumar Nanchal	Member
Mr. Bal Kishan Sharma	Member

## 6. General Body Meeting

(i) Location and time where last three AGMs were held:

Year	Date	Location	Time
2007-08	29 <sup>th</sup> September, 2008	Executive Club, 439, Vill-Shahoorpur, P.O., Fatehpur Beri, N.D-110074	9.30 a.m.
2006-07	29 <sup>th</sup> September, 2007	Executive Club, 439, Vill-Shahoorpur, P.O., Fatehpur Beri, N.D-110074	9.30 a.m.
2005-06	30 <sup>th</sup> September, 2006	Executive Club, 439, Vill-Shahoorpur, P.O., Fatehpur Beri, N.D-110074	9.30 a.m.

- (ii) Special resolutions passed in the previous 3 AGMs : No special resolutions passed in the previous 3 AGMs
- (iii) No Special resolution is proposed to be conducted through Postal Ballot.

## 7. Means of Communication

1. Quarterly Results: Dissemination through publication in newspaper as required under Listing Agreement.
2. Newspapers wherein results normally published –Vir Arjun (in Hindi) and The Pioneer (in English)

## 8. GENERAL SHAREHOLDERS INFORMATION

### (i) Details of Forthcoming Annual General Meeting

Date	26 <sup>th</sup> September, 2009
Time	9.30 A.M.
Venue	The Executive Club”, 439, Vill – Shahoorpur, P.O. – Fatehpur Beri, New Delhi-110074

Financial year	2008-09
Date of Book Closure	22-09-2009 to 26-09-2009
Listing on Stock Exchanges	The Stock Exchange, Mumbai; The Delhi Stock Exchange Association Ltd.
Registrar and Share Transfer Agent	M/s. RCMC Share Registry Private Limited B-106, Sector-2, Noida,-201301 (U.P.)
Dematerialisation of Shares	986358 shares i.e. 32.87% (As on 31.03.2009)
Address for Correspondence	4/4B, Asaf Ali Road, Old Delhi Stock Exchange Building, New Delhi-110002, Phone: 32911528, 32911529, Fax: 011-23275208



**(ii) Distribution of Shareholding as on 30.06.2008**

Shareholding of value of Rs.	Shareholders		Share holdings		
	Number	% to total	Shares	Amount	% to total
UPTO TO 5000	6684	93.93	836479	8364790.00	27.88
5001 TO 10000	210	2.95	176173	1761730.00	5.87
10001 TO 20000	130	1.83	218276	2182760.00	7.28
20001 TO 30000	29	0.41	77530	775300.00	2.58
30001 TO 40000	12	0.17	44055	440550.00	1.47
40001 TO 50000	13	0.18	61536	615360.00	2.05
50001 TO 100000	13	0.18	96482	964820.00	3.22
100001 and Above	25	0.35	1489769	14897690.00	49.65
<b>** G Total</b>	<b>7116</b>	<b>100.00</b>	<b>3000300</b>	<b>30003000.00</b>	<b>100.00</b>

Category code	Category of shareholder	Number of share-holders	Total Number of Shares	Number of shares held in dematerialized form	Total Shareholding as a percentage of total no. of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	No.of shares (VIII)	As a percentage (IX)=(VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)				
(A)	Shareholding of promoter and promoter Group							
(1)	Indian							
(a)	INDIVIDUALS/HUF	59	12,14,200	7,400	40.47	40.47	0	0.00
(b)	CENTRAL GOVERNMENT/STATE GOVERNMENT	0	0	0	0.00	0.00	0	0.00
(c)	BODIES CORPORATE	1	68,100	0	2.27	2.27	0	0.00
(d)	FINANALCIAL INSTITUTIONS/BANKS	0	0	0	0.00	0.00	0	0.00
(e)	ANY OTHER (SPECIFY)- DIRECTORS & RELATIVES	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A) (1)	60	12,82,300	7,400	42.74	42.74	0	0.00
(2)	Foreign							
(a)	INDIVIDUALS(NRI)/FOREIGN INDIVIDUALS	0	0	0	0.00	0.00	0	0.00
(b)	BODIES CORPORATE	0	0	0	0.00	0.00	0	0.00
(c)	INSTITUTIONS	0	0	0	0.00	0.00	0	0.00
(d)	ANY OTHER (SPECIFY)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A) (2)	0	0	0	0.00	0.00	0	0.00
	Total (A)	60	12,82,300	7,400	42.74	42.74	0	0.00
(B)	Public shareholding							
(1)	Institutions							
(a)	MUTUAL FUNDS/UTI	5	18,800	0	0.63	0.63	0	0.00
(b)	FINANCIAL INSTITUTIONS/BANKS	0	0	0	0.00	0.00	0	0.00
(c)	CENTRAL GOVERNMENT/STATE GOVERNMENT	0	0	0	0.00	0.00	0	0.00
(d)	VENTURE CAPITAL FUND	0	0	0	0.00	0.00	0	0.00
(e)	INSURANCE COMPANIES	0	0	0	0.00	0.00	0	0.00
(f)	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.00	0.00	0	0.00
(g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0.00	0	0.00
(h)	ANY OTHER SPECIFY	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B) (1)	5	18,800	0	0.63	0.63	0	0.00
(2)	Non-institutions							
(a)	BODIES CORPORATE	83	78,658	74,958	2.62	2.62	0	0.00
(b)	i) INDIVIDUALS -HOLD UPTO 1 LAKH (NOM VALUE)	6891	12,53,258	7,75,116	41.77	41.77	0	0.00
	ii) INDIVIDUALS -HOLD ABOVE 1 LAKH (NOM VALUE)	7	2,55,019	85,219	8.50	8.50	0	0.00
(c)	ANY OTHER (SPECIFY)- A) CLEARNG MEMBERS	21	14,272	14,272	0.48	0.48	0	0.00
	B) NON-RESIDENTS	49	97,993	32,293	3.27	3.27	0	0.00
	C) TRUST	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B) (2)	7051	16,99,200	9,81,858	56.64	56.64	0	0.00
	Total (B)	7056	17,18,000	9,81,858	57.27	57.27	0	0.00

Category code	Category of shareholder	Number of shareholders	Total Number of Shares	Number of shares held in dematerialized form	Total Shareholding as a percentage of total no. of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	No. of shares (VIII)	As a percentage (IX)=(VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)				
(C)	Shares held by Custodians and against which							
	Depository Receipts have been issued							
	SHARES HELD BY CUSTODIANS	0	0	0	0.00	0.00	0	0.00
	Sub-Total (C)	0	0	0	0.00	0.00	0	0.00
	Total (C)	0	0	0	0.00	0.00	0	0.00
	Grand-Total	7116	30,00,300	9,89,258	100.00	100.00	0	0.00

**CERTIFICATE OF COMPLIANCE FROM A PRACTISING CHARTERED ACCOUNTANTS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To  
The Members of  
Brawn Pharmaceuticals Limited

We have examined the compliance of conditions of Corporate Governance by Brawn Pharmaceuticals Limited for the year ended on 31<sup>st</sup> March, 2009, as stipulated in Clause 49 by the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2009, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and management, we certify that Company has generally complied with the condition of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

For Satinder Saini & Co  
Chartered Accountants

Sd/-  
(S.K.Saini)  
Proprietor

Place: New Delhi  
Date: 02.06.2009

M.No. 87357

# **SATINDER SAINI & CO.**

## **CHARTERED ACCOUNTANTS**

514, Suneja Tower-1, District Centre, Janakpuri, New Delhi-110058, Tele-Fax-25511904, Phone- 20060558  
E-mail: sainisk@ssc-india.com

### **Auditors' Report**

To the Members of  
**Brawn Pharmaceuticals Limited**

1. We have audited the attached Balance Sheet of M/s Brawn Pharmaceuticals Limited as at March 31, 2009 and also the Profit and Loss account and the cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with 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. Without qualifying our opinion, we draw attention to the financial statements, the realisability of sundry debtors aggregating to Rs.268.16 Lacs outstanding as on 31-03-2009 is dependent upon the outcome of the legal proceedings initiated by the company and no provision has been made on that account. Further, the realisability of Rs 41.40 Lacs shown as amount recoverable on account of custom duty credit arising out of the export is also dependent upon the outcome of the legal proceedings initiated by the company and no provision has been made on that account.
4. Without qualifying our opinion, we draw attention to Note No. 8 of schedule 13 relating to recognition of deferred tax assets.
5. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
6. Further to our comments in the Annexure referred to above and subject to Note No. 5 of schedule 13, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

- ii. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
- iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub - Section (3C) of Section 211 of the Companies Act, 1956.
- v. On the basis of the written representations received from the Directors, as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - a) in the case of the Balance Sheet, of the state of affairs of Company as at March 31, 2009;
  - b) in the case of the Profit and Loss Account, of the profit earned for the year ended on that date; and
  - c) in the case of Cash Flow Statement, of the cash Flow for the year ended on that date.

**Satinder Saini & Company**  
**Chartered Accountants**

Sd/-  
**(S. K. Saini)**  
Proprietor  
M.No. 87357

**Place : New Delhi**

**Date : 02-06-2009**

**Annexure referred to in paragraph [4] of our report of even date**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of the information made available.
  - (b) There have been no fixed assets at the beginning of the year. Company purchased fixed assets during the year.
- (ii) (a) As explained to us, inventories have been physically verified by the management in accordance with perpetual inventory program at regular intervals during the year which in our opinion is reasonable.
- (b) The procedures of physical verification of inventory followed by management are, in our opinion reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company has maintained proper record of inventory. As explained to us the discrepancies noticed on verification between the physical stock and the book records were not material.
- (iii) (a) As informed to us, the Company has not taken/granted loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Company's Act, 1956. Consequently the requirements of clauses (iii) (f) and (iii) (g) of paragraph 4 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure 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. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) According to the information and explanations given to us there is no contract or arrangement referred to in Section 301 of the Act, which are required to be entered in the register maintained under the said Section.
- (b) Accordingly, the provision of the clause v (b) of the companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (vi) According to the information and explanation given to us the company has not accepted any deposits from the public during the year. Therefore the provisions of clause (vi) of paragraph 4 of the order are not applicable to the company.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.

- (ix) According to the company records, the company is regular in depositing with appropriate authorities undisputed statutory dues including, Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom duty, Excise Duty, Cess & other material statutory dues applicable to it. There is no outstanding with respect to undisputed dues as of the last of the financial year concerned for a period of more than six months from the date they became payable.
- (x) The company has accumulated losses at the end of the financial year aggregating to Rs.165.57 Lacs. The company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks. The company has not issued any 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. Accordingly the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) The company does not deal or trade in shares, securities, debentures and other investments.
- (xv) Based on the information and explanations given to us by management, the company has not given the guarantees for loans by others from the banks & financial institutions.
- (xvi) The company has not raised any term loan during the year.
- (xvii) According to the information and explanations given to us, and on overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any secured debentures.
- (xx) The Company has not raised any money through public issue during the year.



(xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during year.

**Satinder Saini & Company**  
**Chartered Accountants**

**Sd/-**  
**S. K. Saini**  
**Proprietor**  
M.No. 87357

**Place : New Delhi**

**Date : 02-06-2009**

# BRAWN PHARMACEUTICALS LIMITED

## BALANCE SHEET AS AT 31ST MARCH,2009

PARTICULARS	SCHEDULE	RUPEES 31.03.09	RUPEES 31.03.08
<b>I ) SOURCE OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
(A) Share Capital	<b>1</b>	30,003,000.00	30,003,000.00
(B) Reserves & Surpluses	<b>2</b>	21,195,500.00	21,195,500.00
<b>Total</b>		<b>51,198,500.00</b>	<b>51,198,500.00</b>
<b>II ) APPLICATION OF FUNDS</b>			
<b>1 FIXED ASSETS</b>	<b>3</b>		
Gross Block		111,550.00	-
Less: Accumulated Depreciation		9,016.00	-
Net Block		102,534.00	-
<b>2 INVESTMENTS</b>	<b>4</b>	300,000.00	300,000.00
<b>3 CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
(A) Sundry Debtors	<b>5</b>	33,212,420.00	30,578,060.10
(B) Cash & Bank Balances	<b>6</b>	67,637.26	30,219.50
(C) Loans & Advances	<b>7</b>	7,288,255.99	4,408,699.37
(D) Inventory		-	-
		40,568,313.25	35,016,978.97
LESS: CURRENT LIABILITIES & PROVISIONS	<b>8</b>	6,329,070.77	4,353,819.90
<b>NET CURRENT ASSETS</b>		<b>34,239,242.48</b>	<b>30,663,159.07</b>
 PROFIT AND LOSS ACCOUNT	 <b>9</b>	 16,556,723.52	 20,235,340.93
<b>Total</b>		<b>51,198,500.00</b>	<b>51,198,500.00</b>
<b>NOTES TO ACCOUNTS ANNEXED</b>	<b>13</b>		

AS PER OUR REPORT OF EVEN DATE ATTACHED

**For Satinder Saini & Company**  
Chartered Accountants

For and on behalf of the board of Directors

Sd/-  
**(S. K. Saini)**  
Proprietor  
M.No. 87357

Sd/-  
**(B.R.Gupta)**  
Managing Director

Sd/-  
**(Brij Bala Gupta)**  
Director

Sd/-  
**(Jaspreet Singh)**  
Company Secretary

Place: New Delhi  
Date : 02.06.09

# BRAWN PHARMACEUTICALS LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2009

PARTICULARS	SCHEDULE	RUPEES 31.03.09	RUPEES 31.03.08
<b>INCOME</b>			
Sales		39,691,563.99	9265867.85
OTHER INCOME		1,302,856.18	-
<b>Total</b>		<b>40994420.17</b>	<b>9265867.85</b>
<b>EXPENDITURE</b>			
Cost of Goods Sold	10	33384679.89	7432097.53
Salaries & Other benefits	11	1927038.00	623084.59
Other Expenses	12	1532226.87	410635.46
Depreciation	3	9016.00	-
<b>Total</b>		<b>36852960.76</b>	<b>8465817.58</b>
<b>Profit/Loss before Taxation</b>		4141459.41	800050.27
Provision for Income Tax related to earlier years		0.00	13255.00
Provision for Gratuity		23842.00	1416.00
Provision for Income Tax		438000.00	33487.00
Provision for Fringe Benefit tax		1000.00	1326.00
Provision for Deferred Tax		-	(684020.00)
<b>Profit after Tax</b>		3678617.41	93056.27
Add: Balance brought forward from Previous Year		(20235340.93)	(20328397.20)
<b>Amount Available for Appropriation</b>		(16556723.52)	(20235340.93)
<b>APPROPRIATION</b>			
Transfer to General Reserve		Nil	Nil
Transfer to Balance Sheet		(16556723.52)	(20235340.93)
<b>Earning Per Share</b>		<b>1.23</b>	<b>0.26</b>

### NOTES TO ACCOUNTS ANNEXED

13

AS PER OUR REPORT OF EVEN DATE ATTACHED

**For Satinder Saini & Company**  
Chartered Accountants

For and on behalf of the board of Directors

Sd/-  
**(S. K. Saini)**  
Proprietor  
M.No. 87357

Sd/-  
**(B.R.Gupta)**  
Managing Director

Sd/-  
**(Brij Bala Gupta)**  
Director

Sd/-  
**(Jaspreet Singh)**  
Company Secretary

Place: New Delhi  
Date : 02.06.09

**BRAWN PHARMACEUTICALS LIMITED****SCHEDULE - 1**

<b><u>SHARE CAPITAL</u></b>	<b>RUPEES 31.03.09</b>	<b>RUPEES 31.03.08</b>
AUTHORISED 45,00,000 EQUITY SHARE OF RS 10 EACH	<u>45,000,000.00</u>	<u>45,000,000.00</u>
ISSUED, SUBSCRIBED & PAID UP 30,00,300 EQUITY SHARE'S OF RS 10 EACH FULLY PAID UP	30,003,000.00	30,003,000.00
<b>TOTAL</b>	<u>30,003,000.00</u>	<u>30,003,000.00</u>

**SCHEDULE - 2****RESERVES & SURPLUSES**

<b>SHARE PREMIUM ACCOUNT</b> 3,60,000 Equity Shares of Rs 10/- each issued At a premium of Rs 15/- each 19,60,300 Equity Shares of Rs 10/- each issued At a premium of Rs 5/- each	15,201,500.00	15,201,500.00
<b>INVESTMENT ALLOWANCE RESERVE</b>	150,000.00	150,000.00
<b>GENERAL RESERVE</b>	5,844,000.00	5,844,000.00
<b>TOTAL</b>	<u>21,195,500.00</u>	<u>21,195,500.00</u>

**SCHEDULE-3**

**BRAWN PHARMACEUTICALS LIMITED**

**FIXED ASSETS SCHEDULE  
AS PER SCHEDULE XIV OF COMPANIES ACT 1956**

PARICULARS	GROSS BLOCK ON 1.04.2008	ADDITIONS	DEDUCTIONS	TOTAL	DEPRECIATION UP TO 31.03.2008	DEDUCTIONS FOR THE YEAR 2008-09	TOTAL	NET BLOCK AS ON 31.03.2009	NET BLOCK AS ON 31.03.2008
Computers	-	111,550.00	-	111,550.00	-	-	9,016.00	102,534.00	-
<b>TOTAL</b>	<b>-</b>	<b>111,550.00</b>	<b>-</b>	<b>111,550.00</b>	<b>-</b>	<b>-</b>	<b>9,016.00</b>	<b>102,534.00</b>	<b>-</b>

# BRAWN PHARMACEUTICALS LIMITED

## SCHEDULE - 4

	RUPEES 31.03.09	RUPEES 31.03.08
<b><u>INVESTMENTS</u></b>		
LONG TERM INVESTMENTS (OTHER THAN TRADE)		
UNQUOTED (A Company under the same Management)		
30,000 EQUITY SHARES OF RS 10 EACH	300,000.00	300,000.00
M/S BRAWN LABORATORIES LTD, FULLY PAID UP (Market Price not ascertainable)		
<b>TOTAL</b>	<b>300,000.00</b>	<b>300,000.00</b>

## SCHEDULE - 5

### **SUNDRY DEBTORS**

A) DEBTORS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS	26,816,475.00	26,816,475.00
B) OTHER DEBTORS	6,395,945.00	3,761,585.10
<b>TOTAL</b>	<b>33,212,420.00</b>	<b>30,578,060.10</b>

## SCHEDULE - 6

### **CASH & BANK BALANCES**

CASH IN HAND	29,553.96	2,499.96
BALANCE IN CURRENT ACCOUNT	38,083.30	27,719.54
<b>TOTAL</b>	<b>67,637.26</b>	<b>30,219.50</b>

**BRAWN PHARMACEUTICALS LIMITED****SCHEDULE - 7****RUPEES  
31.03.09****RUPEES  
31.03.08****LOANS & ADVANCES**(ADVANCES RECOVERABLE IN CASH OR IN KIND  
OR FOR VALUE TO BE RECEIVED)

OTHER ADVANCES RECOVERABLE	4,140,000.00	4,140,000.00
SECURITY DEPOSITS	263,602.00	263,602.00
OTHER DEPOSITS	12,958.94	5,097.37
TAX DEDUCTED AT SOURCE	41,291.00	-
PRE-PAID EXPENSES	2,500.00	-
ADVANCE FRINGE BENEFIT TAX	1,000.00	-
ADVANCE TO SUPPLIERS	2,826,904.05	-
<b>TOTAL</b>	<b>7,288,255.99</b>	<b>4,408,699.37</b>

**SCHEDULE - 8****CURRENT LIABILITIES & PROVISIONS**

SUNDRY CREDITORS & EXPENSES PAYABLE	2,150,162.10	4,258,316.04
STATUTORY LIABILITIES PAYABLE	736,856.10	95,503.86
ADVANCE FROM CUSTOMERS	3,442,052.57	-
<b>TOTAL</b>	<b>6,329,070.77</b>	<b>4,353,819.90</b>

**SCHEDULE - 9****MISCELLANEOUS EXPENDITURE**

(TO THE EXTENT NOT WRITTEN OFF OR ADJ)

**PROFIT & LOSS ACCOUNT**

PREVIOUS YEAR BALANCE	20,235,340.93	20,328,397.20
TRANSFERRED AS PER ACCOUNTS ANNEXED (LOSS)/PROFIT	3,678,617.41	93,056.27
BALANCE CARRIED FORWARD	16,556,723.52	20,235,340.93
<b>TOTAL</b>	<b>16,556,723.52</b>	<b>20,235,340.93</b>

**BRAWN PHARMACEUTICALS LIMITED**

**SCHEDULE - 10**

	<b>RUPEES</b>	<b>RUPEES</b>
	<b>31.03.09</b>	<b>31.03.08</b>
<b><u>PURCHASE / COST OF GOODS SOLD</u></b>		
OPENING STOCK	-	1,709,405.95
PURCHASES	33,384,679.89	5,722,691.58
SUB TOTAL	33,384,679.89	7,432,097.53
LESS CLOSING STOCK	-	-
COST OF GOODS SOLD	<u>33,384,679.89</u>	<u>7,432,097.53</u>

**SCHEDULE - 11**

	<b>RUPEES</b>	<b>RUPEES</b>
	<b>31.03.08</b>	<b>31.03.08</b>
<b><u>PERSONNEL EXPENSES</u></b>		
SALARY, WAGES, BONUS, GRATUITY, H.R.A & ALLOWANCES	1,927,038.00	623,084.59
<b>TOTAL</b>	<u>1,927,038.00</u>	<u>623,084.59</u>

**SCHEDULE - 12**

	<b>RUPEES</b>	<b>RUPEES</b>
	<b>31.03.08</b>	<b>31.03.08</b>
<b><u>OTHER EXPENSES</u></b>		
<b>( SELLING &amp; ADMINISTRATIVE EXPENSES)</b>		
INTEREST & BANK CHARGES	31,702.09	1,962.71
PRINTING & STATIONERY	38,321.00	38,900.00
POSTAGE,AND COMMUNICATION EXPENSES	37,151.00	12,016.00
LEGAL & PROFESSIONAL FEES	189,436.00	88,500.00
AUDIT FEES	44,080.00	44,944.00
CONVEYANCE EXPENSES	14,090.00	11,667.00
FREIGHT & CARTAGE	649,231.00	19,560.00
LISTING & FILING FEE	27,756.00	25,000.00
ADVERTISEMENT EXPENSES	17,437.00	22,961.00
MEMBERSHIP FEES	3,500.00	6,000.00
SHARE MANAGEMENT EXPENSES	27,992.00	40,500.00
STAFF WAFERE EXPENSES	5,430.00	7,328.00
DIRECTORS SITTING FEES	12,900.00	20,400.00
TELEPHONE EXP.	6,570.00	11,219.00
OFFICE EXP.	-	5,076.75
BREAKAGE & EXPIRY	79,372.00	16,342.00
REGISTRATION & LICENCE FEES	64,584.00	38,259.00
AGM EXPENSES	21,180.00	-
AGENCY & INSPECTION CHARGES	25,980.00	-
RATE & TAXES	5,083.00	-
RENT	60,000.00	-
ADDITIONAL DEMAND E.P.F	161,883.00	-
TESTING CHARGES	4,607.00	-
OTHER EXPENSES	2,081.34	-
DISCOUNT EXPENSES	1,860.44	-
<b>TOTAL</b>	<u>1,532,226.87</u>	<u>410,635.46</u>



**NOTES ATTACHED TO AND FORMING PART OF BALANCE SHEET****1. SIGNIFICANT ACCOUNTING POLICIES****(A) GENERAL**

The accounts are prepared on historical cost basis as a going concern following the mercantile system of accounting and recognizing income and expenditure on accrual basis. Accounting policies not specifically referred to otherwise are consistent and in concurrence with generally accepted accounting principles.

**(B) VALUATION OF INVENTORIES**

Inventories are valued at cost or market price whichever is lower.

**(C) FIXED ASSETS AND DEPRECIATION**

Fixed assets are stated at cost less accumulated depreciation. Depreciation on fixed assets is provided on straight-line method at the rates and in the manner provided in schedule XIV to the Companies Act, 1956.

**(D) INVESTMENTS**

Investments are stated at cost of acquisition.

**(E) REVENUE RECOGNITION**

- (i) Sales  
Sales are recognized when effectively the risk and rewards of ownership has passed to the buyer.
- (ii) Commission/Service Charges  
Commission / Service charges is accounted as and when accrued and realizable upon rising of bills.

**(F) Foreign Exchange Transaction**

Transactions in foreign currency are recorded at the exchange rate prevailing at the time of such transactions. Realized gains or losses on foreign exchange transactions are recognized in the Profit and Loss account at the time of actual realization of gains/losses.

**(G) Retirement Benefits**

Liability for Gratuity is being provided based upon the certificate of Acturian at the end of the year.

**(H) Amortization of Miscellaneous Expenditure**

Preliminary Expenses (Public Issue Expenses) are treated as Deferred Revenue Expenditure and the same are being written off in ten equal installments.

**(I) CONTINGENT LIABILITIES**

Liabilities below Rs. 1,00,000/- if any are not recognized as contingent liability.

**2. CONTINGENT LIABILITIES NOT PROVIDED FOR**

- (i) Claims against the company not acknowledged as debts: Nil
- (ii) Estimated amounts of contracts remaining to be executed on Capital Accounts and not provided for Nil (Previous Year Nil).

3. **IN THE OPINION OF DIRECTORS**

(a) The current assets and loans and advances are approximately of value stated if realized in the ordinary course of business except to the extent of impairment, if any.

(b) The provision for all known liabilities is adequate and considered reasonable.

4. Balances of Sundry Debtors, Creditors and other Advances are subject to confirmation/reconciliation and consequential adjustment if any arising thereto shall be considered in due course of time.

5. The Company has recognized recoverable claim on account of custom duty credit arising out of export of Rs 41.40 lacs (Rs.41.40 lacs) which is considered realizable on receipt of payment of such exports which is outstanding till date and no provision is considered necessary.

6. Managerial Remuneration		
Remuneration to Directors:	Rs. Nil	(Nil)
Sitting Fees	Rs.12,900	(20400)

7. **Auditor's Remuneration:**

Audit Fee	Rs.27,575/-	(28,090/-)
Tax Matters	Rs.16,545/-	(16,854/-)
<b>TOTAL</b>	<b>Rs.44,120/-</b>	<b>(44,944/-)</b>

8. The company has unabsorbed depreciation and carry forward of losses under tax laws. The deferred tax assets has not been recognized in absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

9. **Related Party Disclosure**

(A) Related party disclosures as required to by AS-18 are given below:

**Companies/Firms in which Directors & their relative are interested:-**

M/S Brawn Laboratories Ltd.  
M/S A.B.Pharma(P) Ltd.  
M/S Overseas Laboratories (P) Ltd.  
M/S Delhi Pharma  
M/S Fine Pharmachem

**Directors:-**

Mr. Brij Raj Gupta  
Mrs. Brij Bala Gupta  
Mrs. Urmila Gupta  
Mr. Mahesh Kumar Nanchal  
Mr. Manohar Lal  
Mr. Bal Kishan Sharma

**Relatives of Director:-**

Mr. A.K.Gupta  
Mrs. Shashi Bala Gupta  
Dr. Atul Gupta  
Mr. Nitin Gupta  
Mr. Love Gupta  
Mr. Kush Gupta

**Transactions with related party**

During the year the company has purchased material from Brawn Laboratories Limited amounting to Rs 333.85 Lac and sales to M/s Delhi Pharma amounting to Rs.154.13 Lac.

10. **Segment Information**

The Company's business segment is confined to only one business activity i.e Pharmaceuticals and hence segment reporting is not disclosed.

- |     |   |                         |   |
|-----|---|-------------------------|---|
| 11. | <b>Earning Per Share</b>                                | <b><u>2008-2009</u></b> | <b>(Rs. In Lacs)</b><br><b><u>2007-2008</u></b> |
|     | Profit/(Loss) after Tax<br>As per Profit & Loss Account | 36.79                   | 7.77  |
|     | Number of Equity Share                                  | 3000300                 | 3000300   |
|     | Earning/(Loss) Per Shares                               | 1.23                    | 0.26  |
12. There is no amount remaining unpaid to Small Scale Suppliers within the meaning of "The interest on Delayed Payments to Small Scale and Ancillary Undertaking Act".
13. Additional information pursuant to provisions of paragraph 3 & 4 of part (ii) schedule (vi) to the Companies Act, 1956 (As certified by the management and accepted by the auditors).
- (A) The Company had no manufacturing activities during the year. The company has obtained drug license on loan licence basis of getting their products manufactured from other parties and hence the information regarding installed capacity is not given.
- |      |  |                             |
|------|--|-----------------------------|
| (B)  | Sales and purchases of goods<br>Class of goods | <b>Value ( Rs. In Lacs)</b> |
| (i)  | <u>Purchases</u><br>Pharmaceuticals items      | 333.85<br>(57.23)           |
| (ii) | <u>Turnover</u><br>Pharmaceuticals items       | 396.92<br>(92.66)           |
- (The above figures are prepared and certified and being technical matter relied upon by Auditors)
- |     |  |                           |
|-----|--|---------------------------|
| 14. | Amount remitted in foreign currency            | <b>Value (Rs. In Lac)</b> |
| (a) | Expenditure in foreign currency                | NIL<br>(NIL)              |
| (b) | Value of imports on CIF basis                  | NIL<br>(NIL)              |
| (c) | Earning in foreign currency<br>Export of goods | 246.72<br>(Nil)           |
- (Previous year figures in Brackets)
15. Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with current year figures.

### **SIGNATURE TO SCHEDULE 1 TO 13**

As per our Report of even date attached  
For **Satinder Saini & Company**  
Chartered Accountants

For and on behalf of the Board of Directors

**Sd/-**  
**(S. K. Saini)**  
Proprietor  
M.No. 87357

**Sd/-**  
**(B.R. Gupta)**  
Managing Director

**Sd/-**  
**(Brij Bala Gupta)**  
Director

**Sd/-**  
**(Jaspreet Singh)**  
Company Secretary

Place: New Delhi  
Date : 02-06-2009

**BRAWN PHARMACEUTICALS LIMITED****CASH FLOW STATEMENT****(PURSUANT TO CLAUSE 32 THE LISTING AGREEMENT WITH STOCK EXCHANGE)**

	<b>FOR THE YEAR ENDED ON 31.03.09</b>	<b>FOR THE YEAR ENDED ON 31.03.08</b>
<b>A.) CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT (LOSS) FROM OPERATING ACTIVITY		
NET PROFIT (LOSS) BEFORE TAX	3,678,617.41	93,056.27
<b>ADJUSTMENTS FOR</b>		
LOSS ON SALE OF ASSETS	-	-
ASSETS WRITTEN OFF	-	-
INTEREST PAID	-	-
DEPRECIATION	9,016.00	-
PRILIMINARY EXPENSES WRITTEN OFF	-	-
<b>OPERATING PROFIT ( LOSS ) BEFORE WORKING CAPITAL CHANGES</b>	<b>3,687,633.41</b>	<b>93,056.27</b>
<b>ADJUSTMENTS FOR WORKING CAPITAL CHANGES</b>		
Increase/Decrease in Sundry Debtors	(2,634,359.90)	(1,729,514.10)
Increase/Decrease in Inventory	-	1,709,405.95
Increase/Decrease in Current Liabilities	1,975,250.87	(723,593.46)
Increase/Decrease in Deferred Tax	-	684,020.00
<b>NET CASH FROM OPERATING ACTIVITIES A</b>	<b>3,028,524.38</b>	<b>33,374.66</b>
<b>B.) CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(111,550.00)	-
Capital work-in Progress	-	-
Proceed form sale of fixed Assets	-	-
<b>NET CASH USED IN INVESTMENT ACTIVITY B</b>	<b>(111,550.00)</b>	<b>-</b>
<b>C.) CASH FLOW FROM FINANCE ACTIVITY</b>		
Proceed from issue of Share Capital	-	-
Payment of Borrowings	-	-
Increase in Loans & Advances	(2,879,556.62)	(71,832.37)
Payment of interest	-	-
<b>NET CASH USED IN FINANCE ACTIVITY C</b>	<b>(2,879,556.62)</b>	<b>(71,832.37)</b>
<b>CASH FLOW DURING THE YEAR (A+B+C)</b>	<b>37,417.76</b>	<b>(38,457.71)</b>
<b>Cash &amp; Cash Equivalent ( Opening Balance)</b>	<b>30,219.50</b>	<b>68,677.21</b>
<b>Cash &amp; Cash Equivalent ( Closing Balance)</b>	<b>67,637.26</b>	<b>30,219.50</b>

For and on behalf of the Board of Directors

Place : New Delhi  
Date : 02.06.2009Sd/-  
**(B.R.Gupta)**  
Managing DirectorSd/-  
**(Brij Bala Gupta)**  
DirectorSd/-  
**(Jaspreet Singh)**  
Company SecretaryThe Board of Directors  
BRAWN PHARMACEUTICALS LTD.**AUDITORS' CERTIFICATE**

We have examined the cash flow statement of BRAWN PHARMACEUTICALS LTD. for the year ended 31st March, 2009. The statement has been prepared by the company in accordance with the listing agreement with the stock exchanges and is based on and in agreement with the corresponding Profit & Loss account and Balance Sheet of the company covered by our report of 02.06.2009 to the members of the company.

**For Satinder Saini & Company**  
Chartered AccountantsPlace: New Delhi  
Date: 02.06.2009Sd/-  
**(S. K. Saini)**  
Proprietor  
M. No.87357