



Amplifying through cherishing lives

# *Mission*

Anticipating a potent activity area, converting it into a field of opportunity, approaching it with right solutions and achieving complete success in the societal and corporate goals of reaching every village of India and various corners of the world.



# Captivate towards Health

## CONTENT

About us	01
Company Information	15
Notice of Annual General Meeting	16
Directors' Report	21
Management Discussion and Analysis	30
Report on Corporate Governance	39
Auditors' Certificate on Corporate Governance	55
Certificate from CEO	56
Auditors' Report	59
Balance Sheet	62
Profit and Loss Account	63
Schedules forming part of Balance Sheet and Profit a Loss Account	64
Cash Flow Statement	81
Company's General Business Profile	82
Statement of Subsidiary Companies	83
Auditors' Report on Consolidated Financial Statements	85
Consolidated Financial Statements	86
Consolidated Cash Flow Statement	95
Attendance Slip & Proxy Form	98



## About us

Parenteral Drugs (India) Limited is one of the leading and fastest growing healthcare company, that has constantly followed a path created by its own will, hard work and determination. PDPL is involved in research, production and manufacturing of pharmaceutical products viz. intravenous infusion, tablets, capsules, liquid syrups, injections etc. Established in the year 1983, PDPL has dedicated itself to the manufacturing of the best quality vital life saving drugs at the lowest possible cost. Over the years, its path breaking innovation have lead not only to lower costs but better quality as well. PDPL firmly believes that better quality does not necessarily mean higher price, it can also be achieved by indigenous techniques and innovative technologies.



# PARENTERAL DRUGS (INDIA) LIMITED

## VISION

To innovatively produce life saving drugs and other formulations using both state-of-the-art hi-tech automation and indigenous technologies producing world class products.



## PHILOSOPHY

PDPL views making medicines as an opportunity to serve mankind directly by bringing medicines within the reach of the lower sections and to help society indirectly by adopting labour intensive processes that increase employment.



2

## VALUES

- Leading change
- Integrity
- Respect for the individual
- Excellence
- Learning and Sharing



# Awards

With consistent efforts and continuous performance, Parenteral Drugs (India) Limited has been acknowledged by numerous independent rating and survey agencies.

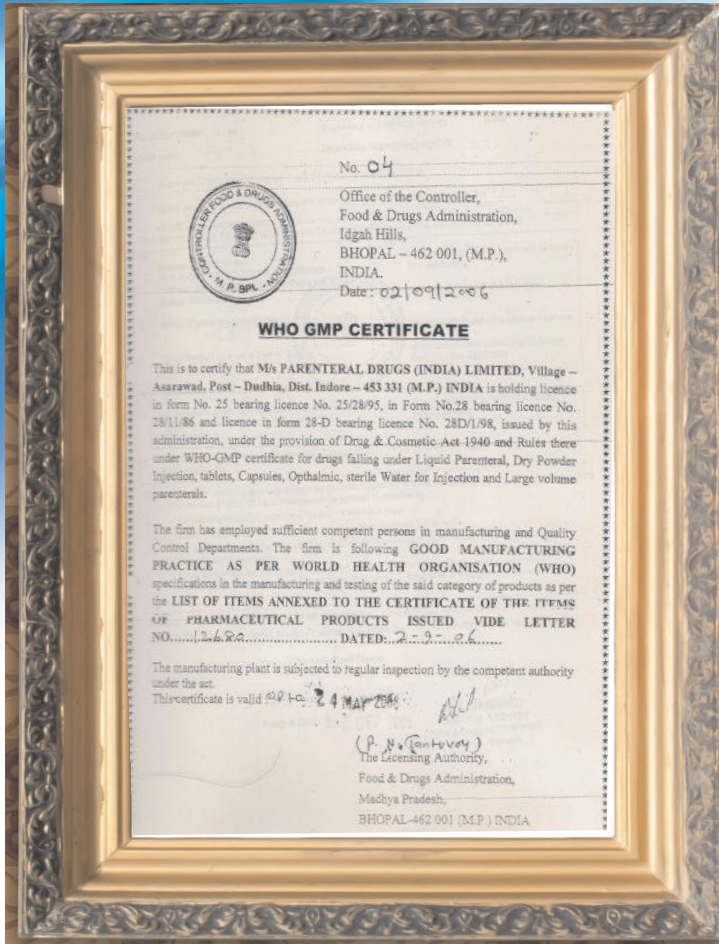


3



# Accreditations

PREMISES ARE APPROVED UNDER  
"WHO GOOD MANUFACTURING  
PRACTICES (cGMP) &  
ISO 9001 : 2000  
CERTIFICATION SCHEME"





MAURITIUS



INDORE



5

GOA



JALANDHAR





# *Infrastructure*

With Total Land Area of 4 Million Sq.ft and Built up area of 1.2 Million Sq.ft, State-of-the-art production facilities are provided which meets cGMP standards. All logistics offices and facilities are digitally networked using fibre optics and V-SATs which help in achieving country wide sales.





## *Core Competencies*

- ◆ Competencies across the pharmaceutical value chain.
- ◆ Building relationships with global pharmaceutical majors.
- ◆ State-of-the-art fully scalable Manufacturing facilities as per cGMP norms.
- ◆ Joint collaborations and strategic tie-ups.
- ◆ Established Brand Equity in many therapeutic areas.



## *Information Technology*

Parenteral Drugs (India) Ltd uses Worlds No.1 ERP – SAP/R3, a German Software for full system automation and best practices of business components integrating all its functions, manufacturing plants and branches for faster information, flow of revenue, costs and sales, material inventory, production and maintenance, human resources, R& D, quality control etc. enabling timely decisions and resulting in efficiencies across the company.



# Product Portfolio

PDPL has pioneered the launch of various technology driven pharmaceutical specialities in Numerous therapeutic segments.



# Unique Products, Indigenous & Innovative Technologies





# Production Facilities

## *Production Facilities*

Though product quality is quintessential especially for healthcare products, affordability by the masses is also a crucial factor that would support the cause of "Healthy Living".

PDPL's strategies are based on optimum utilization of the company's resources to provide products as per International quality standards at affordable prices.



# Manufacturing Capacities

12

## *Manufacturing Capacities*

Particulars	Per Annum
Large Volume Parenterals	330 Million
Sterile Water for Injections	450 Million
Tablets & Capsules	1425 Million
Dry Powder Injections/ Vials	108 Million

# Network Across India

2,00,000	Hospitals/Nursing Homes
1,50,000	Doctors of all specialty
30,000	Stockists
1,000	Field Persons
100	Liasioning Agents
29	Offices & Warehouses
4	Plants



	Plant
	Registered Office
	Corporate Office
	Zonal Office
	Sales Depot
	Super Stockist



QC



## *Quality Control*

Ultra modern and sophisticated labs are well equipped with Stability Chambers, BOD incubators, Automated HPL s, Deep freezers, Refrigerated Centrifuges, Milli Q-Water system etc. All laboratories are scientifically sound with appropriate specifications, standard sampling plans, and test procedures are designed to assure that components, drug product containers, closures, in-process materials, labeling, and drug products have an appropriate standards of identity, strength, quality and purity. With Control of Microbiological Contamination and Stability testing, classified laboratories are according to GLP/ cGMP norms.

14



## *Quality Assurance*

Quality Policy has been approved by the management board. For carrying out various processes & tests we have well qualified, experienced and approved personnel. Organizational responsibilities and interfaces of different areas are well defined which are documented. Time to time personnel training programmes are organized, while Self inspection and quality audit is a regular feature.

Master Validation Plan has been adopted to keep equipments in a good functional state as per WHO GMP requirements. Vendor development and regular assessment plan is available. Standard Operating Procedures is available for all manufacturing and quality control activities which is adopted as a key factor for quality assurance. A separate In-house specifications is available for all raw/packing material and finished goods.



QA

# Company Information

## Board of Directors

### Executive Directors

Mr. Manoharlal Gupta  
Chairman-Cum-Managing Director

Mr. Vinod Kumar Gupta  
Managing Director

Mr. Govind Das Garg  
Whole-time Director

Mr. Anil Mittal  
Whole-time Director & Chief Executive

### Non-Executive Directors

Mr. Satish Chandra Consul  
Independent Director

Mr. Dharam Pal Khanna  
Independent Director

Mr. Dilip Kumar Panchaity  
Independent Director

Mr. Dilip Kumar Sinha  
Independent Director

Company Secretary & Compliance Officer  
Ms. Archana Agar

### Registered Office

340, Laxmi Plaza, Laxmi Industrial Estate,  
New Link Road, Andheri (West),  
Mumbai-400 053 (Maharashtra)  
e-mail: pdpl@pdindia.com  
website: www.pdindia.com

### Corporate Office & Investors Grievances Centre

Shree Ganesh Chambers,  
Navlakha Crossing, Indore-452 001 (M.P.)  
e-mail: investor@pdindia.com

### Auditors

M/s. T.N.Unni & Co.  
Chartered Accountants,  
402, Alankar Point, Geeta Bhawan Square,  
Indore-452 001 (M.P.)

### Bankers

State Bank of India  
Punjab National Bank

### Registrars and Share Transfer Agent

M/s. Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West), Mumbai-400 078  
e-mail: mumbai@linkintime.co.in

15

## Manufacturing Locations

### INDIA

#### Madhya Pradesh

Village Asrawad,  
Post Dudhia, Nemawar Road,  
Indore- 453 331

#### Himachal Pradesh

Village Bhud,  
Tehsil Nalagarh,  
Dist Solan- 173 205

#### Punjab

Village Sura  
Post Suranussi,  
Jalandhar-144 027

#### Goa

Honda Industrial Estate  
Plot No.1, Phase III,  
Honda, Sattari-403 530

### OVERSEAS

#### Mauritius

Old Moka Road,  
Bell Village, P.O.Box 770,  
Republic of Mauritius



## N O T I C E

NOTICE is hereby given that the 26th Annual General Meeting of the members of the Company will be held on Thursday, the 30th day of September, 2010, at 9.30 a.m. at The Classique Club, Behind Infinity Mall, Link Road, Oshiwara, Andheri (West), Mumbai- 400 053, Maharashtra to transact the following business:

### ORDINARY BUSINESS

1. Adoption of Accounts

To consider, approve and adopt the Balance Sheet of the Company as on 31st March, 2010, and Profit and Loss Account for the year ended on that date and the report of the Statutory Auditors' and the Directors' thereon.

2. Declaration of Dividend

To declare a dividend of Rs. 2.00 (Rupee two) per share on the equity shares issued by the Company.

3. Re-appointment of Mr. Dharam Pal Khanna

To re-appoint Mr. Dharam Pal Khanna who retires by rotation and being eligible offers himself for re-appointment.

4. Re-appointment of Mr. Anil Mittal

To re-appoint Mr. Anil Mittal who retires by rotation and being eligible offers himself for re-appointment.

5. Re-Appointment of Statutory Auditors

To appoint the Statutory Auditors of the Company and to fix their remuneration. The retiring Auditors of the Company M/s. T.N. Unni & Co., Chartered Accountants, Indore, are eligible for re-appointment.

### SPECIAL BUSINESS

#### ITEM NO. 6

##### AUTHORITY TO THE BOARD TO CREATE CHARGE OVER THE ASSETS OF THE COMPANY

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

"RESOLVED THAT in terms of provisions of Section 293(1)(a) of the Companies Act, 1956 approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to create such mortgages and charges in addition to the existing mortgages and charges already created or to be created by the Company, as the Board may decide, on the assets of the Company, whether movable or immovable, both present and future, in favour of State Bank of India and Punjab National Bank, the Bankers of the Company to secure various financial facilities extended by them to the Company to the tune of Rs. 349.00 crores (Rupees Three Hundred and Forty Nine Crores only); RESOLVED FURTHER THAT all moneys already borrowed within the aforesaid limit and charges already created and satisfied and other steps taken in respect of the financial facilities availed by the Company during the financial year from the above Bankers and also from any other bank or financial institution and the documents executed by the Board of Directors of the Company in respect of the said financial facilities be and are hereby ratified and confirmed."

#### ITEM NO. 7

##### FURTHER ISSUE OF SHARES

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

"RESOLVED THAT in terms of provisions of section 81 (1A) of the Companies Act, 1956, approval of the members of the Company be and is hereby accorded to issue and allot 59,26,400 (Fifty Nine Lacs Twenty Six Thousand and Four Hundred) 0% Non-Convertible, Redeemable Preference Shares of Rs. 10/- (Rupees Ten) each, to such promoters of the Company as the Board of Directors may consider fit, without issuing such preference shares to the existing shareholders of the Company, in terms of provisions of section 81 of the Companies Act, 1956;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to issue and allot such number of shares as may be required in pursuance of this resolution."

**ITEM NO.8**
**RE-APPOINTMENT OF MR. ANIL MITTAL AS WHOLE-TIME DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT in terms of provisions of Section 269, 198 and 309, read with provisions of Schedule XIII to the Companies Act, 1956, approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Anil Mittal as Whole-Time Director of the Company for a further period of 5 (five) years w.e.f. 30th January, 2011, on a consolidated monthly remuneration of Rs. 2,00,000/- payment of bonus and other perquisites as per the Company rules, contribution to Provident and Gratuity Fund as may be applicable."

**ITEM NO.9**
**INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE COMPANY**

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

"RESOLVED THAT approval of the members of the Company be and is hereby accorded in terms of provisions of Section 94 of the Companies Act, 1956 for increase in the Authorised Share Capital of the Company from Rs.40,00,00,000/- (Rupees Forty Crores) divided into 2,65,00,000 (Two Crores Sixty Five Lacs) Equity Shares of Rs.10/- each, 35,00,000 (Thirty Five Lacs) 0% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of Rs.10/- each, 29,62,102 (Twenty Nine Lacs Sixty Two Thousand One Hundred Two) 0% Optionally Convertible, Redeemable Preference Shares of Rs.10/- each and 70,37,898 (Seventy Lacs Thirty Seven Thousand Eight Hundred Ninety Eight) 0% Non-Convertible, Redeemable Preference Shares of Rs. 10/- each aggregating to Rs. 40,00,00,000/- (Rupees Forty Crores) to Rs.50,00,00,000/- (Rupees Fifty Crores) divided into 3,65,00,000 (Three Crores Sixty Five Lacs) Equity Shares of Rs.10/- each, 35,00,000 (Thirty Five Lacs) 0% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of Rs.10/- each, 29,62,102 (Twenty Nine Lacs Sixty Two Thousand One Hundred Two) 0% Optionally Convertible, Redeemable Preference Shares of Rs. 10/- each and 70,37,898 (Seventy Lacs Thirty Seven Thousand Eight Hundred Ninety Eight) 0% Non-Convertible, Redeemable Preference Shares of Rs. 10/- each aggregating to Rs. 50,00,00,000/- (Rupees Fifty Crores) and the following new Clause V of the Memorandum of Association be substituted for the existing clause:-

- V. The Share Capital of the Company shall be Rs.50,00,00,000/- (Rupees Fifty Crores) divided into 3,65,00,000 (Three Crores Sixty Five Lacs) Equity Shares of Rs.10/- each, 35,00,000 (Thirty Five Lacs) 0% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of Rs.10/- each, 29,62,102 (Twenty Nine Lacs Sixty Two Thousand One Hundred Two) 0% Optionally Convertible, Redeemable Preference Shares of Rs. 10/- each and 70,37,898 (Seventy Lacs Thirty Seven Thousand Eight Hundred Ninety Eight) 0% Non-Convertible, Redeemable Preference Shares of Rs. 10/- each with power to the Board of Directors of the Company to issue such number of un-issued Redeemable Preference Shares on such terms and conditions as to dividend, premium, convertibility or otherwise as the Board may think appropriate from time to time aggregating to Rs.50,00,00,000/- (Rupees Fifty Crores) with the power of the Company to increase or reduce the said capital and to issue any part of it's capital, original or increased with or without any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to powers hereinafter contained. The rights of the holders of any class of shares for the time being forming part of the capital of the Company may be modified, altered, varied, extended or surrendered, either with the consent in writing of the holders of three fourth of the issued shares of the class or with the sanction of the special resolution of the members of the class as provided by the Articles of Association as originally registered or as altered by resolution."

Place: Indore

Date: 2nd September, 2010

BY ORDER OF THE BOARD

Vinod Kumar Gupta  
Managing Director

## N O T E S

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. The Explanatory Statements in terms of provisions of section 173(2) of the Companies Act, 1956 in respect of business under Item No. 6 to 9 as set out in the notice are annexed hereto.
3. The profile of the Directors seeking appointment/ re-appointment is provided under Section "Board of Directors", in the report on Corporate Governance, forming part of the Annual Report.
4. Members holding shares in physical form are requested to inform change in address, if any, immediately to the RTA of the Company. Members holding shares in dematerialized form must send advice about change in address to their respective Depository Participants.
5. Members holding shares in physical form are requested to dematerialize their shares. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Member holding shares in electronic form are, therefore, requested to submit PAN to their depository participants with whom they are maintaining their demat Accounts. Members holding shares in physical form can submit their PAN details to the Company or the RTA.
6. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries at an early date so that the desired information may be made available at the meeting.
7. The Register of Members and the Share Transfer Books of the Company will remain closed for the purpose of payment of dividend on 15th September, 2010.
8. The dividend, as recommended by the Board, if approved at the Annual General Meeting, will be paid to those Members whose names are registered on the Company's Register of Members:
  - a.) As Beneficial owners as at the end of business on 15th September, 2010 as per list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form;
  - b.) As Members in the Register of Members of the Company on 15th September, 2010 after giving effect to all valid share transfers in physical form which are lodged with the Company or its RTA.
9. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.
10. Members are requested to bring their attendance slip along with their copy of the Annual Report with them at the Annual General Meeting.
11. The members who have not claimed any dividend for the financial year ended ended 31st March, 2007, 31st March, 2008 and 31st March, 2009, due to any reason are requested to write to the Company or the Registrar and Share Transfer Agent of the Company immediately since the same is lying unclaimed with the bankers of the Company.
12. Reserve Bank of India has initiated National Clearing Service (NECS) for credit of dividend directly to the bank account of Members.

The members are requested to avail this facility for direct credit of the amount of dividend in their bank account.

Place: Indore  
Date: 2nd September, 2010

BY ORDER OF THE BOARD  
Vinod Kumar Gupta  
Managing Director

## EXPLANATORY STATEMENTS

The following Explanatory Statements set out all material facts relating to the businesses mentioned under Item No.6 to 9 in terms of provisions of Section 173 (2) of the Companies Act:

### Item No.6

The Bankers of the Company, State Bank of India and Punjab National Bank (hereinafter collectively referred to as 'the Bankers of the Company') have sanctioned various financial facilities to the Company to the tune of Rs. 349.00 crores (Rupees Three Hundred and Forty Nine Crores) to meet various financial requirements of the Company for its business purposes, in respect of which necessary security and charge documents have already been executed in favour of the lenders.

In terms of provisions of Section 293(1)(a) of the Companies Act, 1956 approval of the members of the Company is sought to ratify the security so created and/or to be created by the Company in future in favour of the Bankers of the Company, by way of passing the proposed resolution as an ordinary resolution. The Board recommends passing of the resolution.

None of the Directors of the Company is interested in the resolution.

### Item No.7

As per the requirement of the Bankers of the Company, it is proposed to issue 59,26,400 (Fifty Nine Lacs Twenty Six Thousand And Four Hundred) 0% Non-Convertible, Redeemable Preference Shares of Rs. 10/- (Rupees Ten) each to the promoters of the Company without being offered to the existing equity shareholders of the Company as required under Section 81 of the Companies Act, 1956.

In terms of provisions of Section 81 of the Companies Act, 1956, the issue of such preference shares amounts to increase in subscribed capital and therefore approval of the equity shareholders of the Company is required for further issue of un-issued preference shares to the selected persons in the promoter category, being persons other than the existing equity shareholders of the Company, by passing the special resolution as proposed in the item No.7 of the notice.

The Board recommends passing of the special resolutions at item No.7. The Directors of the Company may be deemed interested in the resolution since the shares are proposed to be allotted to one of the promoter group company.

### Item No.8

Mr. Anil Mittal has served the Company for almost 20 years and has vast working experience in pharmaceutical industry. He was appointed as Whole-Time Director of the Company on 30th September, 2008 for a period of three years starting from 30th January, 2008. His tenure as Whole-Time Director is expiring on 29th January, 2011.

Mr. Anil Mittal is aged 43 years and has rich experience in the field of finance, accounts, administration, legal and overall management of the affairs of the Company. His visionary leadership helped steer the Company to greater heights. Mr. Anil Mittal has made pioneering contributions to the success of the Company and also in leading the Company to higher niches and also in giving the company vision to think across the globe.

In terms of provisions of sections 198, 269, 309 read with the provisions of Schedule XIII to the Companies Act, 1956, approval of the members of the Company is required for re-appointment of Mr. Anil Mittal, as Whole-Time Director of the Company for a further period of five years by way of passing the proposed resolution as an Ordinary Resolution.

None of the Directors of the Company is interested in the resolution, except Shri Anil Mittal for himself.

The Board recommends passing of this resolution as an Ordinary Resolution.

#### Item No.9

Presently the authorised share capital of the Company is Rs. 40,00,00,000/- divided into 2,65,00,000 equity shares of Rs. 10/- each, 35,00,000 0% Cumulative, Non-convertible, Redeemable Preference Shares of Rs. 10/- each, 29,62,102 0% Optionally Convertible Redeemable Preference Shares of Rs. 10/- each and 70,37,898 0% Non-Convertible, Redeemable Preference Shares.

The Company has undertaken major expansion projects in hand for enhancement of capacities of the plants at Indore and Mauritius and has also undertaken new project installation at Kazakhstan.

This will require the Company to infuse fresh capital to meet the norms of the lending banks and financial institutions funding such projects and therefore, the authorised share capital of the Company is proposed to be increased by way of introducing fresh 1,00,00,000 ordinary equity shares of Rs. 10/-each.

In terms of provisions of Section 94(1)(a) read with the provisions of Section 16 of the Companies Act, 1956, approval of the members of the Company is required for passing the proposed resolution as an ordinary resolution.

Article 21 of the Articles of Association of the Company authorizes the members of the Company, from time to time by passing ordinary resolution at a general body meeting, to increase share capital by the creation of new shares of such amount as may be deemed expedient.

The Board of Directors also seek the approval of shareholders pursuant to section 16 of the Companies Act, 1956 for amendment of Clause V of the Memorandum of Association and recommend to pass the resolution as an ordinary resolution.

The Directors of the Company may be deemed interested in the resolution to the extent the shares may be allotted to them out of the increased capital.

Place: Indore

Date: 2nd September, 2010

BY ORDER OF THE BOARD

Vinod Kumar Gupta

Managing Director

## DIRECTORS' REPORT

To  
 The Members of  
 M/s. Parenteral Drugs (India) Limited  
 Dear Shareholders

Your Directors are delighted to present the 26th Annual Report on your Company's business and operations along with the standalone and consolidated summary financial statements for the year ended 31st March, 2010.

### RESULT OF OPERATIONS

A summarized statement of the financial results of the current year and that of previous year is given below:

(Rs. in Lacs)

Particulars	Standalone		Consolidated	
	F.Y. 09-10	F.Y. 08-09	F.Y. 09-10	F.Y. 08-09
Sales and Other Income	33862.09	22723.17	41631.95	26975.51
Profit before Interest, Depreciation & Tax	5651.63	3477.27	6624.13	4130.66
Less:				
Interest and Financial outlay	1380.26	1230.55	1748.16	1544.26
Depreciation	766.61	571.18	902.97	703.18
Provision for Fringe Benefit Tax	--	31.37	--	37.50
Provision for Taxation	587.19	192.63	711.29	215.36
Deferred tax Liability	188.59	374.60	217.32	462.23
Net Profit after Tax	2728.98	1076.94	3044.39	1168.13
Balance brought forward from previous year	3067.37	3133.25	3120.61	3147.06
Surplus Available for Appropriation	5796.35	4210.19	6165.00	4315.19
Appropriation:				
Transferred to General Reserve	409.35	215.39	409.35	215.39
Proposed Dividend	378.47	208.05	378.47	251.25
Tax on Distributed Profit	64.32	35.36	64.32	43.92
Minority Interest	--	--	1.16	--
Shares issued as per amalgamation scheme	--	727.22	--	727.22
Add: Balance of Profit & Loss account transferred from amalgamating companies	--	43.20	--	43.20
Balance carried to Balance Sheet	4944.21	3067.37	5311.70	3120.61
Earning per share (EPS of Face Value of Rs. 10/-)	14.44	6.87	16.11	7.45

### BUSINESS OVERVIEW

The Indian pharmaceutical market has seen a Compounded Annual Growth Rate (CAGR) of about 14% in the last five years. It continues to be highly fragmented and dominated by Indian companies. The domestic pharmaceutical industry grew by 18% in March, 2010 versus 10% in March, 2009. The industry is on the threshold of exponential growth and is imperative for us to mobilize our resources to capitalize on the opportunities ahead.

### THE YEAR IN RETROSPECT

The financial year 2009-10 was a challenging year as we had to adapt quickly to the changing economic scenario. At the start of the year, the global economy was still reeling under the impact of the financial crisis and hence, the outlook was



subdued. As the year went by, several other regions around the world began to report an improvement in economic performance. As your Company caters to various markets globally, it was faced with markets that were recovering in different ways and at different speeds.

While your Company has responded well to the challenges thrown up by changes in the world economy, it has also taken several initiatives to take its performance forward resulting in posting yet another year of impressive performance with a healthy topline growth and high quality earnings, reflecting the robustness of its corporate strategy of creating multiple drivers of growth. The new orders booked during the year were also on a positive note despite tough market conditions.

Financial year 2009-10 has been eventful year for your Company. The consolidated turnover for the year was Rs. 416.32 crores compared to Rs. 269.76 crores in the previous year which is 1.54 times in comparison with the previous year. Your Company has been able to increase the quantitative Volumes by more than 54.33 % compared to previous year.

The turnover on standalone basis stood Rs. 338.62 crores as against Rs. 227.23 crores in the previous year.

On a consolidated basis, your Company earned a gross income of Rs. 66.24 crores during the year as against Rs. 41.31 crores in the previous year and the profit before tax of Rs. 39.73 crores as against the profit before tax of Rs. 18.83 crores during the previous year.

On a standalone basis, your Company earned a higher gross income of Rs. 56.52 crores during the year as against Rs.34.77 crores in the previous year and profit before tax of Rs. 35.05 crores as against Rs. 16.76 crores during the previous year.

A review of the performance during the year is given under the section Management Discussion and Analysis Report which forms part of the Annual Report.

## DIVIDEND

Your Directors are pleased to recommended a dividend of Rs. 2.00 (Rupee Two) per share on 1,94,00,123 equity shares of Rs 10/- each (i.e. 20%) for the financial year ended 31st March, 2010.

The dividend if approved at the ensuring Annual General Meeting will be paid to those shareholders whose names appear on the register of members of the Company as on 15th September, 2010. The dividend shall be tax free in the hands of the shareholders.

## CHANGES IN CAPITAL STRUCTURE

During the year under review, your Company has converted 12,00,000 warrants into equity shares of Rs. 10/-each, which were issued by way of preferential allotment on 24th day of August, 2009. The warrants were allotted to M/s.Mahaganpati Investments Private Limited, a Company under promoter category.

Post-conversion of warrants, the issued, subscribed and paid-up share capital of your Company has increased from Rs. 18,20,01,230 divided into 1,82,00,123 equity shares of Rs. 10/-each to Rs. 19,40,01,230 divided into 1,94,00,123 equity shares of Rs. 10/-each.

## FINANCIAL FACILITIES

Your Company is focused on more effective working capital management in recent years which has resulted into improved cash flows. The improved performance of your Company is resulting in higher internal accruals. During the year under review, the Company repaid the term loan instalments of Rs. 18.00 crores. Term loan of Rs. 49.88 crores was availed during the year.

The total outstanding fund based and non fund based borrowings of the Company stand to the tune of Rs. 202.26 crores. Out of which a sum of Rs. 170.22 crores is sanctioned by State Bank of India and Rs. 32.04 crores sanctioned by the Punjab National Bank.

During the year under review, your Company has received proceeds of Rs. 20.13 crores towards conversion of 12,00,000 warrants into equity shares by M/s.Mahaganpati Investments Private Limited. The proceeds have been utilized for the purpose of funding of various expansion activities including the overseas initiatives.

## SUBSIDIARY COMPANIES

As on date of the report, the Company has eight(8) Indian and two (2) foreign subsidiaries viz:

M/s.Punjab Formulations Limited, M/s.Goa Formulations Limited, M/s.Parentech Healthcare Limited, M/s.Parenteral Surgicals Limited, M/s.Anjaney Pharmaceuticals Limited, M/s.Abhay Drugs Limited, M/s.Parenteral Biotech Limited, M/s.Parenteral Impex Limited, M/s. Parenteral Drugs Kazakhstan and M/s. Mascareignes Pharmaceutical Manufacturing Company Limited.

M/s. Mascareignes Pharmaceutical Manufacturing Company Limited, a Mauritius based pharmaceutical company has become a subsidiary of the Company after the financial year ended on 31st March, 2010.

All the subsidiary companies are non-material and non-listed subsidiary companies as defined under Clause 49 of the Listing Agreement with the Stock Exchange(s).

## PARTICULARS UNDER SECTION 212 OF THE COMPANIES, ACT, 1956

As required under the provisions of section 212 of the Companies Act, 1956 a statement of the holding Company's interest in the subsidiary companies is attached to the accounts. The Company had applied to the Central Government for exemption from attaching the accounts of the subsidiary companies with the Annual Report of the Company. In terms of the approval granted by the Central Government vide letter no. 47/674/2010-CL-III under section 212(8) of the Companies, Act, 1956, the audited accounts and reports of Board of directors and Auditors of the Company's subsidiaries have not been annexed to this Annual Report. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies approved in accordance with Accounting Standard- 21.

## DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and provisions contained in the Articles of Association of the Company, Mr. Dharam Pal Khanna and Mr. Anil Mittal, Directors of the Company are retiring at the forthcoming annual general meeting and they are eligible for re-appointment. The Board recommends their re-appointment.

As required under the Listing Agreement, particulars of directors seeking reappointment at the ensuing Annual General Meeting has been given under the Corporate Governance Report.

## REPORT ON CORPORATE GOVERNANCE

Your Company is committed to ensure that the affairs of the Company are governed in the best interests of the Shareholders, and that all endeavours are made to maintain transparency and fairness in all facets of its operations. Your

Company is also conscious of its responsibility as a good Corporate Citizen, and assures that its operations' are guided by ethics and social values.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Report on Corporate Governance with Auditors Certificate on Compliance with the conditions of Corporate Governance is attached to form part of the annual Report.

The declaration by the Managing Director addressed to the members of the Company pursuant to clause 49 of the listing agreement regarding adherence of the code of conduct by the members of the Board and by the senior management personnel of the Company is also attached to the Corporate Governance Report.

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed review of the operations, performance and future outlook of the Company and its businesses is given in the Management's Discussion and Analysis, which forms part of this Report.

#### AUDITORS AND AUDITORS' REPORT

The Statutory Auditors, M/s. T.N. Unni & Co., Chartered Accountants, Indore, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Board recommends their re-appointment.

The Company has received a letter from them to the effect that their re-appointment if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the Companies Act, 1956.

The notes on accounts referred to in the Auditors' Report are self-explanatory and do not require further explanation from the Board.

#### COST AUDIT

Pursuant to Section 233B of the Companies Act, 1956, the Central Government has prescribed Cost Audit of the Company's Bulk Drugs Division and Formulations Division.

The Government of India, Ministry of Corporate Affairs, Cost Audit Branch, vide its letter no.52/384/CAB/2000 dated 16th June, 2010, has approved the appointment of M/s.K.G.Goyal & Co., Cost Accountants, as Cost Auditors of the Company for auditing cost accounts of the Company for financial year from 1st April, 2010 to 31st March, 2011.

#### SAFETY, HEALTH AND ENVIRONMENT

Health and Safety continues to be one of the prime drivers of the Corporate Vision of your Company. We, at PDPL, maintains highest standards of safety at all of its plants and facilities. In addition to this, there is significant focus on pollution control, treatment of effluents and compliance with stringent environmental norms. Lastly, emphasis on the well-being of all employees and health of employees is continuously monitored, while environment improvement measures in and around the plant area have been given due care and attention.

#### HUMAN RESOURCE

Your Company regards human resource as its prime source and the contribution from the employees has continuously been harnessed for the attainment of corporate goals. A planned management process is being pursued to move towards a performance-based culture. Your company attaches utmost priority to the human resource development,

with a focus on knowledge, skills and behavioural aspects to meet the challenges of change and growth successfully.

Focused attention is given to knowledge updation and application of new technologies available to reduce costs and to meet business challenges. Industrial relations during the year under review were harmonious and cordial.

Your Company has improved the overall team with a focus on adding skill sets in the areas of technology and marketing, keeping in mind long term strategic needs.

#### INSURANCE

All the insurable interests of your Company including inventories, buildings, plant and machinery are adequately insured against several risk factors.

#### FIXED DEPOSIT

The Company did not accept any deposit from the public during the year and there are no unpaid or unclaimed deposits with the Company.

#### UNCLAIMED DIVIDEND

The amount transferred by the Company in separate Bank Accounts towards payment to the shareholders is lying unclaimed in some cases. The shareholders, who have not claimed their dividend up till now, are requested to immediately approach the Registrar and Share Transfer Agent of the Company for claiming their dividend.

#### CONVERSION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars pertaining to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo, as prescribed under 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, are given in *Annexure 'A'* forming part of this report.

#### PARTICULARS OF EMPLOYEES

Information in accordance with Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this report.

However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, this Report is being sent to all the Members of the Company and others entitled thereto excluding the Statement of Particulars of Employees under Section. Any member interested in obtaining such particulars pertaining to the employees of the Company may write to the Company Secretary at the corporate office of the Company.

#### LISTING

The shares of the Company continue to be listed on the Bombay Stock Exchange Limited (BSE). The Shares of the Company are available for trading at the National Stock Exchange of India Limited (NSE), with effect from 19th August, 2010.

The annual listing fees for the year 2009-2010 has been paid to these Exchange(s).

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) they have in selection of the accounting policies, consulted the statutory auditors and applied these policies consistently, making 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 as on 31st March, 2010 and of the profit of the Company for the year ended 31st March, 2010;
- iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis.

## ACKNOWLEDGEMENTS

The Directors gratefully acknowledge the contribution made by the employees towards the success of the Company and wish to place on record their appreciation of the all-round co-operation, hard work, exemplary contribution and dedicated service made by the employees at all levels. Their dedicated efforts and enthusiasm has been integral to your Company's growth.

Your Directors also wish to express their sincere appreciation for the excellent support and co-operation extended by medical professionals, banks, financial institutions and various government departments and agencies to the continued growth and prosperity of the Company.

We are also deeply grateful to our shareholders for the confidence and faith that you have always reposed in us. Driven by values and powered by internal vitality, the entire PDPL group stands committed to create an even brighter future for all the stakeholders.

Place: Indore  
Date: 2nd September, 2010

FOR AND ON BEHALF OF THE BOARD  
Manoharlal Gupta  
Chairman-cum-Managing Director

## ANNEXURE TO THE DIRECTORS' REPORT

Particulars Required Under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

## FORM "A"

## A) DISCLOSURE OF PARTICULARS WITH RESPECT TO THE CONSERVATION OF ENERGY:

(Rs. in lacs)

Sr. No.	Particulars	Current Year 31.03.2010	Previous Year 31.03.2009
A.	Power And Fuel Consumption		
1.	Electricity		
	(a) Purchased Units (in Lacs)	97.49	86.30
	Total Amount (Rs.in Lacs)	420.18	388.69
	Rate/ Unit	4.31	4.50
	(b) Own Generation		
	Through diesel/ LDO generator		
	Units (In Lacs)	7.51	6.30
	Units per Litre of diesel / LDO Oil	3.90	3.48
	Total Cost (Rs. In Lacs)	70.63	62.44
	Cost/Unit (Rs.)	9.41	9.91
2.	Coal (specify quality and where used)		
	Steam Coal (for Distilled water)		
	Quantity (tones)	6911.96	6391.64
	Total cost (Rs. in Lacs)	424.56	381.99
	Average Rate (Rs.)	6124.40	5976.40
3.	Petro Coke		
	Quantity (tones)	108370	216170
	Total Cost (Rs. In lacs)	27.00	41.37
	Average Rate (Rs.)	24.92	19.14

## B) CONSUMPTION PER UNIT OF PRODUCTION:

The Company manufactures several pharmaceutical products in different sizes and potency and therefore it is difficult to allocate the cost of consumption of power to individual product.

## FORM "B"

## (A) RESEARCH AND DEVELOPMENT

1. Specific areas in which Research and Development carried out by the Company:

## PHARMACEUTICALS

- i) On going research for the development of formulations.
- ii) Development of super and high quality I.V. bottles.
- iii) Development of efficacious mode of treatment.
- iv) Working for solutions for patients especially in Asthma and Diabetes.

## VACCINE AND BIOLOGICALS

- v) Viral vaccines for Yellow fever and Japanese Encephalitis.
- vi) Recombinant protein and DNA based vaccines for Anti -Rabies.

### 2. Benefits arrived as a result of above Research & Development:

- i) Better customer satisfaction on end-use of the product.
- ii) Cost effective development of formulation for global pharmaceutical companies, thus bringing in more molecules into global pipeline.
- iii) This continuous up-gradation and adoption of new technology has benefited the Company in the form of better production process, better fields, better quality of the end product and cost reduction.

### 3. Future Plan of Action:

- i) Explore newer areas of drug research and develop new chemical entities.
- ii) Identify prospective therapeutic areas and prevent solutions.
- iii) Consolidate marketing operations and strengthen marketing teams with new inductions.
- iv) Expand to Global Markets.

### 4. Expenditure

- a) Capital : Nil
- b) Recurring : Borne by the Company on regular basis.

## (B) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

This is an ongoing exercise.

## (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Foreign Exchange Earnings	454.90	632.02
Foreign Exchange Outgo	2704.05	212.55

Persons constituting group coming within the definition of "group" for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following:

Sr. No.	Name of the Entity
1.	Punjab Formulations Limited
2.	Parenteral Commercial Services Private Limited
3.	Lalit Media and Educations Limited
4.	Parenteral Medicines Limited
5.	Anitas Exports Private Limited
6.	Panorama Remedies Limited
7.	Goa Formulations Limited
8.	PDPL Holdings Private Limited
9.	PDPL Securities Private Limited
10.	MVG Mercantile Private Limited
11.	Chetan Medicaments Private Limited
12.	Rajratan Exports Private Limited
13.	Mahaganpati Investments Private Limited
14.	Priyanjali Education Private Limited
15.	Vino Infratech Private Limited
16.	Orissa Formulations Private Limited

Sr. No.	Name of the Entity
17.	Parenteral Biotech Limited
18.	Parentech Healthcare Limited
19.	Abhay Drugs Limited
20.	Parenteral Impex Limited
21.	Parenteral Surgicals Limited
22.	Anjaney Pharmaceuticals Limited
23.	Anitas Management Private Limited
24.	Earawat Steels Private Limited
25.	Simtrad Overseas Private Limited
26.	Fastrack Aviation Private Limited
27.	Diamond Crystal Private Limited
28.	KRM Holdings Private Limited
29.	KRM Healthcare Private Limited
30.	Ujjai Estates Private Limited
31.	Chiron Metco Private Limited
32.	AGT Mercantile Private Limited



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

*Management discussion and Analysis of financial condition and results of operations highlights a general discussion of business, description of recent events and significant moves which makes year 2009-10 as a landmark in the history of the organization.*

### 2009-2010 Road to Recovery

#### Indian Economy shows resilience

The worst phase of the global financial crisis is behind and we are on the road to recovery. Global financial markets have stabilized and equity markets around the world have started moving upwards as the global economy is showing signs of recovery. India has emerged largely unscathed from the crisis due to its domestic consumption led economy. This has helped it to register fairly healthy growth in an extremely volatile year.

While the market witnessed slowdown in new investments, the rise in inflation, high interest rates and liquidity crunch also led to cancellation, renegotiation and delay of many planned projects in India. To counter this negative fallout of the global economic slowdown, the Indian Government implemented fiscal stimulus packages to boost demand, maintaining liquidity in the financial system, limiting the spill over impact on the real economy and underpinning a widespread confidence that the Indian economy was well placed to weather the storm and emerge from the downturn in a strong position.

#### Industry Structure and Development

Healthcare forms the key area for the nation and is one of the most important indicators of a country's growth and development. The Challenges in the market have multiplied to many folds, as economic contraction and tightening of credit began to spread from the U.S. into the global economy. The main economic concerns have been the rising rate of inflation and the slow down in the growth of industries.

According to IMS Health Inc, the size of the global market for pharmaceuticals is expected to grow nearly \$300 billion over the next five years, reaching \$1.1 trillion in 2014. The 5-8 percent compound annual growth rate during this period reflects the impact of leading products losing patent protection in developed markets, as well as strong overall growth in the world's emerging countries. In India, the new product introduction has always remained a force to reckon with as the same provides better armamentarium to the medical fraternity in their fight against the illness and at the same time allows the organizations to withstand the storms of crisis.

Indian Pharmaceuticals industry achieved a significant growth of 13.44% during 2004-09 due to strong internal demand and continuous focus in the global generics market and active share in the export of Active Pharmaceuticals Ingredients (API). As per estimate Indian pharmaceutical industry reached at US\$10.88 billion in 2008-09 and it is likely to double its value to US\$20.95 billion in 2014. The investment in R&D, filling of higher number of ANDAs and DMFs in highly regulated market, mergers & acquisitions, in-licensing, skilled labour force, high standard scientific base and revenues from CRAMS are expected to give necessary edge to Indian pharma companies in the coming years. The pharmaceutical exports in 2008-09 were valued at Rs. 394.59 billion as compared to Rs. 302.73 billion in 2007-08, thus growing at 30.34% higher than 2007-08. Global recession could not impact Indian pharma industry and pharma companies are bullish about demand generated from the overseas market along with stronger growth in internal demand in the near future. The similar scenario prevailed in the year 2009-10.

Net growth over the next five years is expected to be strong-even as the industry faces the peak years of patent expiries for innovative drugs introduced 10-15 years ago and subsequent entry of lower-cost generic alternatives.

## OPPORTUNITIES

### FORAYING INTO NEW DOMAINS

India currently holds US\$ six Billion of the \$550 Billion global pharmaceutical industry; its share is increasing at 10% a year. As compared 7% annual growth for the overall world markets, this figure speaks of a very promising scenario.(source-Articles Hub online content source)

Domestic pharmaceutical companies will increasingly be looking for consolidation across the value chain by forming partnerships or mergers with companies of complementary strengths. As drug discovery becomes more expensive, and the costs of administration and regulatory compliance continuously rise, these partnerships will become more central to Pharma companies business proposition.

The Bio Pharmaceutical market is seeing a consistent growth trend since 2004, which saw record vaccine sales of US\$ 386.3 Million and Marketing licenses being granted for over 25 recombinant therapeutic protein. The Diagnostics market size stands for US\$138.2 Million.

India is one of the few markets where most of the drugs consumed are manufactured by Indian organizations. We wish to play a significant role in making our products world renowned. Paracetamol IV launched by us recently is an example of our commitment towards care, concern and cure and making the products more affordable for the patients.

### PRODUCT LAUNCHES DURING THE YEAR

Riding on the success of steady growth, PDPL introduced several new products in the last one year. The Company is now poised to enter new domains by manufacturing specialty products for niche markets, for which it anticipates growing worldwide demand.

ANTIBIOTICS AND ANTIBACTERIALS

MULTIVITAMIN AND MULTIMINERAL AND ANTIOXIDANTS

EXPECTORANT

ANALGESIC AND ANTIPYRETIC INFUSION

ONCOLOGY

All the new launches received favorable response from the market. The Company continues to lay stress on introduction of several new products. The proposed new launches of the Company are:

### PROPOSED LAUNCHES:

TEGNID for critical care

ERLOPAR for oncology

LATEST EYE DROPS RANGE INCLUDING ADVANCED DRUGS FOR TREATMENT OF GLAUCOMA, COMBINATION DRUGS AND ANTI-INFECTIVES

AMINO ACIDS AND LIPIDS

### MAJOR BENCHMARKS FOR THE YEAR

- ❑ The Company has also entered into an exclusive supply cum distribution agreement with M/s. Piramal Healthcare Limited, for supply of Fluothane, Isorane and Sojourn products in India and Nepal. Under the agreement, PDPL shall have exclusive right as 'Sole Distributor' to supply the said products for a period of ten years in the open market and for institutional sales in India and Nepal. This gives us the entry in Anesthesia segment which will further consolidate our

presence in hospitals.

- ❑ PDPL has initiated to build and commission Oncology products and Anti-Sera based manufacturing facility, which shall comply to and exceed the latest requirements for cGMP as per the WHO and USFDA. This facility shall cater to scale-up of proven laboratory scale technologies, production of Phase III grade clinical material and commercial production.
- ❑ The Company has recently got licence to manufacturing paracetamol infusion-a novel drug delivery system for pain management. The product has been launched in the first quarter of the current year.
- ❑ PDPL entered the contract manufacturing for oncology products. After the state-of-the-art facility start functioning we can offer the same to bigger players of the industry.
- ❑ PDPL is going to introduce Amino acids and Lipids –large volume parenterals used in ICUs where again our reputation of Leaders in Intravenous Fluids would help carving the niche for ourselves ensuring significant market share and profits.

## OVERSEAS VENTURES

As part of PDPL's structured foray into international business PDPL has successfully entered into the below mentioned regions:

1. SAARC
2. African Countries
3. Middle East
4. South East Asia
5. CIS

PDPL's international business strategy is based on a production based hub and model concept, wherein PDPL intends to set up / acquire manufacturing facilities in key countries and use them as a base to serve the neighbouring countries

Based on the above model, PDPL had identified Mauritius as the first country where it will set up/acquire a manufacturing facility and keeping in mind the above, PDPL has entered Mauritius by acquiring majority stake in Mascareignes Pharmaceutical Manufacturing Co. Ltd. (MPM). Mascareignes Pharmaceutical Manufacturing Co. Ltd. operates as a pharmaceutical production company in Mauritius and has become a subsidiary of PDPL. PDPL has already received approval from the prime minister's office of the Republic of Mauritius on this transaction.

To augment the existing set up in Mauritius, PDPL has started the process of setting up a new state of the art manufacturing facility for manufacturing IV fluids and ophthalmic. Necessary paper work and licenses are being sought and the site for the new project has been identified.

MPM has also entered into a 15 year supply agreement with Biocon Limited, a leading Indian Biotechnology company to distribute their insulin range in Mauritius and Libya. Mauritius has a very high incidence rate of diabetes and this alliance with Biocon will help MPM to cater to the anti diabetes therapeutic segment.

PDPL is also in the final stages of acquiring majority stake in a Kenyan company. This transaction will help PDPL to service the highly lucrative African Sub Continent and also provide access to a new production facility being set up on international designs and norms to facilitate approvals in the international markets. The new production facility will manufacture all solid dosage forms (tablets/ capsules etc) and have a separate line for liquids and injectables. A separate unit in the same site will undertake production of IV fluids.

PDPL has also concluded definitive agreements to set up greenfield projects and manufacturing facilities in Kazakhstan at Kapchagai, Almaty District.

PDPL has defined its global product portfolio and will focus on the below mentioned product segments where it has core competencies:

1. IV fluids
2. Oncology
3. Critical Care

PDPL will soon be launching its highly successful Tamalgon (Paracetamol IV) in the international market along with the injectable anaesthetic product Propofol and is well poised to enter the Critical Care Segment globally.

Given the scope of the products and the fact that the company will be in a position to supply goods out of any of its 8 global manufacturing locations (4 in India and 4 overseas), it is believed that it will have a competitive edge over most of the other companies operating in this segment by 2012.

#### CAPACITY EXPANSION

Over the years some of the Indian companies have steadily moved up the value chain and have significantly expanded their capacities, and capabilities, sometimes through acquisitions to gain a foot hold in high value, niche areas like injectables and biologics. This capacity expansion has enabled Indian companies to offer advantage of scale to the global pharma and life sciences industry.

#### MANUFACTURING CAPABILITY

PARTICULARS	PER ANNUM
Large Volume Parenterals	330 Million
Sterile Water for Injections	450 Million
Tablets & Capsules	1425 Million
Dry Powder Injections/Vials	108 Million

#### TOP BRANDS OF THE COMPANY

CEFNI RANGE	TAZOMAX
CEFTIWIN	ANTOXY-2
CEFACE RANGE	SILENSER
PD-MOX-C RANGE	ATORZAP
OFLODEX RANGE	GEMCITAPAR

#### GLOBAL OPERATIONS

After winning trust and renown in the domestic market, Parenteral Drugs (India) Limited is now amongst the major drug export units for ethical formulations abroad too, and has won acclaim and recognition in African, Russian, Middle Eastern, Asian and CIS countries.

It was a year of transformation wherein complete focus was put on global operations. Strategies were focused for entry into export markets. The following countries are involved:

1. MAURITIUS
2. KENYA-MOU SIGNED

### 3. KAZAKHSTAN-GREEN FIELD PROJECT

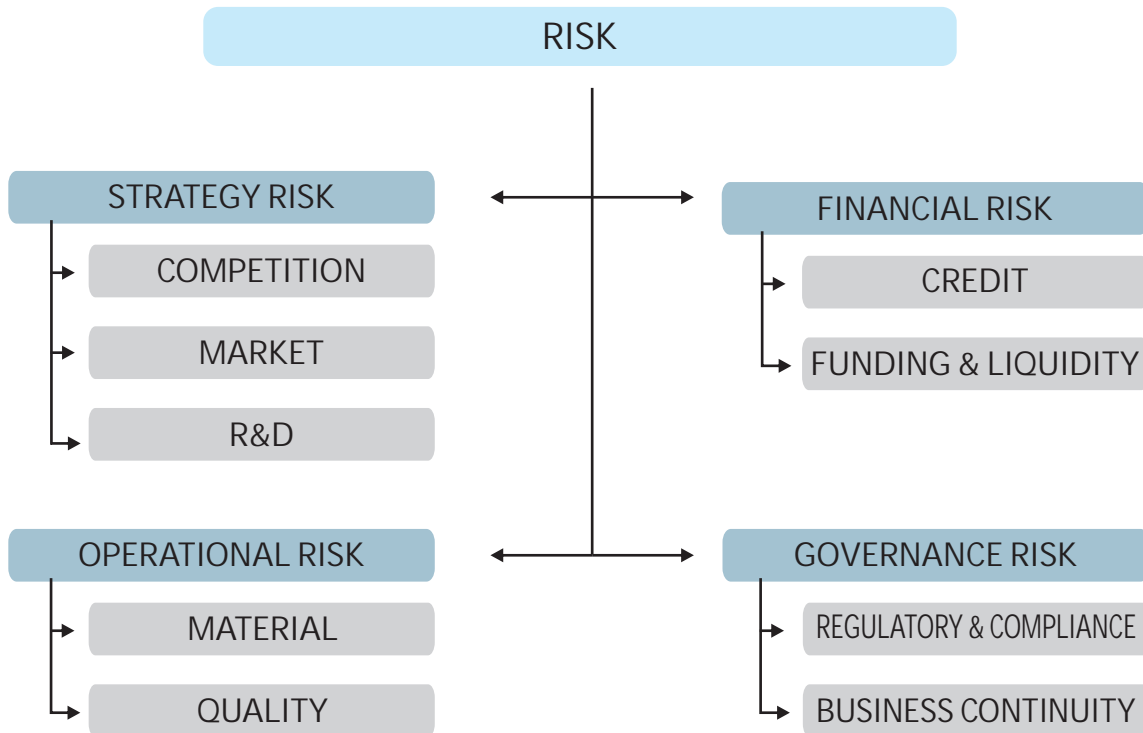
In Mauritius, the production activities have started and at Kenya and Kazakhstan the same is expected by June 2011. PDPL is looking for further opportunities to set up units in the export market.

#### OUTLOOK ON THREATS, RISKS AND CONCERNS

*"Risk is an expression of the uncertainty about events and their possible outcomes that could have a material impact on a company's performance and prospects. As a reasonable corporate, the management endeavour to minimize cost and maximize returns."*

Risk Type	Risk Description	Risk Mitigation
<b>STRATEGIC RISKS</b>		
Competition Risk	Threats from low cost countries like China exist.	The Company undertakes various cost optimizing initiatives in the plants and rigorously trains its employees to optimize operating cost, enhancing profitability.
Market Risk	Improper focus could lead to less business	The Company created a strong marketing team to manage its marketing operations. They are updated with advancements and kept focused.
Research and Development	A large investment in R&D could dent the bottom line especially when it does not create fresh revenue.	The Company created skilled and highly qualified R&D team dedicated to create new products and to improve the existing products.
<b>OPERATIONAL RISKS</b>		
Material Risk	Inadequate supply and improper pricing of raw materials and inefficient operations could affect the Company's growth.	The Company created a strong vendor network to ensure timely raw material supply.
Quality Risk	Inconsistent product quality may affect the Company's growth.	The Company has a dedicated quality control and quality assurance cell to look after the quality conformance.  Adequate systems have been developed for monitoring. These include self inspections, vendor audits, in-process testing, handling of deviations & training.

Risk Type	Risk Description	Risk Mitigation
<b>FINANCIAL RISK</b>		
Credit Risk	Credit risk is the risk of failure of the borrower to meet financial obligations to the lender.	A comprehensive credit appraisal is conducted prior to sanction of loans and the loan portfolio is monitored on an ongoing basis for post disbursement of funds.
Funding and Liquidity Risk	Difficulty in raising the funds at short notice and with different risk/ return profiles.	We have a strong financial position and have appropriate credit lines available to address liquidity risks.
<b>GOVERNANCE RISK</b>		
Regulatory and Compliance Risk	The risk arising out of a change in laws and regulations governing our businesses.	We have experienced team, which monitors the compliance with applicable laws, rules, regulations and guidelines affecting our businesses.
Business Continuity Risk	The disruption in the conduct of business in the event of incidents like fire, natural calamity, breakdown of infrastructure etc.	We have a Business Continuity Plan in place to mitigate the impact of any exigencies.



## INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

*"The Company believes that a strong Internal Control framework is one of the important pillars of Corporate Governance."*

The company has set up internal control procedures commensurate with its nature of business. These ensure optimum use and protection of the resources and compliance with the policies and procedures. The internal control systems provide for well defined policies, guideline, authorization and approval procedures. The prime objective of such audits is to test the adequacy and effectiveness of internal control laid down by management and to suggest improvements.

PDPL has a comprehensive system of internal controls to safeguard the Company's assets against loss from unauthorized use and ensure proper authorization of financial transactions. It plays an important role in preventing and detecting fraud and protecting the organization's resources, both physical and intangible.

Our Company has adopted Enterprise Resource Planning (ERP) Package, SAP R/3, which emphasized not only control, but has led to faster information, analysis of risk and improved decision making. All these controls and processes have been embedded and integrated with SAP system which has been implemented in the Company.

The Company's internal audit team is focused on the following objectives:

- All operational and related activities are performed efficiently and effectively.
- Significant financial, managerial and operating information that is relevant, accurate, and reliable is provided on time.
- Review of identification and management of Risks.
- Resources are acquired economically, used efficiently and safeguarded adequately.
- Shareholders' and other Stakeholders' wealth and welfare are preserved, protected and enhanced.
- Significant legislative and regulatory provisions impacting the organization are recognized and addressed appropriately.
- Safety and security including environment related controls are continuously reviewed for operational effectiveness and efficiency.

## HUMAN RESOURCE

*"PDPL is a group which grows along with its people. Your Company encourages a culture that develops and empowers people, promotes team building, nurtures new ideas and uses information technology to support HR processes and initiative."*

The Company has result oriented professionals who have consistently delivered results in line with consumers needs and corporate plans and where necessary have been trained keeping the growth needs. The Collective dedication of employees enabling PDPL to meet customer expectation and deliver superior shareholder value.

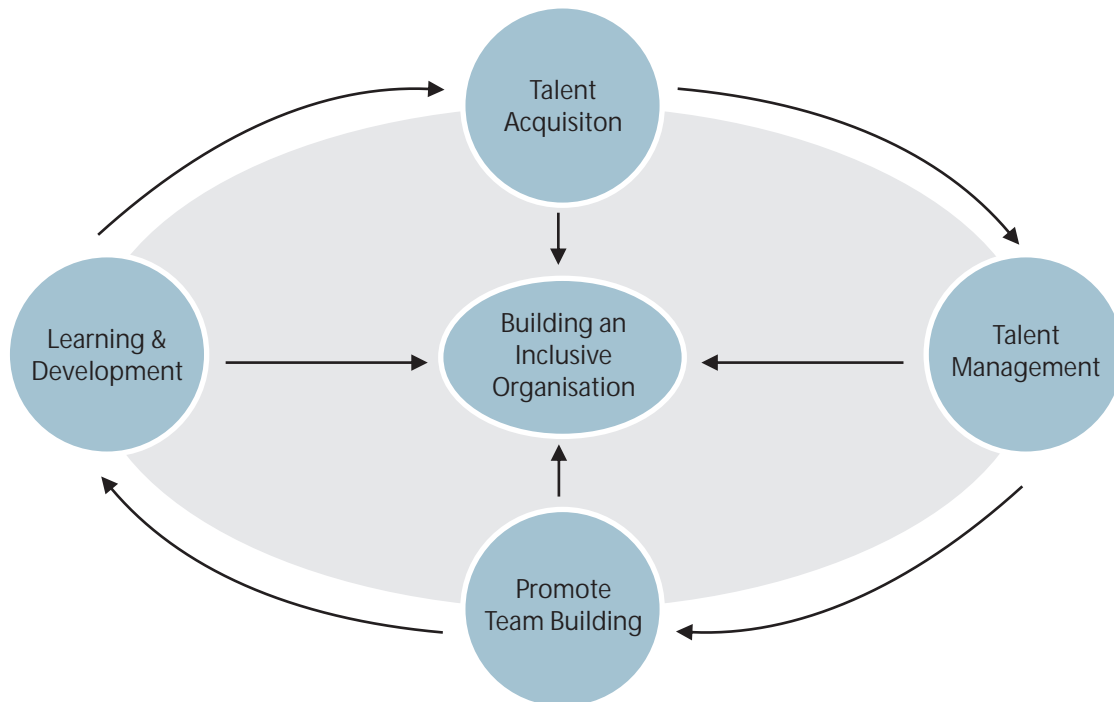
Leadership development has always been a top priority for the company. There is no greater joy for PDPL than to nurture our 5000 people at the threshold of the opportunities that lie ahead. Our professional development programs are designed to cover every spectrum of individual and team development.

**"OUR PEOPLE MAKE ALL THE DIFFERENCE"**



Some of the Principles that defines how we operate in the organization and the same is reflected in our internal culture:-

Talent Acquisiton	Building and consolidating our talent pool has always been one of our top priorities and we have been successful in attracting varied talent that brings sound expertise, new perspective and infectious enthusiasm.
Talent Management	Institutionalized a talent management framework based on the performance-potential matrix to review breadth and depth of talent and to facilitate downstream interventions.
Promote Team Building	Creating teams of competent and committed people across all businesses, functions and levels – this has been the prime focus of people and organization building efforts at PDPL. We provide open and friendly culture encouraging not only growth of an individual but also that of a team which eventually cascades into the growth of the organization.
Learning & Development	Where 70 percent of learning and development take place from real life and on-the job experiences, tasks, problem solving and self study and 30 percent take place through technical discussions, shadowing, working under guidance by superior or experts.
Giving Respect & dignity	Treating people with respect and dignity, achieving excellence, working together, and conducting ourselves with integrity.





## FINANCIAL PERFORMANCE

Financial Year 2010 : (Consolidated at a glance)

Summary-Consolidated:

Particulars	31st March, 2010	31st March, 2009
Turnover and Other Income	41631.95	26975.51
Profit before Interest, Depreciation & Tax	6624.13	4130.66
Net Profit	3044.39	1168.13
Earning per share	16.11	7.45

### OUTLOOK

The domestic pharma market will outshine the global market, growing at a compounded annual rate of 12-15% as against a global average of 4-7% during 2008-2013.

In fact the seven emerging markets of China, Brazil, India, South Korea, Mexico, Turkey and Russia are expected to collectively see drug sales grow by 12-14% in 2010, says market research firm IMS. India alone will grow 12-14% next year. The global pharmaceutical market will grow 4-6% next year, exceeding \$825 billion on strong prescription sales in the US — higher than initially perceived.

Though the growth is historically low compared with high single-to low double-digit growth seen in the past, but "we're seeing a slightly more positive outlook for the pharmaceutical sector mainly driven by stronger growth in the US market, which has proved to be more resilient than expected to the economic downturn," Murray Aitken, senior vice president for Healthcare Insight at IMS said.

### SAFE HARBOUR STATEMENT

*This report includes some forward looking statements. The management has based these forward-looking statements on its current expectations and projections about future events. Such statements involved known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. These factors include, but are not limited to, changes in local and global economic conditions, the Company's ability to successfully implement its strategy, the market's acceptance of and demand for its products, growth and expansion, technological change and exposure to market risks. By their nature these expectations and projections are only estimates and could be materially different from actual results in the future. These forward-looking statements generally can be identified by phrases such as "believes," "expects," "anticipates," "foresees," "forecasts," "estimates" or other words or phrases of similar import. Similarly, statements herein that describe business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those in forward-looking statements.*

## REPORT ON CORPORATE GOVERNANCE

"As a good Corporate Citizen, the Company is committed to sound Corporate practices leased on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success."

### 1. COMPANY'S GOVERNANCE POLICIES

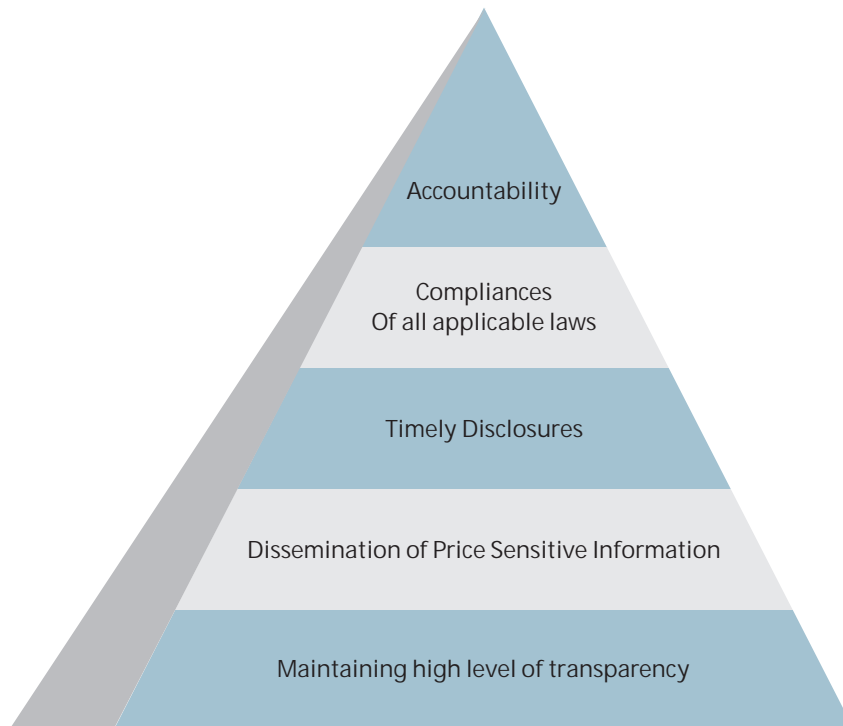
Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. We believe that sound corporate governance is critical to enhance and retain investors trust. Corporate governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. It brings into focus the fiduciary and trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder values.

PDPL's Corporate Governance framework is based on the following main principals:

- Be transparent and maintain a high degree of disclosure levels.
- Communicate externally in truthful manner about how the Company is running.
- Comply with all the laws of all the Countries in which we operate.
- Have a simple and transparent corporate structure driven solely by business needs.

At PDPL, our pursuit to achieve good governance is an ongoing process, thereby ensuring truth, transparency, accountability and responsibility in all our dealings with our employees, shareholders, consumers and communities. We aim to develop capabilities and identify opportunities that best serve the goal of value generation, thereby creating an outstanding organization.

We believe in demonstrating high level of accountability, maintaining high standards of transparency, timely disclosures and dissemination of price sensitive information, ensuring thorough compliance with all applicable laws and regulations and conducting our business in an ethical manner.



#### Clause 49 vis-à-vis PDPL:

Clause 49 of the Listing Agreement entered between the Company and the Stock Exchanges is a benchmark for the compliance practices and rules required to be followed by all listed companies. Clause 49 is the baseline for good governance standards.

*We believe that Corporate Governance is a journey towards sustainable value creation and is always upward moving target.*

PDPL is in full compliance with clause 49 of the Listing Agreement. A report on compliance with the Code of Corporate Governance as prescribed by SEBI and incorporated in Listing Agreement is given below:

## 2. BOARD OF DIRECTORS ("THE BOARD")

### BOARD PROCEDURE

The Board provides leadership, strategic guidance, objective and independent view of the Company's management while discharging its fiduciary responsibilities thereby ensuring that the management adheres to high standard of ethics, transparency and disclosures. The Board of Directors monitors the overall business operations based on updated reports of the Company's performance provided by the Managing Director/ Chief Executive.

The information regularly supplied to the Board includes:

- Quarterly Unaudited/ yearly Audited Annual results of the Company.
- Minutes of the meetings of the Audit Committee and Board Meeting as well as abstracts of circular resolutions passed etc.
- Annual operating plans and budgets, capital budgets and updates.
- General notices of interest.
- Material important litigations, show cause notices, demand prosecution and penalty notices.
- Details of joint-ventures, acquisition, technology or collaboration agreement.
- Non-compliance of any regulatory, statutory nature or listing requirements etc.

### COMPOSITION:

The composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meets the requirement of the Code of Corporate Governance. The Board is headed by Mr. Manoharlal Gupta, Chairman-cum-Managing Director.

As on 31st March, 2010, your Company's Board comprised of eight directors; which include 4 executive directors and 4 non-executive directors, who have considerable experience in their respective fields. The Non-Executive Independent Directors are eminent professionals, having expert knowledge in the fields of finance, taxation, legal and industry, thus the Board represents a balanced mix of professionals.

Attendance of Directors at Board Meetings and Last Annual General Meeting, number of other directorships, Chairmanships/Memberships of Committee of each director:

Sr. No	Name of the Directors and designations	No. of Directorships/ Committees membership of other companies*	No. of Board Meetings attended during the year		Whether attended last Annual General Meeting
			Held	Attended	
1.	Mr. Manoharlal Gupta (Chairman-cum-Managing Director)	19/0	9	5	-
2.	Mr. Vinod Kumar Gupta (Managing Director)	22/0	9	9	Yes
3.	Mr. Govind Das Garg (Whole-Time Director)	14/0	9	6	-
4.	Mr. Anil Mittal (Chief Executive and Whole-Time Director)	6/0	9	5	-
5.	Mr. Satish Chandra Consul (Non-Executive and Independent Director)	0/2	9	9	Yes
6.	Mr. Dharam Pal Khanna (Non-Executive and Independent Director)	2/2	9	8	-
7.	Mr. Dilip Kumar Panchaity (Non-Executive and Independent Director)	0/1	9	9	-
8.	Mr. Dilip Kumar Sinha (Non-Executive and Independent Director)	1/0	9	5	Yes

**Note:**

- \* This includes directorship in private limited companies also.
- \* This relates to Committees referred to in clause 49 of the Listing Agreement, viz Audit Committee and Investor Grievance Committee.
- The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, and Companies Registered under Section 25 of the Companies Act, 1956.

**Note on Directors' appointment/re-appointment:**

Mr. Anil Mittal and Mr. Dharam Pal Khanna, the Directors of the Company are retiring at the forthcoming annual general meeting by rotation and they are eligible for re-appointment.

Mr. Anil Mittal is aged about 43 years and has rich experience of 20 years in the field of finance, accounts, administration, legal and overall management of the affairs of the Company particularly in pharmaceutical industry. Mr. Anil Mittal has made pioneering contributions to the success of the Company and also in leading the Company to higher niches and in giving company vision to think across the globe. Mr. Anil Mittal is a Director on the Board of the following companies: (1) Lalit Media & Education Limited; (2) Parenteral Biotech Limited; (3) Punjab Formulations Limited; (4) KRM Healthcare Private Limited; (5) KRM Holdings Private Limited; and (6) Priyanjali Education Private Limited.

Mr. Dharam Pal Khanna is a Law Graduate and is a retired Executive Director of Madhya Pradesh Financial Corporation. He has 40 years of working experience in the field of finance and accounting.

In compliance with clause 49 of the Listing Agreement and as required under the Companies Act, 1956, the Board met at least once in each quarter and the gap between any two Board meetings was not more than four months.

The Company plans and prepares the schedule of the Board and Committee meetings in advance to assist the Directors in scheduling their program. The schedule of meetings is finalized in consultation with Directors of the Company. The agenda is pre-circulated with detailed notes, supporting documents and executive summary to the extent possible.

During the year, information as mentioned in Annexure-1A to clause 49 of the listing agreements has been placed before the Board for its consideration.

During the year under review nine (9) meetings of the Board of Directors were held on the following dates:

Sr. No.	Date	Day	Time
1.	30 <sup>th</sup> April, 2009	Thursday	11.30 a.m
2.	8 <sup>th</sup> July, 2009	Wednesday	11.30 a.m.
3.	31 <sup>st</sup> July, 2009	Friday	11.30 a.m.
4.	24 <sup>th</sup> August, 2009	Monday	5.00 p.m.
5.	26 <sup>th</sup> September, 2009	Saturday	11.30 a.m.
6.	31 <sup>st</sup> October, 2009	Saturday	11.30 a.m.
7.	26 <sup>th</sup> November, 2009	Thursday	11.30 a.m.
8.	26 <sup>th</sup> November, 2009	Thursday	4.00 p.m.
9.	30 <sup>th</sup> January, 2010	Saturday	11.00 a.m.

### 3. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956. Mr. Dilip Kumar Panchaity is the Chairman and Mr. Satish Chandra Consul and Mr. Dharam Pal Khanna are the members of the committee, all are independent directors.

Ms. Archana Agar, Company Secretary acts as Secretary to the Committee.

During the financial year 2009-2010, five (5) meetings were held on the following dates:

Sr. No.	Date	Day	Time
1.	30 <sup>th</sup> April, 2009	Thursday	11.00 a.m
2.	31 <sup>st</sup> July, 2009	Friday	11.00 a.m.
3.	31 <sup>st</sup> October, 2009	Saturday	11.00 a.m.
4.	26 <sup>th</sup> November, 2009	Thursday	11.00 a.m.
5.	30 <sup>th</sup> January, 2010	Saturday	11.00 a.m.

Necessary quorum was present for all the meetings.

The constitution of the Committee, meetings held and attendance of each member is given below:

Name	Designation	Number of Meetings during the year 2009-10	
		Held	Attended
Mr. Dilip Kumar Panchaity	Chairman	5	5
Mr. Satish Chandra Consul	Member	5	5
Mr. Dharam Pal Khanna	Member	5	4

The Internal Auditor, Chief Executive and GM (Accounts & Finance) of the Company, attend and participate in the meeting of the Audit Committee, whenever required by the Chairman of the Committee.

The Audit Committee observes and controls the Company's financial reporting process with a view to provide accurate, timely and proper disclosure. The Committee also reviews the internal audit reports on quarterly basis along with the action taken by the management with regard to the discrepancy observed by the auditors during the audit procedure.

The terms of reference of the Audit Committee apart from those specified in the Listing Agreement with the Stock Exchanges broadly pertains to:

1. Review the business practices;
2. Review of investments policies;
3. Review of compliances;
4. Review of Systems & Controls.

In addition to the above the Committee shall have such functions/role/powers as may be specified in the Companies Act, 1956 and the Listing Agreement with Stock Exchanges or any other applicable law.

#### 4. REMUNERATION COMMITTEE

The remuneration Committee is constituted to formulate and recommend to the Board from time to time, a compensation structure for Executive Directors.

The remuneration Committee is authorised to decide the remuneration of the Executive Directors, subject to approval of the Members and Central Government, when required.

The remuneration committee consists of the following non-executive and independent Directors:

Name	Designation
Mr. Satish Chandra Consul	Chairman
Mr. Dilip Kumar Panchaity	Member
Mr. Dharam Pal Khanna	Member

During the Financial year 2009-2010 no meeting of Remuneration Committee was required to be convened.

#### Remuneration Policy

The Remuneration policy of the Company for managerial personnel is primarily based on the following criteria:

- (i) Performance of the Company, its divisions and units;
- (ii) Track record, potential and performance of the individual managers;
- (iii) External competitive environment;
- (iv) Appointee's qualification and experience;
- (v) Competitive and benchmarked with the utility sector.

The details of the Remuneration paid/payable during the Financial Year to the Executive Directors during the year 2009-2010 are as under:

Name of the Director	Relation with other Directors	Salary and Perquisites	Commission	Total
Mr. Manohar Lal Gupta (Chairman-cum-Managing Director)	Related to Mr.V.K. Gupta and Mr. G.D. Garg	2803385	Nil	2803385
Mr. Vinod Kumar Gupta (Managing Director)	Related to Mr.M.L.Gupta and Mr.G.D.Garg	2803385	Nil	2803385
Mr. Govind Das Garg (Whole-Time Director)	Related to Mr. V.K. Gupta and Mr. M.L. Gupta	1401692	Nil	1401692
Mr. Anil Mittal (Whole-Time Director & Chief Executive)	None	2647071	Nil	2647071

#### Notes

1. The remuneration to the executive directors is being paid as per the approval of the shareholders at the general body meeting.
2. Salary and perquisites includes Provident Fund, Bonus and Gratuity etc.
3. Presently, the Company does not have a scheme for grant of Stock options either to the executive directors or employees.

Details of payment made to Non-Executive Directors during the year 2009-10 are given below:

Name of the Non-Executive Independent Director	Relation with other Director	Business relation with the Company	Total Sitting Fees
Mr. Satish Chandra Consul	None	None	36000
Mr. Dharam Pal Khanna	None	None	32000
Mr. Dilip Kumar Panchaity	None	None	28000
Mr. Dilip Kumar Sinha	None	None	10000

#### Notes:

1. The above figures consist of fees paid for attendance of Board and the Committee meetings.
2. Mr. Dilip Kumar Sinha is holding 1000 equity shares of the Company.

#### 5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders' / Investors' Grievance Committee was constituted by the Board for a speedy disposal of all grievances / complaints relating to shareholders/investors. Reference to this Committee has been made by SEBI in Clause 49 of the Listing Agreement.

The Committee specifically looks into the redressal of shareholder and investor complaint on matters relating to transfer

of shares, non-receipt of Annual Report, non-receipt of declared dividend, etc. In addition, the Committee advises on matters which can facilitate better investor services and relations.

#### Meetings and Attendance:

During the year under review, the Shareholders' & Investors' Grievance Committee met 4 times on the following dates:

Sr. No.	Date	Day	Time
1.	30 <sup>th</sup> April, 2009	Thursday	10.45 a.m
2.	31 <sup>st</sup> July, 2009	Friday	10.45 a.m.
3.	31 <sup>st</sup> October, 2009	Saturday	10.45 a.m.
4.	30 <sup>th</sup> January, 2010	Saturday	10.45 a.m.

The constitution of the Committee and attendance of each member is given below:

Name	Designation	Committee Meetings Attended
Mr. Satish Chandra Consul	Chairman	4
Mr. Dharam Pal Khanna	Member	4

The Company attends the shareholders'/Investors' grievances/ correspondences expeditiously.

During the year, 6 complaints were received from the shareholders, all of which have been attended to/ resolved to date. All the complaints have been suitably replied to the satisfaction of the concerned shareholder and there is no pending complaints with the Company.

The following table shows nature of complaints received during the year:

Sr. No.	Nature of Complaints	Opening	Received During the year	Resolved
1.	Non-receipt of Dividend Warrants	NIL	3	3
2.	Non-receipt of Bonus Share Certificates	NIL	2	2
3.	Non-receipt of Redemption Amount	NIL	1	1
	TOTAL	NIL	6	6

#### Share Transfer Mechanism

- All shares have been transferred and returned within three weeks from the date of their receipt, so long as the documents have been clear in all respects.
- The Share Transfer work has been delegated to SEBI registered Share transfer agent M/s. Link Intime India Private Limited, Mumbai.
- As at 31st March, 2010 there were no requests pending for transfer.
- All complaints received from shareholders have been cleared within a reasonable time frame.
- The complaints are generally replied to within 10 days from their lodgment with the Company.
- There is no complaint pending with the Company.



Compliance Officer:

Ms. Archana Agar, Company Secretary of the Company is the Compliance Officer of the Company.

## 6. GENERAL BODY MEETINGS

### A. ANNUAL GENERAL MEETING:

The location and time of the Annual General Meetings held during the last 3 years are as follows:

Annual General Meeting	Date	Time	Venue	No. of Special Resolutions passed
Twenty Fifth	28 <sup>th</sup> Dec., 2009	9.30 a.m.	Classique Club, New Link Road, Oshiwara, Andheri (West), Mumbai-400 053	NIL
Twenty Fourth	30 <sup>th</sup> Sept., 2008	9.30 a.m.	Classique Club, New Link Road, Oshiwara, Andheri (West), Mumbai-400 053	NIL
Twenty Third	29 <sup>th</sup> Sept, 2007	10.00 a.m.	Eden Hall, The Classique Club, Link Road, Oshiwara, Andheri (West), Mumbai – 400 053	Three (Passed Unanimously)

### B. EXTRA-ORDINARY GENERAL MEETINGS:

In addition to Annual General Meeting, the Company holds General Meetings of the shareholders as and when need arises. There was no such meeting during the year.

### C. POSTAL BALLOT:

- No resolution is passed through postal ballot till date.
- Presently, the Company does not have any transaction/proposal for postal ballot.
- Postal ballot, if required to be passed in future shall be in terms of provisions of the prescribed Section and Rules.

## 7. DISCLOSURES

### a) Related Party Transactions:

- There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, subsidiaries or relatives conflicting with the Companies interest. Suitable disclosure as specified in Accounting Standard 18 issued by the Institute of Chartered Accountants of India have been reported in note 6 of Schedule "P" attached to the Accounts.
- There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.

### b) No penalty or Strictures

- No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last 3 years.

#### c) Secretarial Audit Report

A qualified Practicing Company Secretary carried our secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

#### d) Mandatory Requirements

- Company has timely complied with all mandatory requirements of the Listing Agreement and also adopted the non-mandatory requirements wherever required.
- Though there is no formal Whistler Blower Policy, the Company takes cognizance of complaints and suggestions and takes appropriate corrective actions, wherever necessary.
- No personnel of the Company was denied access to the Audit Committee during the year.

#### e) Prevention of Insider Trading

The Company has framed its own Code for prevention of Insider Trading which is applicable to the Directors and Designated Employees of the Company. The Code, inter-alia contains rules for the preservation of price sensitive information, pre-clearance of trade, monitoring, implementation of the Code of Conduct and Reporting requirements.

#### f) Code of Conduct

The Board of Directors has laid down Code of Conduct for all the Board members and all the employees in the management grade of the Company. The code covers among other things the Company's Commitment to honest & ethical personal conduct, fair competition, corporate social responsibility, sustainable environmental performance, health & safety, transparency and compliance of laws & regulations etc.

All the Board members and senior management personnel have confirmed compliance with the Code. A declaration signed by the Managing Director pursuant to Clause 49 (I)(D)(ii) of the Listing Agreement for the year ended on 31st March, 2010:

### DECLARATION

I, hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

Place: Indore

Date: 02/09/2010

Vinod Kumar Gupta

Managing Director

## 8. MEANS OF COMMUNICATION

Quarterly Financial Results	The quarterly and yearly financial results of the Company are sent to the Stock Exchanges where shares of the Company are listed, immediately after these are approved by the Board.				
Publication of Quarterly Results	Newspapers	Date of Publication of results for the Quarter ended			
		30.06.09	30.09.09	31.12.09	31.03.10
	Financial Express	01.08.09	01.11.09	31.01.10	06.05.10
	Navshakti	01.08.09	01.11.09	31.01.10	06.05.10
	The results (Standalone as well as Consolidated) are also posted on the Company's website: <a href="http://www.pdindia.com">www.pdindia.com</a> .				
News Releases	Official news releases are sent to Stock Exchanges for the information of the shareholders.				
Website	The Company's corporate website <a href="http://www.pdindia.com">www.pdindia.com</a> provides comprehensive information about its portfolio of businesses.				
Annual Report	Annual Report is circulated to all the members and all others entitled thereto like Auditors, Stock Exchange(s), etc.				
Management Discussion and Analysis	This forms a part of the Annual Report which is mailed to the shareholders of the Company.				

## 9. GENERAL SHAREHOLDERS' INFORMATION

### 1. 26th Annual General Meeting

Day, Date and time	Thursday, 30 <sup>th</sup> September, 2010 at 9.30 a.m.
Venue	The Classique Club, Behind Infinity Mall, Link Road, Opposite Raheja, Oshiwara, Andheri (West), Mumbai -400 053.

### 2. Financial Calendar

The Company follows the period of 1st April to 31st March, as the Financial Year.

For the financial year 2010-2011, Financial Results will be announced as per the following tentative schedule:

Sr.No.	Related Quarter	Tentative Dates (subject to change)
1.	Quarter ending June, 2010	30 <sup>th</sup> July, 2010 (already held)
2.	Half year ending September, 2010	Last week of October, 2010
3.	Quarter ending December, 2010	Last week of Jan, 2011
4.	Year ending March, 2011	Last week of April, 2011

Note : The above dates are indicative.

### 3. Book Closure

The Company's Register of Members and Share Transfer Books will remain closed on 15th September, 2010.

### 4. Dividend

Dividend will be paid on or after 4th October, 2010

#### 5. Listing on Stock Exchange(s)

The Shares of the company are listed on following premier Stock Exchanges of India having nation-wide trading terminals:

Bombay Stock Exchange Limited (BSE)	Phirozee Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
National Stock Exchange of India Limited (NSE)	Exchange Plaza, Plot No.C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051

The Company has paid the listing fees for the Financial Year 2010-11 to the aforesaid Stock Exchanges.

#### 6. Stock Code/Symbol

BSE	PARENTLD
Stock Code	
Scrip Code	524689
NSE	PDPL EQ
ISIN No.	INE904D01019 (NSDL & CDSL)
CIN No.	L99999MH1983PLC126481

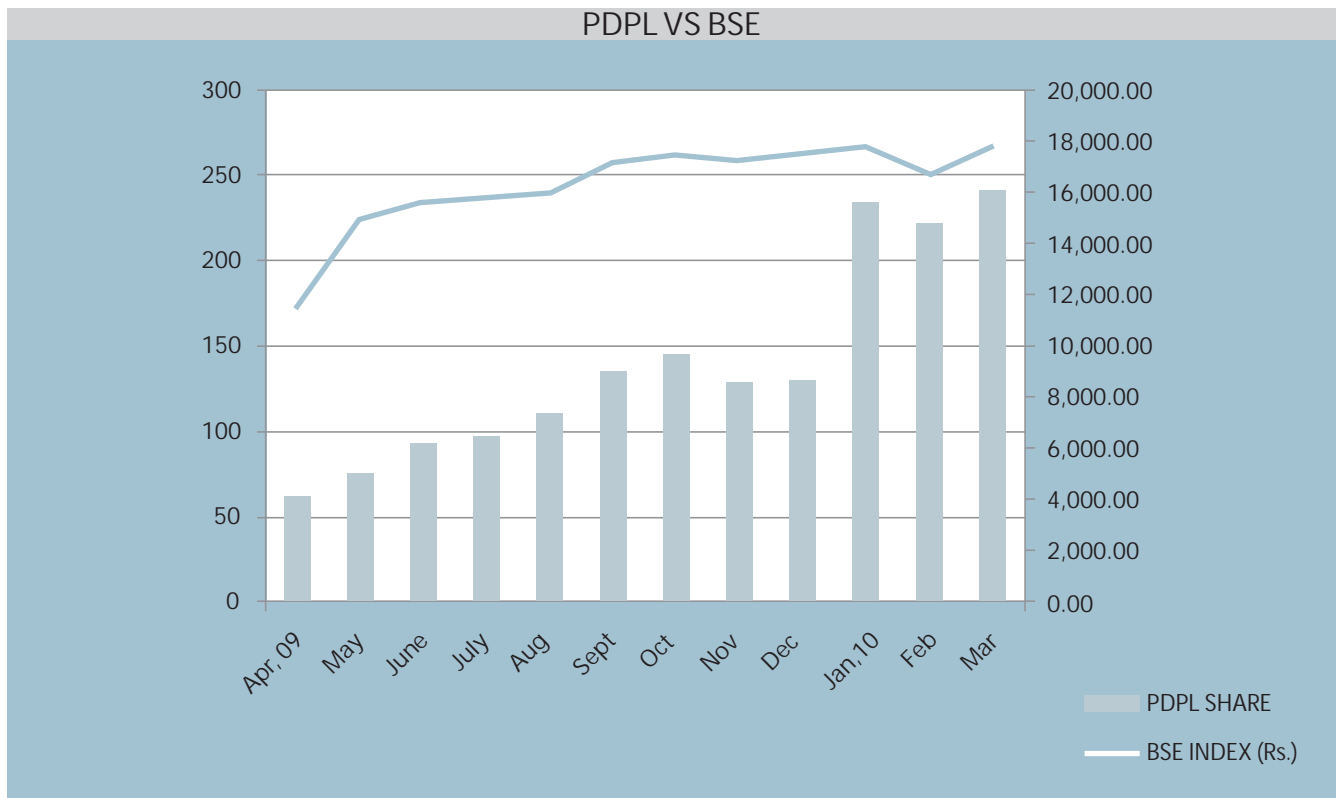
#### 7. Custodial Fees to Depositories

The annual custodial fees for the Financial Year 2010-11 has been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

#### 8. (A) Market Price Data

Month	High (BSE) (Rs.)	Low (BSE) (Rs.)	High (BSE Index) (Rs.)	Low (BSE Index) (Rs.)	No. of Shares	No. of Trades
Apr, 09	61.8	39.45	11,492.10	9,546.29	105929	1049
May	75	47	14,930.54	11,621.30	180200	1230
June	93	57	15,600.30	14,016.95	237232	2449
July	97	70.75	15,732.81	13,219.99	222511	2625
Aug	110	85.5	16,002.46	14,684.45	118040	1823
Sept	135.2	95.1	17,142.52	15,356.72	258187	2845
Oct	145	117.4	17,493.17	15,805.20	170232	1851
Nov	129	111.55	17,290.48	15,330.56	113421	946
Dec	130	118	17,530.94	16,577.78	153783	1145
Jan, 10	234	126	17,790.33	15,982.08	5251529	18526
Feb	222.35	188.2	16,669.25	15,651.99	464365	2763
Mar	240.65	195.1	17,793.01	16,438.45	1098454	3010

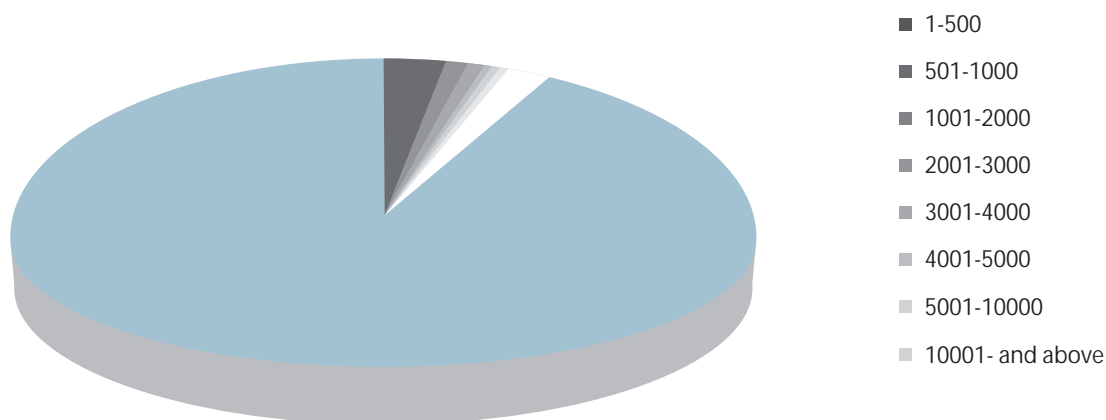
## (B) Graphical representation of Share Price Performance



## 9. Class-wise Distribution of Equity Shares as on 31st March, 2010

Slab of Shareholding	Shareholders		Shares	
	Number	% of total	Number	% of total
1 -500	3631	87.43	596753	3.08
501 -1000	236	5.68	185312	0.96
1001 -2000	102	2.46	163096	0.84
2001 -3000	26	0.62	69160	0.35
3001 -4000	22	0.53	79224	0.41
4001 -5000	16	0.39	78299	0.40
5001 -10000	51	1.22	404058	2.08
10001 - and above	69	1.67	17824221	91.88
<b>Total</b>	<b>4153</b>	<b>100.00</b>	<b>19400123</b>	<b>100.00</b>

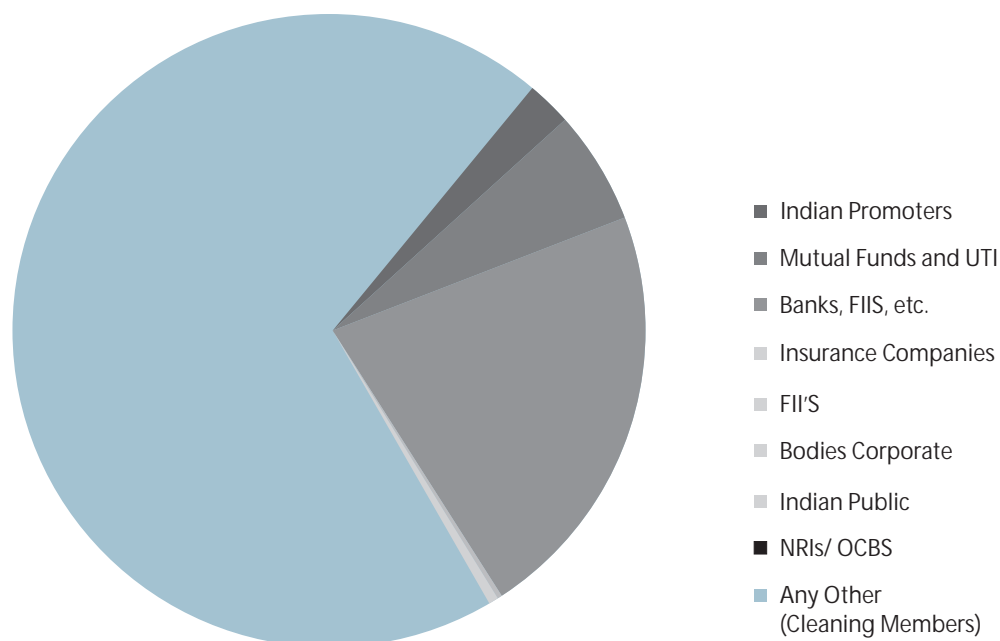
## Distribution of Shareholding as on 31st March, 2010



## 10. Shareholding Pattern as on 31st March, 2010

SR. NO.	CATEGORY	NO. OF SHARES HELD	% OF SHAREHOLDING
A	PROMOTER'S HOLDING		
1.	<u>Promoters</u>		
	-Indian Promoters	1,34,41,433	69.29
	-Foreign Promoters	-	-
2.	<u>Persons acting in Concert</u>	-	-
	Sub-Total	1,34,41,433	69.29
B	NON-PROMOTER'S HOLDING		
3.	<u>Institutional Investors</u>	-	-
	(a) Mutual funds and UTI	6,000	0.03
	(b) Banks, Financial Institutions (Central/StateGovt.Institutions/ Non-government Institutions)	1,000	0.01
	(c) Insurance Companies	26,657	0.14
	(d) FIIs	4,25,000	2.19
	Sub-Total	4,58,657	2.37
4.	<u>Others</u>		
	(a) Bodies Corporate	11,29,634	5.82
	(b) Indian Public	42,51,415	21.91
	(c) NRIs/OCBs	34,759	0.18
	(d) Any Other (Clearing Members)	84,225	0.43
	Sub-Total	35,56,690	28.34
	GRAND TOTAL (A+B)	1,94,00,123	100.00

### Shareholding Pattern of the Company as on 31st March, 2010



#### 11.Registrar and Share Transfer Agent

Share transfer, dividend payment and all other investor related matters are attended to and processed by:

M/s. Link Intime India Private Limited (SEBI Registered Share Transfer Agent)	C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai -400 078  Tel.: 91 -22-25963838 Fax : 91 -22-25946969 e-mail: <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a>
--	---

#### 12.Share Transfer System

To expedite the transfer of shares held in physical mode the powers to execute transfers have been delegated to the Share Transfer Agent of the Company i.e. M/s. Link Intime India Private Limited.

The transfer of the shares of the Company made during the quarter is further ratified by the members of the Shareholders'/ Investors' Grievance Committee at the end of every quarter.

A predetermined process cycle at regular interval ensures transfer of shares expeditiously. The shares for transfer received in physical form are transferred expeditiously, provided the documents are complete and the shares under transfer are not under any dispute. The share certificates duly endorsed are returned immediately to shareholders. The transfer of shares in depository mode need not to be approved by the Company.

In compliance with the Listing Agreement, every six months the system is audited by a Practicing Company Secretary and a certificate to that effect when issued is filed with the Stock Exchanges.

### 13. Dematerialization of shares

The shares of the Company are in compulsory demat segment. Considering the advantage of dealing in securities in electronic form, Shareholders still holding Shares in physical form are requested to dematerialise their shares at the earliest. For further information/ clarification/ assistance in this regard, please contact the Registrar and Share Transfer Agent (RTA) in this regard.

The details of Equity Shares dematerialised and those held in physical form as on 31st March, 2010, are given hereunder:

Particulars of Equity Shares	Equity Shares of Rs.10/- each	
	Number	% of Total
NSDL	49,40,622	25.47
CDSL	1,26,05,229	64.97
Sub-Total	1,75,45,851	90.44
Physical	18,54,272	9.56
Total	1,94,00,123	100.00

As per the directions of SEBI, equity shares of the Company can be traded by all the investors only in dematerialised form. The Company's shares are actively traded on BSE and NSE.

### 14. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments

The Company does not have any outstanding GDRs/ADRs/Warrants or any other convertible instruments issued during the year.

### 15. Plant Locations

#### (1) INDIA

Location	Address
Madhya Pradesh	Village Asrawad, Post Dudhia, Nemawar Road, Indore -453 331, (M. P.)
Himachal Pradesh	Village Bhud, Tehsil Nalagarh, Distt. Solan -173 205 (H. P.)
Goa	Honda Industrial Estate, Plot No.1, Phase III, Honda, Sa ttari - 403 530 (Goa)
Punjab	Village Sura, Post Suranussi, Jalandhar -144 027 (Punjab)

#### (2) OVERSEAS

Location	Address
Mauritius	Old Moka Road, Bell Village, P.O.Box 770, Republic of Mauritius



### 16. Address for Correspondence

For all investor related matters, the address for correspondence shall be:

Company	"Company Secretary and Compliance Officer" Parenteral Drugs (India) Limited Shree Ganesh Chambers, Navlakha Crossing, A.B.Road, Indore (M.P.) -452 001  E-mail : <a href="mailto:investor@pdindia.com">investor@pdindia.com</a>
Registrar and Share Transfer Agent	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078  E-mail: <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a>

Place: Indore  
 Date: 2nd September, 2010

FOR AND ON BEHALF OF THE BOARD  
 Manoharlal Gupta  
 Chairman-cum-Managing Director



# Certificate

To

The Members of  
Parenteral Drugs (India) Limited

We have examined the compliance of the conditions of Corporate Governance by Parenteral Drugs (India) Limited for the year ended March 31, 2010 as stipulated in Clause 49 of the listing agreement of the said company with Stock Exchange(s).

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure 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 31st March, 2010 no investor grievances are pending against the company as on date as per the records maintained by the company and presented to the Investors'/Shareholders' grievance committee.

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

Camp: Udaipur  
Date: 2<sup>nd</sup> September, 2010

For T.N.Unni & Co.  
Chartered Accountants

T.N.Unni  
(Partner)

# CEO Certification

To the Board of Directors of Parenteral Drugs (India) Limited

I, Vinod Kumar Gupta, Managing Director, to the best of my knowledge and belief hereby certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31st March, 2010 and that to the best of my knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the audit committee that:
  - (i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - (ii) There has not been any significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) There have not been any instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Indore  
Date: 2<sup>nd</sup> September, 2010

Vinod Kumar Gupta  
Managing Director

## SHAREHOLDER REFERENCER

### AT A GLANCE

- The Company's Equity Shares are under compulsory trading in demat form only.
- 90.48% of the Company's Equity Shares are held in demat form.
- M/s. Link Intime India Private Limited, Mumbai are the Registrar and Transfer Agent (R&TA) of the Company

### BANK DETAILS

Shareholders holding Shares in the physical form are requested to notify / send the following to ISC to facilitate better servicing:

- any changes in their address / mandate / bank details, and
- particulars of the bank account in which they wish their dividend to be credited, in case the same have not been furnished earlier.

Shareholders are advised that respective bank details as furnished by them or by NSDL / CDSL to the Company, for shares held in the physical form and in the dematerialized form respectively, will be printed on dividend warrants as a measure of protection against fraudulent encashment.

In the event Shareholders wish to receive dividend in a bank account other than the one specified by them while opening their Depository Account, they may advise the same to their Depository Participants (DPs) furnishing complete details of such bank account.

### INVESTOR SERVICE AND GRIEVANCE HANDLING MECHANISM

All investor service matter are being handled by M/s. Link Intime India Private Limited. It is the Registrar and Transfer Agent of a Company having a vast number of Investor Service Centers across the Country, discharges investor service functions effectively, efficiently and expeditiously.

The Company has an established mechanism for investor service and grievance handling, with the Registrar and the Company has prescribed service standards for various investor related activities being handled by the Registrar.

### PERMANENT ACCOUNT NUMBER (PAN)

Shareholders holding Shares in the physical form are advised that SEBI has made it mandatory that copy of PAN Card is to be furnished in the following cases:

- Transferees' PAN Cards for transfer of shares,
- Surviving joint holders' PAN Cards for deletion of name of deceased shareholder,
- Legal heirs' PAN Cards for transmission of shares,
- Joint holders' PAN Cards for transposition of shares.

### REMITTANCE OF DIVIDEND THROUGH NATIONAL ELECTRONIC CLEARING SERVICE

The facility for remittance of dividend through ECS has now been replaced with NECS by Reserve Bank of India. So accordingly, Investors should provide an National Electronic Clearing Service (NECS) mandate to the Company in case of

Shares held in physical form and ensure that the correct and updated particulars of their bank account are available with the Depository Participant (DP) in case of Shares held in demat form.

This would facilitate in receiving direct credits of dividends, refunds etc. , from companies and avoiding postal delays and loss in transit.

#### NON-RECEIPT OF DIVIDEND, REVALIDATION OF DIVIDEND WARRANTS ETC.

Shareholders must write to the Company's R&TA, furnishing the particulars of the dividend not received, and quoting the folio number / DPID and Client ID PARTICULARS (in case of dematerialized shares). On expiry of the validity period, if the dividend warrant is still shown as unpaid in records of the Company, duplicate warrant will be issued. The R&TA would request the concerned shareholder to execute an indemnity before issuing the duplicate warrants.

#### NOMINATION FACILITY

Nomination would help the nominees to get the shares transmitted in their favour without any hassles.

Shareholders who hold Shares in the physical form and wish to make any nomination / change nomination made earlier in respect of their shareholding in the Company, may submit to ISC in the prescribed Form 2B, this Form can be furnished by ISC on request and must be witnessed by two witnesses in order to be effective. In the case of dematerialized shares register their nominations with the DP.

#### TRANSFER SECURITIES BEFORE BOOK CLOSURE / RECORD DATE

The Corporate benefits on the securities lying in the clearing account of the brokers cannot be made available to the members directly by the Company. In case an investor has bought any securities they must ensure that the securities are transferred to his demat account before the book closure / record date.

#### DEPOSITORY SERVICES

Shareholders may write to the respective Depository or to Investor Service Centre (ISC) for guidance on depository services.

<p>National Securities Depository Limited Trade World, 'A' Wing, 4th Floor Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013</p> <p>Telephone no.:022-2499 4200 Facsimile no. :022-2497 6351 e-mail: info@nsdl.co.in website: www.nsdl.co.in</p>	<p>Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers, 17th Floor Dalal Street, Fort Mumbai 400 001</p> <p>Telephone no. :022-22723333 Facsimile no. : 022-2272 3199 e-mail: investors@cdslindia.com website: www.cdslindia.com</p>
--	--

Shareholders holding Shares in the dematerialised form should address their correspondence to their respective DPs, other than for dividend and Report and Accounts which should be addressed to ISC.

In all correspondence with ISC, to facilitate prompt response, account numbers / DP ID & Client ID numbers are required to be furnished. Shareholders are requested to also provide their e-mail address and telephone / fax numbers.

## AUDITORS' REPORT

To,

The Members of  
 M/s. PARENTERAL DRUGS (INDIA) LIMITED  
 MUMBAI

1. We have audited the attached Balance Sheet of Parenteral Drugs (India) Limited as at March 31, 2010 and the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. 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 have 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 mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 of India (the Act) and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
  - d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Act;
  - e) On the basis of written representation received from the directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts together with the notes thereon attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
    - (ii) In so far as it relates to the Profit and Loss Account, of the profit for the year ended on that date.
    - (iii) In so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Camp : Udaipur  
 Date: 2<sup>nd</sup> September, 2010

For T.N.Unni & Co.  
 Chartered Accountants  
 T.N.Unni  
 (Partner)

## ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the Members of Parenteral Drugs (India) Limited on the accounts for the year ended March 31, 2010]

1. a) The Company is maintaining proper records to show full particulars including quantitative details and situation of fixed assets.
- b) The Fixed assets of the Company have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- c) In our opinion, and according to the information and explanations given to us, the Company has not disposed off a substantial part of fixed assets during the year.
2. a) The stock of finished goods, stores, spare parts and raw material lying at its location have been physically verified by the management at intervals during the financial year and the frequency of verification is considered reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory 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 records of inventory, in our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and the books of records were not material.
3. a) The Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- b) The Company has taken unsecured loans from 8 (eight) companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 785.44 lacs and the year end balance of such loans aggregated to Rs. 785.44 lacs
- c) The rate of interest and other terms and conditions of unsecured loan taken by the company, are prima facie not prejudicial to the interest of the Company.
- d) Payment of the principal amount and interest are also regular during the year.
4. In our opinion there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into the Register maintained under Section 301 of Act, have been so entered.
- b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of Act, and exceeding the value of five lacs rupees in respect of any party during the year have been made at prices which are reasonable having regard to the market prices prevailing at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public, and the provisions of Section 58A, 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits are not attracted in case of borrowings made by the Company. No order under the aforesaid sections has been passed by the Company Law Board on the Company.

7. The Company has appointed a firm of Chartered Accountants to carry out the internal audit, and the scope of audit is commensurate with its size and nature of business.
8. Maintenance of cost records has been prescribed for the products of the company by the Central Government, under Section 209(1) (d) of the Companies Act, 1956, and in our opinion prima facie, all cost records are being maintained by the Company.
9. (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed statutory dues in respect of provident fund, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material dues as applicable, have been regularly deposited by the Company during the year with the appropriate authorities.  
 (b) As at March 31, 2010 according to the records of the Company and the information and explanations given to us, the demand of excise duty to the tune of Rs. 230.20 lacs has been challenged by the Company and show cause notices are pending for adjudication.
10. The Company neither has accumulated losses as at March 31, 2010 nor has incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
11. On the basis of information and explanations given by the Management, in our opinion, the Company has not defaulted in repayment of dues to any financial institution or banks.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. The Company is not dealing or trading in Shares, securities, debentures and other investments and the investment made by the Company in shares and other securities has been held in its own name in respect of which the Company has maintained adequate records.
15. The Company has assumed the Corporate Guarantee for loans taken by its subsidiary company Goa Formulations Limited. The terms and condition of Corporate Guarantee are not prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us the term loans taken by the Company were applied for the purpose for which the loans were obtained.
17. Based on the information and explanations given to us and on examination of the books of the Company, in our opinion the funds raised on a short-term basis have not been used for long-term investment.
18. The Company has issued 12,00,000 Fresh Equity Shares against share warrants upon option exercised by the share warrant holder and accordingly paid up capital has been increased by Rs. 1,20,00,000/-.
19. No debentures have been issued by the Company during the year.
20. During the year, the Company has not raised money by way of public issue.
21. According to the information and explanations given to us and the examination of the records we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Camp : Udaipur  
 Date: 2<sup>nd</sup> September, 2010

For T.N.Unni & Co.  
 Chartered Accountants  
 T.N.Unni  
 (Partner)



## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

## BALANCE SHEET AS AT 31.03.2010

(Rupees)

SCHEDULE		AS AT 31.03.2010	AS AT 31.03.2009
<u>SOURCES OF FUNDS</u>			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	A	317886250	309686250
RESERVES & SURPLUS	B	2887632204	2444073317
LOAN FUNDS			
SECURED LOANS	C	1794722276	1255944658
UNSECURED LOANS	D	198116552	182113148
	TOTAL	5198357282	4191817373
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS			
GROSS BLOCK	E	2580025414	1591418596
LESS : DEPRECIATION		320337814	243634503
NET BLOCK		2259687600	1347784093
INVESTMENTS		1395335000	1390885000
(See Note No. 16 of Notes on Accounts)			
CURRENT ASSETS, LOANS AND ADVANCES			
INVENTORIES	F	669513983	624729686
SUNDRY DEBTORS	G	1017133587	743352417
CASH & BANK BALANCES	H	96939549	94446217
LOANS & ADVANCES	I	371255999	368180636
		2154843118	1830708956
LESS:CURRENT LIABILITIES AND PROVISIONS	J	611572080	377624320
NET CURRENT ASSETS		1543271038	1453084636
MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)		63644	63644
	TOTAL	5198357282	4191817373
NOTES ON ACCOUNTS	P		

As per our report of even date attached  
For T.N.Unni & Co.  
Chartered Accountants  
T.N.Unni  
Partner  
Camp : Udaipur  
Date : 2nd September, 2010

Ms. Archana Agar  
Company Secretary

For and on behalf of the Board  
Manoharlal Gupta  
Chairman-Cum-Managing Director  
Vinod Kumar Gupta  
Managing Director  
Govind Das Garg  
Whole-time Director  
Place : Indore  
Date : 2nd September, 2010

## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

## PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2010

(Rupees)

SCHEDULE	For the year ended on 31.03.2010	For the year ended on 31.03.2009
<u>INCOME</u>		
SALES (NET OF RETURNS)	3372821290	2269516880
INCREASE/DECREASE IN STOCK (+/-)	K -1868740	93359751
OTHER INCOME	13388148	2800606
TOTAL	3384340698	2365677237
<u>EXPENDITURE</u>		
MATERIAL CONSUMED	1848321776	1206563130
MANUFACTURING EXPENSES	L 221351016	193092844
EXPENDITURE ON EMPLOYEES	M 107333624	92553531
ADMINISTRATIVE & GENERAL EXP.	N 183337744	142713198
SELLING & DISTRIBUTION EXPENSES	O 458833158	383026803
INTEREST & FINANCIAL OUTLAY	138025799	123055149
DEPRECIATION	E 76661373	57118188
TOTAL	3033864490	2198122844
<u>PROFIT BEFORE TAXATION</u>	350476208	167554393
LESS : INCOME TAX FOR THE YEAR	58829247	19262947
LESS : FRINGE BENEFIT TAX FOR THE YEAR	--	3137723
ADD :INCOME TAX FOR PREVIOUS YEARS	109964	--
LESS: PROVISION FOR DEFERRED TAX LIABILITIES	18859022	37459875
<u>PROFIT AFTER TAX</u>	272897903	107693848
ADD: BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR	306737104	313325085
SURPLUS AVAILABLE FOR APPROPRIATION	579635007	421018933
<u>APPROPRIATION</u>		
TRANSFERRED TO GENERAL RESERVE	40934685	21538769
PROPOSED DIVIDEND	37846831	20805000
TAX ON DISTRIBUTED PROFIT	6432069	3535810
ISSUE OF SHARES AS PER AMALGAMATION SCHEME	--	72722250
ADD : BALANCE OF PROFIT & LOSS ACCOUNT OF AMALGAMATING CO.	--	4320000
SURPLUS TRANSFERRED TO BALANCE SHEET	494421422	306737104
EARNING PER SHARE	14.44	6.87
DILUTED EARNING PER SHARE	14.44	6.87
NOTES ON ACCOUNTS	P	

As per our report of even date attached  
For T.N.Unni & Co.  
Chartered Accountants  
T.N.Unni  
Partner  
Camp : Udaipur  
Date : 2nd September, 2010

Ms. Archana Agar  
Company Secretary

For and on behalf of the Board  
Manoharlal Gupta  
Chairman-Cum-Managing Director  
Vinod Kumar Gupta  
Managing Director  
Govind Das Garg  
Whole-time Director  
Place : Indore  
Date : 2nd September, 2010

## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

## SCHEDULES FORMING PART OF THE BALANCE SHEET &amp; PROFIT &amp; LOSS ACCOUNT

(Rupees)

	AS AT 31.03.2010	AS AT 31.03.2009
<b>SCHEDULE A</b>		
<b>SHARE CAPITAL</b>		
Authorised		
26500000 Equity Shares of Rs. 10/- each	265000000	265000000
3500000 Shares, Redeemable, Non Cumulative, Non convertible	35000000	35000000
Preference Share of Rs. 10/- Each		
2962102 - 0% Optionally convertible, redeemable	29621020	29621020
Preference Share of Rs. 10/- Each		
7037898 - Redeemable Preference shares of Rs.10/-each	70378980	--
<b>Issued Subscribed and Paid Up</b>		
<b>Equity Share Capital</b>		
19400123 Equity Shares of Rs. 10/- each	194001230	182001230
(including 6284720 Equity Shares of Rs.10 /-each Bonus shares issued as fully paid up out of free reserve & 1042560 Equity shares of 10 each issued as fully paid up out of revaluation reserves)		
<b>Preference Share Capital</b>		
3500000 Shares, Redeemable, Non Cumulative, Non convertible	35000000	35000000
Preference Share of Rs. 10/- Each		
2962102 - 0% Optionally convertible, redeemable	29621020	29621020
Preference Share of Rs. 10/- Each		
Share Application Money for Preference Share Capital	59264000	59264000
Advance against Warrants	--	3800000
10% Nominal value advance for 3800000 Warrants(2400000 Warrants issued to promoters) convertible into Equity Shares allotted contingent upon allottee's exercise of option to apply and payment of balance and fulfilment of essential conditions of allotment.		
<b>TOTAL</b>	<b>317886250</b>	<b>309686250</b>
<b>SCHEDULE B</b>		
<b>RESERVES &amp; SURPLUS</b>		
General Reserve	156491874	67090589
Opening balance	67090589	
Add : Transferred from the current year profit	40934685	
Add : Share warrant money forfeited	48466600	
Profit & Loss Account	494421422	306737104

## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

(Rupees)

		AS AT 31.03.2010	AS AT 31.03.2009
Capital Reserve		100000	100000
Capital subsidy Reserve (09-10)		3000000	--
Revaluation Reserve		12106128	12148067
Share Premium		2037074013	1825382013
Warrant Premium		--	67035800
Amalgamation reserve		34422287	34422287
Deferred Tax Reserve		150016480	131157458
Reserve for the previous years	131157458		
Add : Liability for the current year	<u>18859022</u>		
	<b>TOTAL</b>	<b>2887632204</b>	<b>2444073317</b>
<b>SCHEDULE C</b>			
<b>SECURED LOANS</b>			
(See also note no.2 of Notes on accounts)			
State Bank of India, Commercial Branch ,Indore Term Loan I for Indore plant		--	2389217
State Bank of India, Commercial Branch ,Indore Term Loan II for Baddi plant		25221160	40142747
State Bank of India, Commercial Branch ,Indore Term Loan III for Baddi plant		70747104	106073363
State Bank of India, Commercial Branch ,Indore Term Loan IV for Baddi plant		232386799	282944566
State Bank of India, Commercial Branch ,Indore Term Loan - V for Indore plant		498826348	--
State Bank of India, Commercial Branch ,Indore Corporate Loan		64708313	127763368
Punjab National Bank, Chandigarh Term Loan for Baddi plant		16401823	23972938
Punjab National Bank, Chandigarh Term Loan for Indore plant		13946986	20204018
State Bank of India, Commercial Branch ,Indore Cash Credit		614452713	466764269
Punjab National Bank, Chandigarh Cash Credit		258031030	185658271
ICICI Bank Ltd Car Finance		--	31901
	<b>TOTAL</b>	<b>1794722276</b>	<b>1255944658</b>
<b>SCHEDULE D</b>			
<b>UNSECURED LOANS</b>			
From Directors & Relatives		5541225	4560161
Inter corporate deposit		73003000	72953000
Security Deposit from Dealers & suppliers		119572327	104599987
	<b>TOTAL</b>	<b>198116552</b>	<b>182113148</b>

PARENTERAL DRUGS (INDIA) LTD., MUMBAI

SCHEDULES FORMING PART OF THE BALANCE SHEET & PROFIT & LOSS ACCOUNT

SCHEDULE "E"  
FIXED ASSETS AND DEPRECIATION AS ON 31.03.2010

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2009	Addition	Transfer	As on 31.03.2010	Up to 01.04.2009	For the Year	Depreciation On Revaluation	Written Back	As on 31.03.2010	As on 31.03.2009
LAND	33869325	--	--	33869325	--	--	--	--	33869325	33869325
FACTORY BUILDING	331751524	13960533	--	345712057	50727352	10544596	27455	--	284412653	281024171
OFFICE PREMISES	1566460	--	--	1566460	192686	9780	--	--	1363994	1373774
VEHICLES	11153781	--	--	11153781	6960455	915594	--	--	3277731	4193326
OFFICE EQUIPMENTS	3118921	158604	--	3277525	1252926	129739	--	--	1894861	1865995
ELECTRICAL INSTALLATION	43288685	498032	--	43786717	10073343	2013171	847	--	31699356	33215342
PLANT & MACHINERY	1031977005	811848344	--	1843825349	147741445	60902582	13637	--	1635167684	884235560
FURNITURE & FITTINGS	15263391	716078	--	15979469	6948326	947837	--	--	8083305	8315064
COMPUTER & SOFTWARE	23061839	1038663	--	24100502	19737970	1198074	--	--	3164458	3323869
CAPITAL WORK IN PROCESS	96367666	297105280	136718715	256754231	--	--	--	--	256754231	96367666
<b>TOTAL</b>	1591418596	1125325533	136718715	2580025415	243634504	76661373	41939	--	2259687599	1347784093
PREVIOUS YEAR FIGURES	1216929834	374488762	--	1591418596	186474377	58969399	41939	1851210	1347784091	1030455457

## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

(Rupees)

	AS AT 31.03.2010	AS AT 31.03.2009
<b>SCHEDULE F</b>		
<b><u>INVENTORIES</u></b> (At Cost or market value whichever is less) (As taken, valued & certified by Management)		
Raw Material and Packing Material and stores	268627524	221974487
Finished Goods and SIP	400886459	402755199
<b>TOTAL</b>	<b>669513983</b>	<b>624729686</b>
<b>SCHEDULE G</b>		
<b><u>SUNDRY DEBTORS</u></b>		
Due for more than 6 months (considered good)	25916869	23797057
Other Debts (Considered good)	991216718	719555360
<b>TOTAL</b>	<b>1017133587</b>	<b>743352417</b>
<b>SCHEDULE H</b>		
<b><u>CASH &amp; BANK BALANCES</u></b>		
Cash in Hand	2403501	752246
Cheques in Hand	10621781	14665600
In Current Account with Scheduled Banks	44613639	45914743
In Fixed Deposit with Scheduled Banks	39300628	33113628
<b>TOTAL</b>	<b>96939549</b>	<b>94446217</b>
<b>SCHEDULE I</b>		
<b><u>LOANS AND ADVANCES</u></b>		
Advances (Recoverable in cash or in kind or for value to be received, considered good )	235068864	232101795
Accrued and Prepaid	2782170	2700016
Dividend receivable	23040000	18720000
Tender and other Deposits	31695337	26780508
Income Tax paid	78669628	87878317
1) Tax Deducted at Source	2844631	
2) Advance Income Tax	11613250	
3) Income Tax Payments on a/c pending Assessments/Appeals	62924050	
4) Advance Fringe benefit tax	1287697	
<b>TOTAL</b>	<b>371255999</b>	<b>368180636</b>

**PARENTERAL DRUGS (INDIA) LTD., MUMBAI**

(Rupees)

	AS AT 31.03.2010	AS AT 31.03.2009
<b>SCHEDULE J</b>		
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
Sundry Creditors	380764059	188310179
Outstanding Liabilities	63222059	79145210
Dividend payable	37846831	20805000
Taxes Payable	129739131	89363931
1) Provision for Income Tax for the year	58829247	
2) Income Tax payable for previous years	44859843	
3) TDS Payable	6553561	
4) Dividend Taxes Payable	6432069	
5) Other Taxes Payable	13064411	
<b>TOTAL</b>	<b>611572080</b>	<b>377624320</b>

(Rupees)

	For the year ended on 31.03.2010	For the year ended on 31.03.2009
<b>SCHEDULE K</b>		
<b><u>INCREASE/DECREASE IN STOCK</u></b>		
Stock of finished goods and SIP as at the close of the year	400886459	402755199
Less: Stock of finished goods and SIP as at the commencement of the year	402755199	309395448
<b>TOTAL</b>	<b>-1868740</b>	<b>93359751</b>
<b>SCHEDULE L</b>		
<b><u>MANUFACTURING EXPENSES</u></b>		
Factory Expenses	14523646	14427389
Analytical, Testing Expenses & Processing expenses	82491575	65761977
Power, Coal and Fuel	94237181	87448443
Consumable Stores	5365593	3861572
Repairs and Maintenance to fixed assets	12109332	12820229
Excise Duty	12623689	8773234
<b>TOTAL</b>	<b>221351016</b>	<b>193092844</b>

## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

(Rupees)

	For the year ended on 31.03.2010	For the year ended on 31.03.2009
<b>SCHEDULE M</b>		
<b><u>EXPENDITURE ON EMPLOYEES</u></b>		
Salaries (Including P.F. Bonus ,Gratuity & Earned Leave )	105663351	91238341
Staff Welfare	1670273	1315190
<b>TOTAL</b>	<b>107333624</b>	<b>92553531</b>
<b>SCHEDULE N</b>		
<b><u>ADMINISTRATIVE &amp; GENERAL EXPENSES</u></b>		
Rent, Rates, Taxes & Insurance	119294112	84384890
Stationery & printing	4822971	3935933
Postage, Telegram & Telephone	17676473	13068699
Legal & Professional Expenses	8458590	9277221
Directors' Remuneration	8400000	8400000
Auditors' Remuneration	110300	102884
Convyance Expenses	9853564	8638638
Vehicle Running & Maintenance	3272960	3549813
Repairs & Maintenance Off. Bldg.	640533	599421
Miscellenous and general expenses	7002758	6825066
Software & computer maintenance	372224	1767785
Membership & Subscription	1014892	259095
Licence & Fees	2418367	1903753
<b>TOTAL</b>	<b>183337744</b>	<b>142713198</b>
<b>SCHEDULE O</b>		
<b><u>SELLING &amp; DISTRIBUTION EXPENSES</u></b>		
Travelling Expenses	101078011	85715736
Business Promotion	6548252	5610978
Carriage Outward	192607787	166131757
Advertising, Publicity and Conference	5720792	5884756
Sales Commission	127737658	97764178
Sales Incentive	19635600	21230693
Miscellaneous Selling Expenses	5505058	688706
<b>TOTAL</b>	<b>458833158</b>	<b>383026803</b>



## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

### SCHEDULE - P

#### ACCOUNTING POLICIES & NOTES ON ACCOUNTS

##### Significant Accounting Policies

- (i) The Financial Statements are prepared at historical costs.
- (ii) Recognition of Revenue and Expenditure
  - (a) All revenue and expenditure are recognised and accounted for on accrual basis.
  - (b) Foreign Exchange Transactions  
Transactions in Foreign Currency are recorded in financial statements based on the exchange rate existing at the time of the transactions.
  - (c) Export incentives are accounted for on receipt basis in view of uncertainties.
  - (d) Taxation  
Provision for taxation of income tax is made on the basis of the taxable profit computed for current accounting year in accordance with the Income Tax Act 1961.  
Deferred Tax resulting from timing differences between Book Profits and Tax Profits is accounted for at the current rates of tax to the extent the timing difference are expected to crystallise, in case of Deferred Tax Liabilities with reasonable certainty and in case of Deferred Tax Assets with virtual certainty that there would be adequate future taxable income against which such Deferred Tax Assets can be realised.
  - (e) Figures for the previous year have been re-grouped and rearranged wherever considered necessary.
- (iii) Fixed Assets
  - (a) Fixed Assets are stated at historical cost as in the past and the assets prior to 1993-94 are at values adjusted by revaluation, which includes expenditure incurred on the acquisition fabrication and/or installation.
  - (b) Pre-operative expenditure comprising revenue expenses incurred in connection with project implementation during the period upto commencement of commercial production are treated as part of project cost and are capitalized.
- (iv) Depreciation
  - a) Depreciation on fixed assets has been calculated on straight line method at the rates prescribed in schedule XIV of the Companies Act 1956.
  - b) No Depreciation has been provided on Capital Work in Progress.
  - c) Capital subsidy received has been reduced from the cost of fixed assets for purpose of calculating depreciation.
- (v) Inventories  
Inventories are valued at cost, including the element of such expenses & taxes which are directly identifiable to represent cost.
- (vi) Analytical Testing and processing expenses also includes labour charges.
- (vii) Borrowing Cost  
Interest and other costs in connection with the borrowing of the funds to the extent related/attributed to the acquisition/construction of qualifying fixed assets are capitalized upto the date when such assets are ready for its intended use and other borrowing costs are charged to Profit & Loss Account.
- (viii) Separate sets of books of accounts are maintained for separate units of production, as required by law.
- (ix) Investments :- Long Term Investments are stated at cost.

## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

## Notes Forming part of Accounts

1. In the opinion of the Board of Directors of the Company the current assets, Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.
2. Secured Loans  
(Referred to in Schedule 'C')

(Rupees)

	AS AT 31.03.2010	AS AT 31.03.2009
State Bank of India, Commercial Branch ,Indore Term Loan I for Indore plant (Secured by first pari-passu charge on fixed assets of the Company and second pari-passu charge on current assets of the Company and guaranteed by two managing directors, one director and by third parties i.e. by HUF of three Directors, by Smt. Alpana Gupta and by Diamond Crystal Private Limited.)	--	2389217
State Bank of India, Commercial Branch ,Indore Term Loan II for Baddi plant (Secured by first pari-passu charge on fixed assets of the Company and second pari-passu charge on current assets of the Company and guaranteed by two managing directors, one director and by third parties i.e. by HUF of three Directors, by Smt. Alpana Gupta and by Diamond Crystal Private Limited.)	25221160	40142747
State Bank of India, Commercial Branch ,Indore Term Loan III for Baddi plant (Secured by first pari-passu charge on fixed assets of the Company and second pari-passu charge on current assets of the Company and guaranteed by two managing directors, one director and by third parties i.e. by HUF of three Directors, by Smt. Alpana Gupta and by Diamond Crystal Private Limited.)	70747104	106073363
State Bank of India, Commercial Branch ,Indore Term Loan IV for Baddi plant (Secured by first pari-passu charge on fixed assets of the Company and second pari-passu charge on current assets of the Company and guaranteed by two managing directors, one director and by third parties i.e. by HUF of three Directors, by Smt. Alpana Gupta and by Diamond Crystal Private Limited.)	232386799	282944566

## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

(Rupees)

	AS AT 31.03.2010	AS AT 31.03.2009
State Bank of India, Commercial Branch ,Indore Term Loan V for Indore plant (Secured by first pari-passu charge on fixed assets of the Company and second pari-passu charge on current assets of the Company and guaranteed by two managing directors, one director and by third parties i.e. by HUF of three Directors, by Smt. Alpana Gupta and by Diamond Crystal Private Limited and secured by pledge of 5 lacs BSE traded Shares of the Company held by Rajratan Exports Limited)	498826348	--
State Bank of India, Commercial Branch ,Indore Corporate Loan (Secured by first pari-passu charge on fixed assets of the Company and specifically secured by pledge of 20 lacs BSE traded Shares of the Company held by Rajratan Exports Limited.)	64708313	127763368
Punjab National Bank, Chandigarh Term Loan for Baddi plant (Secured by first pari-passu charge on fixed assets of the Company and second pari-passu charge on current assets of the Company and guaranteed by two managing directors, one director and by third parties i.e. by HUF of three Directors, by Smt. Alpana Gupta and by Diamond Crystal Private Limited.)	16401823	23972938
Punjab National Bank, Chandigarh Term Loan (Secured by first pari-passu charge on fixed assets of the Company and second pari-passu charge on current assets of the Company and guaranteed by two managing directors, one director and by third parties i.e. by HUF of three Directors, by Smt. Alpana Gupta and by Diamond Crystal Private Limited.)	13946986	20204018
State Bank of India, Commercial Branch ,Indore Cash Credit (Secured by first pari-passu charge on current assets of the Company and second pari-passu charge on fixed assets of the Company and guaranteed by two managing directors, one director and by third parties i.e. by HUF of three Directors and by Smt. Alpana Gupta and by Diamond Crystal Private Limited)	614452713	466764269

## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

(Rupees)

	AS AT 31.03.2010	AS AT 31.03.2009
Punjab National Bank, Chandigarh Cash Credit (Secured by first pari-passu charge on current assets of the Company and second pari-passu charge on fixed assets of the Company and guaranteed by two managing directors, one director and by third parties i.e. by HUF of three Directors and by Smt. Alpana Gupta and by Diamond Crystal Private Limited)	258031030	185658271
ICICI Bank Ltd Car Finance (Secured by hypothecation of car)	--	31901

## 3. Contingent Liabilities.

- Counter Guarantee given to Bank against guarantee issued by it to the tune of Rs. 501.46 Lacs (Previous year Rs. 748.90 lacs).
- Two group companies have offered collateral securities (1) by mortgage of one company immovable properties & (2) by pledge of shares in favour of the Company against credit facilities and corporate loan. Amount involved is uncertain.
- Corporate Guarantee given to one subsidiary company to the tune of Rs. 1530 lacs.
- Certain show-causes notices are pending to be adjudicated by the Central excise department . The challenged demand under the notices is Rs.230.20 lacs.
- Gratuity fund contribution towards past service liability to the tune of Rs.118.90 lacs.

## 4. Managerial Remuneration:

(Amount in Rs.)

S.No	NAME OF DIRECTOR	SALARY*
1.	Shri Manoharlal Gupta Chairman Cum Managing Director	28,03,385/-
2.	Shri Vinod Kumar Gupta Managing Director	28,03,385/-
3.	Shri Govind Das Garg Whole-Time Director	14,01,692/-
4.	Shri Anil Mittal Whole-Time Director	26,47,071/-
	TOTAL	96,55,533/-

\*Note: Includes Salary and other cost to the Company

- The Company is principally engaged in the business of pharmaceutical. Accordingly there are no segments as per Accounting Standard 17 "Segmental Reporting" issued by the Institute of Chartered Accountants of India.

**PARENTERAL DRUGS (INDIA) LTD., MUMBAI**

6. Related party disclosure in accordance with Accounting Standard 18 issued by the Institute of Chartered Accountants of India are given below: -

**Related Party Relationship and Transactions with Related Parties**
**A Name of Related Parties & Description of relationship:**

1.	Subsidiaries	Parenteral Biotech Limited, Abhay Drugs Limited, Parenteral Impex Limited, Anjaney Pharmaceuticals Limited, Parentech Healthcare Limited, Parenteral Surgical Limited, Punjab Formulations Limited, Goa Formulations Limited			
2.	Key Management Personnel	Manohar Lal Gupta Chairman cum Managing Director	Vinod Kumar Gupta Managing Director	Govind Das Garg Whole Time Director	Anil Mittal Whole Time Director
3.	Relatives of Key Management Personnel	Alpana Gupta, Wife Umashankar Gupta, father Ravindra Gupta, brother Aditya Gupta, son Ayush Gupta, son	Aruna Gupta, wife Ramesh Gupta, brother Abhay Gupta, Son Archana Gupta, daughter	Shashi Garg, wife Manish Garg, son Ashish Garg, son	Deepali Mittal, Wife Lalit Mittal, brother
4.	Enterprises Controlled by Key Management Personnel / Relatives of Key Management Personnel	Rajratan Exports Pvt. Limited, Mahaganapati Investments Pvt. Ltd., PDPL Holdings Pvt. Ltd., PDPL Securities Pvt. Ltd., Parenteral Medicines Ltd., Panorama Remedies Ltd., Anitas Exports Pvt. Ltd., Lalit Media & Education Limited, Orissa Formulations Private Limited, Anitas Management Pvt. Ltd., MVG Mercantile Pvt. Ltd., VINO Infratech Pvt. Ltd., Chiron Metco Limited, Chetan Medicaments Private Ltd., Diamond Crystal Private Limited, Earawat Steels Private limited, Neptune Packaging Private Limited, Prem Pharmaceuticals, Parenteral Commercial Services Pvt. Ltd., Manish Medicates Pvt. Ltd., AGT Mercantile Pvt. Ltd., Simtrad Overseas Pvt. Ltd., KRM Holdings Pvt. Ltd.			

**B. Summary of Related Party Transactions**

(Rs. in Lacs)

S. No.	Particulars	Subsidiary	Company under Control	Individuals having control	Others
a)	Transactions				
	01. Managerial Remuneration	Nil	Nil	96.55	Nil
	02. Sale of Goods / Material	1079.99	1.46	Nil	577.20
	03. Purchase of Goods/Material	203.00	Nil	Nil	Nil
	04. Fixed Assets Purchased	56.09	6619.50	Nil	Nil
	05. Loans Received	Nil	0.50	Nil	Nil
	06. Loans Given	125.30	2.64	Nil	Nil
	07. Office Rent Given	Nil	13.20	Nil	Nil
	08. Job Work Income	171.34	Nil	Nil	Nil
	09. Job Work charges paid	95.92	Nil	Nil	Nil
	10. Investment in shares of Subsidiary companies	44.50	Nil	Nil	Nil
	11. Remuneration to relatives of key management personnel	Nil	Nil	35.44	Nil

## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

S. No.	Particulars	Subsidiary	Company under Control	Individuals having control	Others
b)	Outstanding Balance as on 31.03.2010				
	1. Investments	13877.75	Nil	Nil	Nil
	2. Advances for Fixed Assets	Nil	183.11	Nil	Nil
	3. Purchase/Sale	186.71	Nil	Nil	Nil
	4. Outstanding Loans	68.78.	3.27	Nil	-730.03

## 7. Auditors Remuneration in Profit &amp; Loss account as under:-

Audit Fees	Rs. 99,270.00
Tax Audit Fees	Rs. 11,030.00
Total	<u>Rs. 1,10,300.00</u>

8. There are no outstanding dues in excess of Rs. 1.00 lac each payable to SSI units for more than 30 days in so far as they could be identified as per Micro, Small and Medium Enterprises Development Act, 2006.

## 9. Other income includes:-

a) Interest	Rs. 8.24 Lacs
b) Dividend Income	Rs. 43.20 Lacs
c) Unclaimed balances (Net)	Rs. 8.52 Lacs
d) Foreign Exchange gain	Rs. 53.92 Lacs
e) Capital gain	Rs. 20.00 Lacs

10. Raw Material consumption also includes Rs 3271.77 lacs for purchase of goods for Trade. (Previous year Rs.1256.86 lacs)

11. One group Company, Shareholder of 35,00,000 Redeemable, Non Cumulative, Non Convertible Preference Shares have waived its right to claim dividend on such Shares.

12. The Company had issued 38,00,000 Nos of convertible share warrants in the financial year 2007-08. Out of which the share warrant holders of 26,00,000 share warrants have not exercised their option to convert warrant into equity shares by making the balance payment before the due date and therefore as per the terms & conditions of the issue of the share warrants the amount received towards share warrants amounting to Rs. 4,84,66,600/- has been forfeited and the proceeds have been transferred to General Reserve.

## 13. Calculation of Basic and Diluted Earning per Share

(Amount in Rs.)

Particulars	31.03.2010	31.03.2009
Earnings available for Equity Shareholder		
Profit After Tax	27,28,97,903/-	10,76,93,848/-
Earnings for Basic and Diluted Earning per Share	27,28,97,903/-	10,76,93,848/-
Per Share for Basic and Diluted Earning per Share		
No. of Shares Outstanding	1,82,00,123	1,38,70,000
Add: Shares Issued as per Scheme of Amalgamation (43,30,123 shares x 5/12)	Nil	18,04,218
Add: Shares issued during the years against warrants (12,00,000 shares x 7/12)	7,00,000	Nil
Total Weighted Average No. of Shares	1,89,00,123	1,56,74,218

**PARENTERAL DRUGS (INDIA) LTD., MUMBAI**

14. Consequent to the issuance of Accounting Standard 22 "Accounting for Taxes on Income" by the Institute of Chartered Accountants of India, the Company has recognised the deferred tax liability aggregating to Rs. 1,88,59,022/- in the Profit & Loss Accounts in the current year.

(Amount in Rs.)

Particulars	Upto 31.03.09	Arising during the year	Balance Carried as at 31.03.10
Deferred Tax Liabilities			
On account of timing difference in depreciation	134776598/-	79629129/-	214405727/-
<b>Total Deferred Tax Liability</b>	<b>134776598/-</b>	<b>79629129/-</b>	<b>214405727/-</b>
Deferred Tax Assets			
On account of timing Difference In disallowance u/s 43B of the Income Tax Act, 1961.	3619140/-	1590307/-	5209447/-
Deferred Tax Assets			
On account of MAT Credit available	Nil	59179800/-	59179800/-
<b>Total deferred Tax Assets</b>	<b>3619140/-</b>	<b>60770107/-</b>	<b>64389247/-</b>
<b>Net Deferred Tax Liability</b>	<b>131157458/-</b>	<b>18859022/-</b>	<b>150016480/-</b>

15. Information pursuant to the provisions of paragraphs 3 & 4 of Part II of Schedule VI of Companies Act 1956

## a) Particulars of licenced &amp; installed capacity and production

Particulars	Licenced Capacity (p.a.)	Installed Capacity (p.a.)	Production Capacity year
I.V. SECTION	2400.00*	2400.00*	1675.42
Large Volume	(1500.00)	(1500.00)	(1533.17)
TABLET SECTION	14250.00	14250.00	3077.54**
Tablets/Capsules	(14250.00)	(14250.00)	(2332.03)
OPHTHALMICS SECTION	4500.00	4500.00	2177.24
Ampoules	(4500.00)	(4500.00)	(2139.77)
Injections	1080.00	1080.00	315.35**
	(1080.00)	(1080.00)	(108.00)

\* Increased during the year

\*\* Tablets includes Trading Purchase for 91.79 lacs and Injections includes Trading Purchase for 73.21 lacs.

## b) Particulars of Sales

Particulars	Quantity (Nos. in lacs)	Value (Rs. in lacs)
<b>I.V. SECTION</b>		
I.V. Transfusion	1720.58	16252.18
Fluid bottles	(1483.46)	(14146.35)
<b>TABLET SECTION</b>		
Tablets/Capsules	3039.68 (1962.97)	3713.26 (2552.01)
<b>OPHTHALMICS SECTION</b>		
Ampoules	2391.84 (2018.82)	2704.50 (2290.62)
Liquid Syrup (Bottles)	24.13 (24.08)	511.57 (498.45)
Injection (Nos)	210.98 (103.05)	6752.86 (1861.04)
Goods for Resale/Other Sales		3793.84 (1346.69)

## c) Details of Quantity &amp; Value of Opening &amp; Closing stock of finished goods &amp; Work in Process

Particulars	Opening Stock		Closing Stock	
	Quantity (Units in lacs)	Value (Rs.in lacs)	Quantity (Units in lacs)	Value (Rs.in lacs)
<b>Finished Goods</b>				
I.V. Transfusion	282.85	1469.59	237.69	1178.71
(Fluid Bottles)	(233.14)	(1055.25)	(282.85)	(1469.59)
Tablet/Capsules	1065.57	889.25	1021.46	787.98
(Nos.)	(740.66)	(576.79)	(1065.57)	(889.25)
Ophthalmic	742.44	615.13	661.39	483.18
(Ampoules)	(765.85)	(791.93)	(742.44)	(615.13)
Liquid Syrup	8.60	107.31	7.85	90.62
(Bottles)	(2.64)	(28.54)	(8.60)	(107.31)
Injections	36.43	602.95	105.31	1134.69
(Units)	(25.99)	(366.09)	(36.43)	(602.95)
<b>Work in Process</b>				
Tablet/Capsules	139.19	83.10	221.16	113.66
(Nos.)	(95.04)	(87.97)	(139.19)	(83.10)
Ophthalmic	222.65	185.73	89.10	104.71
(Ampoules)	(78.29)	(93.72)	(222.65)	(185.73)
Injections	4.15	74.49	39.65	115.17
	(9.64)	(93.67)	(4.15)	(74.49)

- Note:
1. Figures in brackets represent previous year figures.
  2. Production figures also include work in process.



## d Material Consumed

Materials	Quantity (MTs)		Value (Rs. in lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2010	Year ended 31.03.2009
1. Plastic Granules	4627.84	4338.31	3432.75	3233.91
2. Other Materials			15010.47	8834.72
Total Material Consumed			18483.22	12065.63

		Year ended 31.03.2010	Year ended 31.03.2009
Material Consumed			
(i)	Indigenous	76.80%	93.47%
(ii)	Imported	23.20%	6.53%

## e) Foreign Exchange Outgo

		Year ended 31.03.2010	Year ended 31.03.2009
a)	CIF Value of Import Raw Material Packing Material Capital Goods	Rs. 4289.70 lacs NIL Rs. 1.45 Lacs	Rs. 1364.84 lacs Rs. 15.60 lacs Rs. 4.22 lacs
b)	Remittance in Foreign Exchange towards (a) (Out go)	Rs. 2661.83 lacs	Rs. 167.37 lacs
c)	Remittance in Foreign Exchange for product regn and others	Rs. 19.46 lacs	Nil
d)	Remittance in Foreign Exchange for Dividend	Nil	Nil
e)	Foreign Traveling Outgo	Rs. 22.76 lacs	Rs. 45.18 lacs
f)	Earning in Foreign Exchange	Rs. 454.90 lacs	Rs 632.02 lacs

## 16. The details of the investments made are as under (at Cost): -

Script	Face Value (Rupees)	Quantity		Amount (Rs.in lacs)	
		Year 31.3.10	Year 31.3.09	Year 31.3.10	Year 31.3.09
Quoted					
Medicaman Biotech Ltd (Market Value Rs.24.95 per Share)	10	10000	10000	1.00	1.00
PNB Principle Long Term Mutual Fund (Market Value Rs10.91 per Unit)	10	200000	200000	20.00	20.00
SBI One India Fund (Market Value Rs.10.67 per Unit)	10	100000	100000	10.00	10.00
Unquoted					
Parenteral Biotech Ltd. Equity Shares (Subsidiary of the Company)	10	127500	127500	12.75	12.75
Abhay Drugs Limited Equity Shares (Subsidiary of the Company)	10	50000	50000	5.00	5.00
Parenteral Impex Limited Equity Shares (Subsidiary of the Company)	10	50000	50000	5.00	5.00
Parentech Healthcare Limited Equity Shares (Subsidiary of the Company)	10	495000	50000	49.50	5.00
Anjaney Pharmaceuticals Limited Equity Shares (Subsidiary of the Company)	10	50000	50000	5.00	5.00
Parenteral Surgicals Limited Equity Shares (Subsidiary of the Company)	10	50000	50000	5.00	5.00
National Saving Certificate Punjab Formulations Limited				0.10	0.10
Equity Shares	10	600000	600000	9900.00	9900.00
Preference Shares (Subsidiary of the Company)	10	2400000	2400000	240.00	240.00
Goa Formulations Limited Equity Shares (Subsidiary of the Company)	10	3250000	3250000	3700.00	3700.00

Signature to Schedules "A" to "P"

As per our report of even date attached  
For T.N.Unni & Co.  
Chartered Accountants  
T.N.Unni  
Partner  
Camp : Udaipur  
Date : 2nd September, 2010

Ms. Archana Agar  
Company Secretary

For and on behalf of the Board  
Manoharlal Gupta  
Chairman-Cum-Managing Director  
Vinod Kumar Gupta  
Managing Director  
Govind Das Garg  
Whole-time Director  
Place : Indore  
Date : 2nd September, 2010

# Certificate

To,  
The Board of Directors  
Parenteral Drugs (India) Limited  
340, Laxmi Plaza, Laxmi Industrial Estate  
New Link Road, Andheri (W)  
MUMBAI-400 053

We have examined the attached cash flow statement of the Parenteral Drugs (India) Limited for the period ended 31.03.2010. The statement has been prepared by the Company in accordance with the requirement of clause 32 of the Stock Exchange and is based on in agreement with corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 2nd September, 2010 to the members of the Company.

Camp: Udaipur  
Date: 2<sup>nd</sup> September, 2010

For T.N.Unni & Co.  
Chartered Accountants  
T.N.Unni  
(Partner)

## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

(Rs. in Lacs)

	YEAR ENDED 31.03.2010		YEAR ENDED 31.03.2009	
<b>A - CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net profit before tax and extra-ordinary items		3461.56		1675.54
adjustment for :				
1. Depreciation	766.61		571.18	
2. Interest/Dividend	1380.26	2146.87	1230.55	1801.73
Operating profit before working capital change		5608.43		3477.27
adjustment for :				
1. Trade and other receivable	-2768.56		-1801.04	
2. Inventories	-447.85		-1953.59	
3. Trade and other Payable	4539.79	1323.38	3805.75	51.12
Cash Generated from Operation		6931.81		3528.39
1. Interest Paid		-1380.26		-1230.55
2. Direct Taxes Paid		-651.51		-259.36
Cash Flow Before Extraordinary items		4900.04		2038.48
Extra ordinary Items		30.00		42.55
Net cash from operating activities.....A		4930.04		2081.03
<b>B - CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of fixed assets		-9886.06		-3744.89
Purchase of investments		-44.50		-13856.10
Dividend Received		43.20		0.00
Net Cash used in investing activities ....B		-9887.36		-17600.99
<b>C - CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Proceeds from issue of share capital		2013.23		13217.00
Proceeds from long term borrowings		5148.29		1982.23
Repayment of Finance Liabilities		-1800.80		-741.91
Dividend Paid		-378.47		-208.05
Net Cash from Financing Activities ....C		4982.25		14249.27
Net increase/decrease in Cash & Cash equivalents (A+B+C)		24.93		-1270.69
Cash and Cash equivalents as at 01.04.2009 (Opening Balance)		944.46		2215.15
Cash and Cash equivalents as at 31.03.2010 (Cash & Bank Balance) (Closing Balance)		969.39		944.46
(Previous year figure have been re-grouped wherever necessary)				

As per our report of even date attached  
 For T.N.Unni & Co.  
 Chartered Accountants  
 T.N.Unni  
 Partner  
 Camp : Udaipur  
 Date : 2nd September, 2010

Ms. Archana Agar  
 Company Secretary

For and on behalf of the Board  
 Manoharlal Gupta  
 Chairman-Cum-Managing Director  
 Vinod Kumar Gupta  
 Managing Director  
 Govind Das Garg  
 Whole-time Director  
 Place : Indore  
 Date : 2nd September, 2010

**PARENTERAL DRUGS (INDIA) LTD., MUMBAI**
**SCHEDULE VI**
**PART IV**
**BALANCE SHEET ABSTRACT AND COMPANY'S  
GENERAL BUSINESS PROFILE**
**I. REGISTRATION DETAILS**

 Registration No. 

L	9	9	9	9	9	M	H	1	9	8	3
P	L	C	1	2	6	4	8	1			

 Balance Sheet Date 

3	1
---	---

0	3
---	---

2	0	1	0
---	---	---	---

  
Date Month Year

**II. CAPITAL RAISED DURING THE YEAR**
**(Amount in Rs. Thousands)**

 Public Issue 

N	I	L
---	---	---

 Rights Issue 

N	I	L
---	---	---

 Bonus Issue 

N	I	L
---	---	---

 Private Placement 

1	2	0	0	0
---	---	---	---	---

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS**
**(Amount in Rs. Thousands)**

 Total Liabilities 

5	1	9	8	3	5	7
---	---	---	---	---	---	---

 Total Assets 

5	1	9	8	3	5	7
---	---	---	---	---	---	---

**Sources of Funds**

 Paid-up Capital 

2	5	8	6	2	2
---	---	---	---	---	---

 Reserves & Surplus 

2	8	8	7	6	3	2
---	---	---	---	---	---	---

 Share App. Money for Pef. Share 

5	9	2	6	4
---	---	---	---	---

 Secured Loans 

1	7	9	4	7	2	2
---	---	---	---	---	---	---

 Unsecured Loans 

1	9	8	1	1	7
---	---	---	---	---	---

**Application of Funds**

 Net Fixed Assets 

2	2	5	9	6	8	8
---	---	---	---	---	---	---

 Investments 

1	3	9	5	3	3	5
---	---	---	---	---	---	---

 Net Current Assets 

1	5	4	3	2	7	1
---	---	---	---	---	---	---

 Misc. Expenditure 

					6	3
--	--	--	--	--	---	---

**IV. PERFORMANCE OF COMPANY**
**(Amount in Rs. Thousands)**

 Turnover 

3	3	7	2	8	2	1
---	---	---	---	---	---	---

 Total Expenditure 

3	0	2	2	3	4	5
---	---	---	---	---	---	---

 Profit / Loss before tax 

✓	-		3	5	0	4	7	6
---	---	--	---	---	---	---	---	---

 Profit / Loss after tax 

✓	-		2	7	2	8	9	8
---	---	--	---	---	---	---	---	---

 Earning per Share in Rs. 

1	4	.	4	4
---	---	---	---	---

 Divident rate % 

2	0
---	---

**V. GENERIC NAMES OF PRODUCT OF THE COMPANY**
**(as per monetary terms)**

 Item Code No.(ITC Code) 

3	0	0	3	3	9	0	0
---	---	---	---	---	---	---	---

 Product Description 

I	N	T	R	A	V	E	N	O	U	S	
T	R	A	N	S	F	U	S	I	O	N	S

 Item Code No.(ITC Code) 

3	0	0	4	9	0	9	9
---	---	---	---	---	---	---	---

 Product Description 

T	A	B	L	E	T		
C	A	P	S	U	L	E	S

 Item Code No.(ITC Code) 

3	0	0	4	9	0	7	6
---	---	---	---	---	---	---	---

 Product Description 

W	A	T	E	R	F	O	R		
I	N	J	E	C	T	I	O	N	S

 For T.N.Unni & Co.  
Chartered Accountants  
T.N.Unni  
Partner  
Camp : Udaipur  
Date : 2nd September, 2010

 Ms. Archana Agar  
Company Secretary

 For and on behalf of the Board  
Manoharlal Gupta  
Chairman-Cum-Managing Director  
Vinod Kumar Gupta  
Managing Director  
Govind Das Garg  
Whole-time Director  
Place : Indore  
Date : 2nd September, 2010



## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

### SUMMARY OF FINANCIAL INFORMATION FO SUBSIDIARY COMPANIES

Particular	GOA FORMULATIONS LIMITED	ABHAY DRUGS LIMITED	ANJANEY PHARMACEUTICALS LIMITED	PARENTECH HEALTHCARE LIMITED	PARENTERAL IMPEX LIMITED	PARENTERAL BIOTECH LIMITED	PUNJAB FORMULATIONS LIMITED	PARENTERAL SURGICALS LIMITED
Name of the subsidiary Company	GOA FORMULATIONS LIMITED	ABHAY DRUGS LIMITED	ANJANEY PHARMACEUTICALS LIMITED	PARENTECH HEALTHCARE LIMITED	PARENTERAL IMPEX LIMITED	PARENTERAL BIOTECH LIMITED	PUNJAB FORMULATIONS LIMITED	PARENTERAL SURGICALS LIMITED
A Issued and Subscribed Share Capital	3,25,00,000	5,00,000	5,00,000	90,00,000	5,00,000	25,00,000	3,00,00,000	5,00,000
B Reserve	64,79,410	NIL	NIL	3,99,915	NIL	33,80,850	7,65,57,249	NIL
C Total Assets	27,77,71,257	5,26,555	12,04,050	9,09,09,815	42,27,328	4,44,17,018	41,93,37,281	3,91,50,647
D Total Liabilities	23,87,91,848	26,655	7,04,050	8,15,09,899	37,27,328	3,86,02,698	31,30,80,032	3,86,50,647
E Investments (except investment in subsidiaries)	NIL	NIL	NIL	NIL	NIL	NIL	3,00,000	NIL
F Turnover	17,00,79,726	NIL	NIL	8,20,46,228	NIL	NIL	51,95,96,286	NIL
G Profit before taxation	96,75,036	NIL	NIL	4,48,325	NIL	NIL	3,67,00,450	NIL
H Provision for Taxation	29,43,786	NIL	NIL	1,91,199	NIL	NIL	1,21,47,831	NIL
I Profit after taxation	67,31,250	NIL	NIL	2,57,125	NIL	NIL	2,45,52,619	NIL
J Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Note : Parenteral Drugs Kazakhstan has been incorporated in Kazakhstan on 3rd October, 2008. Since the first accounts of the Company have not been finalized, no information has been provided as above. However, Company has invested US \$ 70,000 before March 2010 towards 100% equity subscription.

## REPORT OF THE AUDITORS' ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have examined the attached Consolidated Balance Sheet of M/s. Parenteral Drugs (India) Limited and its subsidiaries i.e. M/s Punjab Formulations Limited, M/s Goa Formulations Limited, M/s. Parenteral Biotech Limited, M/s Parenteral Impex Limited, M/s Abhay Drugs Ltd., M/s Anjaney Pharmaceuticals Ltd., M/s Parentech Healthcare Ltd., M/s Parenteral Surgicals Limited as at 31st March 2010, and the Consolidated Profit & Loss Account of the Company for the year then ended.

These consolidated financial statements are the responsibility of the management of Parenteral Drugs (India) Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We have 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 whether the financial statements are prepared, in all material respect, in accordance with an identified financial reporting framework and are free of material mis-statement. 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 standard presentation. We believe that our audit provides a reasonable basis for our opinion.

We have audited the financial statements of Punjab Formulations Limited (Indian Subsidiary) whose financial statements reflected total assets of Rs. 3607.13 lacs as at 31st March 2010 and total revenue of Rs. 5195.96 lacs for the year ended on that date.

We have audited the financial statements of Goa Formulations Limited (Indian Subsidiary) whose financial statements reflected total assets of Rs. 2691.53 lacs as at 31st March 2010 and total revenue of Rs. 1700.80 lacs for the year ended on that date.

We have audited the financial statements of Parenteral Biotech Limited (Indian Subsidiary) whose financial statements reflected total assets of Rs. 442.79 lacs as at 31st March 2010 and total revenue of Nil for the year ended on that date.

We have audited the financial statements of Parenteral Impex Limited (Indian Subsidiary) whose financial statements reflected total assets of Rs. 41.91 lacs as at 31st March 2010 and total revenue of Nil for the year ended on that date.

We have audited the financial statements of Abhay Drugs Ltd. (Indian Subsidiary) whose financial statements reflected total assets of Rs. 5.25 lacs as at 31st March 2010 and total revenue of Nil for the year ended on that date.

We have audited the financial statements of Anjaney Pharmaceuticals Ltd. (Indian Subsidiary) whose financial statements reflected total assets of Rs. 5.00 lacs as at 31st March 2010 and total revenue of Nil for the year ended on that date.

We have audited the financial statements of Parentech Healthcare Ltd. (Indian Subsidiary) whose financial statements reflected total assets of Rs. 704.32 lacs as at 31st March 2010 and total revenue of Rs. 820.46 lacs for the year ended on that date.

We have audited the financial statements of Parenteral Surgicals Limited (Indian Subsidiary) whose financial statements reflected total assets of Rs. 5.30 lacs as at 31st March 2010 and total revenue of Nil for the year ended on that date.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Parenteral Drugs (India) Limited and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanation given to us, and subject to the separate audit reports on individual audited financial statements of Parenteral Drugs (India) Limited and its subsidiaries, we are of the opinion that :

- (a) the Consolidated Balance Sheet given a true and fair view of the consolidated state of affairs of Parenteral Drugs (India) Limited and its subsidiaries as at 31st March 2010;
- (b) the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Parenteral Drugs (India) Limited and its subsidiaries for the year then ended.
- (c) the Consolidated Cash Flow Statement gives a true and fair view of the Consolidated Cash Flow of the group for the year then ended.

Camp : Udaipur

Date: 2<sup>nd</sup> September, 2010

For T.N.Unni & Co.  
Chartered Accountants  
T.N.Unni  
(Partner)



## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

## CONSOLIDATED BALANCE SHEET AS AT 31.03.2010

(Rupees)

	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
<b>SOURCES OF FUNDS</b>			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	A	317886250	309686250
RESERVES & SURPLUS	B	2974681654	2496824647
MINORITY INTEREST		5390706	1225000
LOAN FUNDS			
SECURED LOANS	C	2069696910	1493857206
UNSECURED LOANS	D	488597550	386788177
	TOTAL	5856253070	4688381280
<b>APPLICATION OF FUNDS</b>			
FIXED ASSETS			
GROSS BLOCK	E	2926623803	1929358505
LESS DEPRECIATION		368559230	278359552
NET BLOCK		2558064573	1650998953
INVESTMENTS		3410000	3410000
GOODWILL		1321817044	1321817044
(Excess of Cost over equity portion in Subsidiaries)			
CURRENT ASSETS, LOANS AND ADVANCES			
INVENTORIES	F	854318597	753113330
SUNDRY DEBTORS	G	1228925941	863861911
CASH & BANK BALANCES	H	128194906	106563565
LOANS & ADVANCES	I	436248394	417624129
		2647687838	2141162935
LESS : CURRENT LIABILITIES AND PROVISIONS	J	708847644	443412708
NET CURRENT ASSETS		1938840194	1697750227
MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)		34121260	14405057
	TOTAL	5856253070	4688381280

As per our report of even date attached  
For T.N.Unni & Co.  
Chartered Accountants  
T.N.Unni  
Partner  
Camp : Udaipur  
Date : 2nd September, 2010

Ms. Archana Agar  
Company Secretary

For and on behalf of the Board  
Manoharlal Gupta  
Chairman-Cum-Managing Director  
Vinod Kumar Gupta  
Managing Director  
Govind Das Garg  
Whole-time Director

Place : Indore  
Date : 2nd September, 2010

## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

## CONSOLIDATED PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2010

(Rupees)

	SCHEDULE	For the year ended on 31.03.2010	For the year ended on 31.03.2009
<u>INCOME</u>			
SALES (NET OF RETURNS)		4144543530	2693738366
INCREASE/DECREASE IN STOCK (+/-)	K	5922111	131014832
OTHER INCOME		18652420	3813083
	TOTAL	4169118061	2828566281
<u>EXPENDITURE</u>			
MATERIAL CONSUMED		2280984136	1423654354
MANUFACTURING EXPENSES	L	283784959	241622093
EXPENDITURE ON EMPLOYEES	M	139515665	108455592
ADMINISTRATIVE & GENERAL EXPENSES	N	212613976	167752541
SELLING & DISTRIBUTION EXPENSES	O	589805161	474015457
INTEREST & FINANCIAL OUTLAY		174816470	154426036
DEPRECIATION	E	90297676	70317799
	TOTAL	3771818043	2640243873
<u>PROFIT BEFORE TAXATION</u>		397300018	188322408
LESS: INCOME TAX FOR THE YEAR		71239231	21536360
LESS: FRINGE BENEFIT TAX FOR THE YEAR		--	3750012
ADD : INCOME TAX FOR PREVIOUS YEARS		109964	--
LESS: PROVISION FOR DEFERRED TAX LIABILITIES		21731854	46223459
<u>PROFIT AFTER TAX</u>		304438897	116812577
ADD: BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		312060135	314705935
SURPLUS AVAILABLE FOR APPROPRIATION		616499032	431518512
<u>APPROPRIATION</u>			
TRANSFERRED TO GENERAL RESERVE		40934685	21538769
PROPOSED DIVIDEND		37846831	25125000
TAX ON DISTRIBUTED PROFIT		6432069	4392358
ISSUE OF SHARES AS PER AMALGAMATION SCHEME		--	72722250
ADD: BALANCE OF PROFIT & LOSS ACCOUNT OF AMALGAMATING CO.		--	4320000
LESS: MINORITY INTEREST		115706	--
SURPLUS TRANSFERRED TO BALANCE SHEET		531169741	312060135
EARNING PER SHARE		16.11	7.45
DILUTED EARNING PER SHARE		16.11	7.45

As per our report of even date attached  
For T.N.Unni & Co.  
Chartered Accountants  
T.N.Unni  
Partner  
Camp : Udaipur  
Date : 2nd September, 2010

Ms. Archana Agar  
Company Secretary

For and on behalf of the Board  
Manoharlal Gupta  
Chairman-Cum-Managing Director  
Vinod Kumar Gupta  
Managing Director  
Govind Das Garg  
Whole-time Director

Place : Indore  
Date : 2nd September, 2010

## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

 SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET & PROFIT & LOSS ACCOUNT  
 (Rupees)

	AS AT 31.03.2010	AS AT 31.03.2009
<b>SCHEDULE A</b>		
<b>SHARE CAPITAL</b>		
Authorised		
26500000 Equity Shares of Rs. 10/- each	265000000	265000000
3500000 Shares, Redeemable, Non Cumulative, Non convertible	35000000	35000000
Preference Share of Rs. 10/- Each		
2962102 - 0% Optionally convertible, redeemable	29621020	29621020
Preference Share of Rs. 10/- Each		
7037898 - Redeemable Preference shares of Rs.10/-each	70378980	--
<b>Issued Subscribed and Paid Up</b>		
Equity Share Capital		
19400123 Equity Shares of Rs. 10/- each	194001230	182001230
(including 6284720 Equity Shares of Rs.10 /- each Bonus shares issued as fully paid up out of free reserve & 1042560 Equity shares of 10 each issued as fully paid up out of revaluation reserves)		
Preference Share Capital		
3500000 Shares, Redeemable, Non Cumulative, Non convertible	35000000	35000000
Preference Share of Rs. 10/- Each		
2962102 - 0% Optionally convertible, redeemable	29621020	29621020
Preference Share of Rs. 10/- Each		
Share Application Money for Preference Share Capital		
	59264000	59264000
Advance against Warrants		
10% Nominal value advance for 3800000 Warrants(2400000 Warrants issued to promoters) convertible into Equity Shares allotted contingent upon allottee's exercise of option to apply and payment of balance and fulfilment of essential conditions of allotment.	--	3800000
<b>TOTAL</b>	<b>317886250</b>	<b>309686250</b>

## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

(Rupees)

	AS AT 31.03.2010	AS AT 31.03.2009
<b>SCHEDULE B</b>		
<b>RESERVES &amp; SURPLUS</b>		
General Reserve	158491874	69090589
Opening balance	69090589	
Add: Transferred from the current year profit	40934685	
Add: Share warrant money forfeited	48466600	
Profit & Loss A/c	531169741	312060135
Capital Reserve	100000	100000
Capital subsidy Reserve (09-10)	6000000	3000000
Revaluation Reserve	12106128	12148067
Share Premium	2037074013	1825382013
Warrant Premium	--	67035800
Amalgamation reserve	34422287	34422287
Deferred Tax Reserve	172277612	150545758
Reserve for the previous years	150545758	
Add: Liability for the current year	21731854	
Dividend Reserve Account	23040000	23040000
<b>TOTAL</b>	<b>2974681654</b>	<b>2496824647</b>
<b>SCHEDULE C</b>		
<b>SECURED LOANS</b>		
State Bank of India, Commercial Branch ,Indore Term Loan I for Indore plant (Secured by first pari-passu charge on fixed assets of the Company and second pari-passu charge on current assets of the Company and guaranteed by two managing directors, one director and by third parties i.e. by HUF of three Directors, by Smt. Alpana Gupta and by Diamond Crystal Private Limited.)	--	2389217
State Bank of India, Commercial Branch ,Indore Term Loan II for Baddi plant (Secured by first pari-passu charge on fixed assets of the Company and second pari-passu charge on current assets of the Company and guaranteed by two managing directors, one director and by third parties i.e. by HUF of three Directors, y Smt. Alpana Gupta and by Diamond Crystal Private Limited.)	25221160	40142747
State Bank of India, Commercial Branch ,Indore Term Loan III for Baddi plant (Secured by first pari-passu charge on fixed assets of the Company and second pari-passu charge on current assets of the Company and guaranteed by two managing directors, one director and by third parties i.e. by HUF of three Directors, by Smt. Alpana Gupta and by Diamond Crystal Private Limited.)	70747104	106073363

## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

(Rupees)

	AS AT 31.03.2010	AS AT 31.03.2009
State Bank of India, Commercial Branch ,Indore Term Loan IV for Baddi plant (Secured by first pari-passu charge on fixed assets of the Company and second pari-passu charge on current assets of the Company and guaranteed by two managing directors, one director and by third parties i.e. by HUF of three Directors, by Smt. Alpana Gupta and by Diamond Crystal Private Limited.)	232386799	282944566
State Bank of India, Commercial Branch ,Indore Term Loan - V for Indore plant (Secured by first pari-passu charge on fixed assets of the Company and second pari-passu charge on current assets of the Company and guaranteed by two managing directors, one director and by third parties i.e. by HUF of three Directors, by Smt. Alpana Gupta and by Diamond Crystal Private Limited and secured by pledge of 5 lacs BSE traded Shares of the Company held by Rajratan Exports Limited)	498826348	--
State Bank of India, Commercial Branch ,Indore Corporate Loan (Secured by first pari-passu charge on fixed assets of the Company and specifically secured by pledge of 20 lacs BSE traded Shares of the Company held by Rajratan Exports Limited.)	64708313	127763368
Punjab National Bank, Chandigarh Term Loan for Baddi plant (Secured by first pari-passu charge on fixed assets of the Company and second pari-passu charge on current assets of the Company and guaranteed by two managing directors, one director and by third parties i.e. by HUF of three Directors, by Smt. Alpana Gupta and by Diamond Crystal Private Limited.)	16401823	23972938
Punjab National Bank, Chandigarh Term Loan for Indore plant (Secured by first pari-passu charge on fixed assets of the Company and second pari-passu charge on current assets of the Company and guaranteed by two managing directors, one director and by third parties i.e. by HUF of three Directors, by Smt. Alpana Gupta and by Diamond Crystal Private Limited.)	13946986	20204018
State Bank of India, Commercial Branch ,Indore Cash Credit (Secured by first pari-passu charge on current assets of the Company and second pari-passu charge on fixed assets of the Company and guaranteed by two managing directors, one director and by third parties i.e. by HUF of three Directors and by Smt. Alpana Gupta and by Diamond Crystal Private Limited.)	614452713	466764269
Punjab National Bank, Chandigarh Cash Credit (Secured by first pari-passu charge on current assets of the Company and second pari-passu charge on fixed assets of the Company and guaranteed by two managing directors, one director and by third parties i.e. by HUF of three Directors and by Smt. Alpana Gupta and by Diamond Crystal Private Limited)	258031030	185658271

## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

(Rupees)

	AS AT 31.03.2010	AS AT 31.03.2009
ICICI Bank Ltd Car Finance (Secured by hypothecation of car)	--	31901
Punjab National Bank, Chandigarh Term Loan for Jalandhar Plant (Secured against Hypothecation of Plant and Machinery along with equitable charge on Land & Building belonging to the Company & the personal guarantee of the Directors)	13116116	20687461
Punjab National Bank, Chandigarh Cash Credit for Jalandhar Plant (Secured against hypothecation of all Current Assets including stocks & book debts belonging to the Company & personal guarantee of the Directors)	137232385	96579046
Cholamandalam DBS Finance Ltd. Vehicle Loan (Secured against hypothecation of Vehicle financed)	58118	204302
Punjab National Bank, Goa Term Loan for Goa Plant (Secured by first charge on Fixed Assets of the Company & second charge on Current Assets of the Company of the Company & personal guarantee of the Directors & corporate guarantee of Holding Company)	73568045	91562805
Punjab National Bank, Goa Cash Credit for Goa Plant (Secured by first charge on Current Assets of the Company & second charge on Fixed Assets of the Company & personal guarantee of the Directors & corporate guarantee of Holding Company)	32681692	28878934
Bank of India, New Delhi Overdraft Account (Secured by hypothecation of Current Assets, pledge of Term Deposits and Equity Shares of ITC Ltd and personal guarantee of Director)	18318278	--
TOTAL	2069696910	1493857206
<b>SCHEDULE D</b>		
<b>UNSECURED LOANS</b>		
From Directors & Relatives	15180249	5640513
Inter Corporate Deposit	349685793	273210325
Security Deposit from Dealers & Suppliers	123731508	107937339
TOTAL	488597550	386788177

PARENTERAL DRUGS (INDIA) LTD., MUMBAI

SCHEDULE "E"  
FIXED ASSETS AND DEPRECIATION AS ON 31.03.2010

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 01.04.2009	ADDITION	DEDUCTION/ TRANSFER	AS ON 31.03.2010	UPTO 01.04.2009	FOR THE YEAR	DEPRECIATION ON REVALUATION	WRITTEN BACK	AS ON 31.03.2010	AS ON 31.03.2009
LAND	45316845	--	--	45316845	--	--	--	--	45316845	45316845
FACTORY BUILDING	446185637	15587091	--	461772728	59845868	14305051	27455	--	387594353	386339768
OFFICE PREMISES	1566460	--	--	1566460	192686	9780	--	--	1363994	1373774
VEHICLES	13589589	838402	--	14427991	8157459	1199194	--	--	5071338	5432130
OFFICE EQUIPMENTS	3827572	975342	--	4802914	1329021	184872	--	--	3289021	2498551
ELECTRICAL INSTALLATION	53369812	1426319	--	54796131	11423873	2526107	847	--	40845304	41945939
PLANT & MACHINERY	1212801738	814440383	1965808	2025276313	169832111	69476712	13637	139934	1786093790	1042969627
FURNITURE & FITTINGS	17441057	898272	--	18339329	7354318	1094478	--	--	9890532	10086738
COMPUTER & SOFTWARE	24151325	2112916	--	26264241	20224215	1501482	--	--	4538544	3927110
CAPITAL WORK IN PROCESS	111108470	302487713	139535332	274060851	--	--	--	--	274060851	111108470
TOTAL	1929358505	1138766438	141501140	2926623803	278359552	90297676	41939	139934	2558064573	1650998953
PREVIOUS YEAR FIGURES	1229584792	699773713	--	1929358505	186474377	93694446	41939	1851210	1650998953	1043110415

## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

(Rupees)

	AS AT 31.03.2010	AS AT 31.03.2009
<b>SCHEDULE F</b>		
<u>INVENTORIES</u> (At Cost or market value whichever is less)		
(As taken, valued & certified by Management)		
Raw Material and Packing Material and stores	317419208	265569656
Finished Goods and SIP	536899389	487543674
TOTAL	854318597	753113330
<b>SCHEDULE G</b>		
<u>SUNDRY DEBTORS</u>		
Due for more than 6 months (considered good)	49196211	39609954
Other Debts (Considered good)	1179729730	824251957
TOTAL	1228925941	863861911
<b>SCHEDULE H</b>		
<u>CASH &amp; BANK BALANCES</u>		
Cash in Hand	3065341	1363567
Cheques in Hand	14465791	20018444
In Current Account with Scheduled Banks	47351763	46967163
In Fixed Deposit with Scheduled Banks	63312011	38214391
TOTAL	128194906	106563565
<b>SCHEDULE I</b>		
<u>LOANS AND ADVANCES</u>		
Advances	281050711	268707137
(Recoverable in cash or in kind or for value to be received considered good )		
Accrued and Prepaid	3121630	3157339
Dividend receivable	23040000	18720000
Tender and other Deposits	40333013	28061960
Income Tax paid	88703040	95977693
1) Tax Deducted at Source	3065172	
2) Advance Income Tax	12275326	
3) Income Tax Payments on a/c pending Assessments/Appeals	72074845	
4) Advance Fringe benefit tax	1287697	
Capital Subsidy Receivable	--	3000000
TOTAL	436248394	417624129
<b>SCHEDULE J</b>		
<u>CURRENT LIABILITIES &amp; PROVISIONS</u>		
Sundry Creditors	431725888	224686096
Outstanding Liabilities	85941251	96954635
Dividend payable	37846831	20805000
Taxes Payable	153333674	100966977
1) Provision for Income Tax for the year	71239230	
2) Income Tax payable for previous years	51951226	
3) Tds Payable	7845640	
4) Dividend Taxes Payable	6432069	
5) Other Taxes Payable	15865509	
TOTAL	708847644	443412708



**PARENTERAL DRUGS (INDIA) LTD., MUMBAI**

(Rupees)

	For the year ended on 31.03.2010	For the year ended on 31.03.2009
<b>SCHEDULE K</b>		
<b><u>INCREASE/DECREASE IN STOCK</u></b>		
Stock of finished goods and SIP as at the close of the year	493465785	487543674
Less: Stock of finished goods and SIP as at the commencement of the year	487543674	356528842
<b>TOTAL</b>	<b>5922111</b>	<b>131014832</b>
<b>SCHEDULE L</b>		
<b><u>MANUFACTURING EXPENSES</u></b>		
Factory Expenses	20976150	18814053
Analytical, Testing Expenses & Processing expenses	111064053	89867064
Power , Coal and Fuel	118323414	103935360
Consumable Stores	5730185	4562931
Repairs and Maintenance to fixed assets	14491722	15528613
Excise Duty	13199435	8914072
<b>TOTAL</b>	<b>283784959</b>	<b>241622093</b>
<b>SCHEDULE M</b>		
<b><u>EXPENDITURE ON EMPLOYEES</u></b>		
Salaries (Including P.F. Bonus ,Gratuity & Earned Leave )	137609198	107128302
Staff Welfare	1906467	1327290
<b>TOTAL</b>	<b>139515665</b>	<b>108455592</b>
<b>SCHEDULE N</b>		
<b><u>ADMINISTRATIVE &amp; GENERAL EXPENSES</u></b>		
Rent,Rates, Taxes & Insurance	135557530	98329128
Stationery & printing	5763407	4331140
Postage, Telegram & Telephone	20937460	15483439
Legal & Professional Expenses	12485591	13020769
Directors' Remuneration	8400000	8400000
Auditors' Remuneration	172360	149944
Convyance Expenses	9866052	8681723
Vehicle Running & Maintenance	4898550	5442749
Repairs & Maintenance Off.Bldg.	749454	764166
Miscellaneous and general expenses	8542850	8409826
Software & computer maintenance	903108	1820629
Membership & Subscription	1014892	259095
Sundry Balance Written-off	89992	2094
Licence & Fees	3232730	2657839
<b>TOTAL</b>	<b>212613976</b>	<b>167752541</b>
<b>SCHEDULE O</b>		
<b><u>SELLING &amp; DISTRIBUTION EXPENSES</u></b>		
Travelling Expenses	119576695	98571162
Business Promotion	13857570	9255105
Carriage Outward	261038622	216583312
Advertising, Publicity and Conference	5963728	6208993
Discount	19160088	4074013
Sales Commission	142516975	116655595
Sales Incentive	19635600	21230693
Miscellaneous Selling Expenses	8055883	1436585
<b>TOTAL</b>	<b>589805161</b>	<b>474015457</b>

## PARENTERAL DRUGS (INDIA) LTD., MUMBAI

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

(Rs. In lacs)

	YEAR ENDED 31.03.2010		YEAR ENDED 31.03.2009	
<b>A - CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net profit before tax and extra-ordinary items		3973.00		1883.22
adjustment for :				
1. Depreciation	902.98		703.18	
2. Interest/Dividend	1748.16	2651.14	1414.71	2117.89
Operating profit before working capital change		6624.14		4001.11
adjustment for :				
1. Trade and other receivable	-3838.80		-3344.69	
2. Inventories	-1012.05		-3237.43	
3. Trade and other Payable	5484.63	633.78	5715.3	-866.82
Cash Generated from Operation		7257.92		3134.29
1. Interest Paid		-1748.16		-1414.71
2. Direct Taxes Paid		-775.61		-296.79
Cash Flow Before Extraordinary items		4734.15		1422.79
Extra ordinary Items		30.00		0.00
Net cash from operating activities.....A		4764.15		1422.79
<b>B - CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of fixed assets		-9974.07		-6997.74
Purchase of investments		0.00		-12596.16
Pre-Operative Exp./Other Adjustment		-197.16		-125.94
Net Cash used in investing activities ....B		-10171.23		-19719.84
<b>C - CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Proceeds from issue of share capital		2053.73		13217.00
Proceeds from long term borrowings		6006.35		5019.92
Repayment of Finance Liabilities		-2058.22		-858.40
Dividend Paid		-378.47		-251.25
Net Cash from Financing Activities ....C		5623.39		17127.27
Net increase/decrease in Cash & Cash equivalents (A+B+C)		216.31		-1169.78
Cash and Cash equivalents as at 01.04.2009 (Opening Balance)		1065.64		2235.42
Cash and Cash equivalents as at 31.03.2010 (Cash & Bank Balance) (Closing Balance)		1281.95		1065.64
(Previous year figure have been re-grouped wherever necessary)				

As per our report of even date attached  
 For T.N.Unni & Co.  
 Chartered Accountants  
 T.N.Unni  
 Partner  
 Camp : Udaipur  
 Date : 2nd September, 2010

Ms. Archana Agar  
 Company Secretary

For and on behalf of the Board  
 Manoharlal Gupta  
 Chairman-Cum-Managing Director  
 Vinod Kumar Gupta  
 Managing Director  
 Govind Das Garg  
 Whole-time Director  
 Place : Indore  
 Date : 2nd September, 2010





**PARENTERAL DRUGS (INDIA) LTD., MUMBAI**  
 REGD. OFFICE: 340, LAXMI PLAZA, LAXMI INDUSTRIAL ESTATE,  
 NEW LINK ROAD, ANDHERI (WEST), MUMBAI-400 053

**ATTENDANCE SLIP**

(Please complete this attendance slip and hand it over at the entrance of the meeting hall)

I/We hereby record my/our presence at the 26th Annual General Meeting of the members of PARENTERAL DRUGS (INDIA) LIMITED held on 30th September, 2010 at The Classique Club, Behind Infinity Mall, Link Road, Opposite Raheja, Oshiwara, Andheri (West), Mumbai-400 053 at 9.30 A.M.

NAME(S) OF THE MEMBER(S)  
 FOLIO NO.

REGISTERED

Name of the Proxy (in block letters)

(To be filled in if the proxy attends instead of Member)

Member's / Proxy's Signature

.....

**PROXY FORM**

**PARENTERAL DRUGS (INDIA) LTD., MUMBAI**  
 REGD. OFFICE: 340, LAXMI PLAZA, LAXMI INDUSTRIAL ESTATE,  
 NEW LINK ROAD, ANDHERI (WEST), MUMBAI-400 053

I/We.....of .....being a member/members of PARENTERAL DRUGS (INDIA) LIMITED hereby appoint Mr. /Mrs.....failing him/her Mr./Mrs ..... of ..... as my /our proxy to vote for me/us on my/our behalf at the 26th Annual General Meeting of the Company to be held on 30th September, 2010 and /or at any adjournment thereof.

Signed by the said .....on this.....day of .....2010.

Regd. Folio No. ....

Affix 15 Ps.  
 Revenue  
 Stamp

Note:

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy and the Proxy need not be a member of the Company.
2. The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before at the time fixed for the Annual General Meeting.



# *Safety*

# *Health*

# *Environment*

At PDPL, facilities are landscaped with trees and green lawns. According to local and International guidelines the emissions and effluents are treated in elaborately designed filters and effluent treatment plant. The plant aims to achieve zero emission levels and also to neutralize wastes through proper treatment and disposal methods thereby ensuring a clean, green and safe environment.



Book Post

To,

*If undelivered please return to :*



**PARENTERAL DRUGS  
(INDIA) LIMITED**

Shree Ganesh Chambers, Navlakha Crossing,  
A.B.Road, Indore - 452 001 (M.P.) India