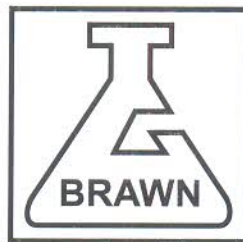




***27th Annual Report***  
***2011-2012***



**Brawn Biotech Limited**  
**(Formerly Brawn Pharmaceuticals Limited)**  
**New Delhi**



### **27th Annual General Meeting**

**Date** : 28th September, 2012

**Day** : Friday

**Time** : 03:00 P.M.

**Place** : "The Executive Club"  
439, Vill- Shahoorpur,  
P.O. – Fatehpur Beri,  
New Delhi- 110074

#### **BOARD OF DIRECTORS**

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

#### **COMPANY SECRETARY**

Mr. Amit Bansal

#### **AUDITORS**

M/s Satinder Saini & Co.  
Chartered Accountants,  
514, Suneja Tower – 1, District Center  
Janak Puri,  
New Delhi- 110058

#### **BANKERS**

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

#### **REGISTERED & CORPORATE OFFICE**

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

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

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

### **CONTENTS**

	<i>Page No.</i>
1. Notice .....	2
2. Directors' Report .....	3
3. Management Discussion & Analysis .....	6
4. Report on Corporate Governance .....	6
5. Compliance Certificate on Corporate Governance .....	12
6. Auditors' Report .....	13
7. Balance Sheet .....	16
8. Profit & Loss Account .....	17
9. Cash Flow Statement .....	18
10. Notes Forming Part of Financial Statements ...	19





**NOTICE**

Notice is hereby given that the 27th Annual General Meeting of the Members of Brawn Biotech Limited (Formerly Brawn Pharmaceuticals Limited) will be held on Friday, the 28th September, 2012 at 03:00 P.M. at "The Executive Club", 439, Vill. Shahoorpur, P.O. – Fatehpur Beri, New Delhi-110074 to transact the following businesses:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the year ended on that date and the Report of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Mahesh Kumar Nanchal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To reappoint Statutory Auditors' of the company and fix their remuneration and for the purpose to consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.

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

**Notes:**

- a.) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY, A BLANK FORM OF PROXY IS ENCLOSED HERewith AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED, DULY FILLED IN, TO THE REGISTERED/ CORPORATE OFFICE OF THE COMPANY NOT LESS THAN FOURTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**
- b.) The Register of Members and Share Transfer Book of the Company will remain closed from Saturday, the 22nd September, 2012 to Friday, the 28th September, 2012 (both days inclusive).
- c.) Shareholders are requested to intimate the change of address, if any, to the Company's Registrar & Transfer Agent M/s. RCMC Share Registry Private Limited, B-106, Sector-2, Noida – 201301 (U.P.)
- d.) Members /Proxies should bring the attendance slip enclosed herewith duly filled in for attending the meeting. Members, who hold shares in dematerialized form are requested to bring their Client ID and DP ID Number for easy identification of attending at the meeting.
- e.) Shareholders seeking any information or having any query with regard to accounts are requested to write to the Company at least seven days before the date of the meeting, so as to enable the management to keep the information ready.
- f.) Members are requested to bring their copies of Annual Reports with them to the meeting, as extra copies of the Annual Reports will not be available for distribution at the meeting.

Place : New Delhi  
Date : 31-08-2012

For and on behalf of the Board of Directors

**(B.R. Gupta)**  
Chairman-Cum-Managing Director



**DIRECTORS' REPORT**

Dear Shareholders,

The Directors have pleasure in presenting the Twenty Seventh Annual Report of your Company on the business & operations and Audited Statement of Accounts for the year ended 31st March, 2012 along with the Auditor's Report thereon.

**FINANCIAL RESULTS**

The Financial Results of the Company for the year ended 31st March 2012 are as follows:

Particulars	<i>(Rs. in Thousands)</i>	
	Year ended 31.03.2012	Year ended 31.03.2011
Gross Sales	1,50,646.63	1,61,304.53
Profit before Depreciation & Interest	2,614.19	4,579.05
Interest	505.22	425.93
Depreciation	91.62	32.13
Profit/(Loss) before Tax	2,017.35	4,120.99
Provision for Income Tax (MAT)	267.69	638.14
Deferred Tax Assets written back	1517.01	1348.31
Net Profit/(Loss) from continuing operations	232.66	2134.54
Profit/Loss brought forward	(9604.16)	(11738.70)
Amount Available for Appropriation	(9371.50)	(9604.16)
<b>Appropriations</b>		
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	(9371.50)	(9604.16)

**OPERATIONS AND PERFORMANCE**

During the year 2011-12, your Company's total sales and other income were Rs. 150646.63 thousand and it earned profit before tax of Rs. 2017.35 Thousands in contrast to previous year's sales of Rs. 161304.53 Thousand in which it earned profits of Rs. 4120.99 Thousands. It is apparent from the financials shown above that the sale of the Company has slightly go down due to uncertainty in the global environment. In spite of the fact that the year 2011-12 has been a challenging one, your company's turnover is almost stable. During the F.Y 2011-12, the Company has also entered into Critical Care range of products, as a result of which we are expecting significant positive changes in the results in the near future.

**FUTURE PROSPECTS :**

The Company has diversified its activities and entered into marketing of Critical Care products into various parts of India. The Company is also aggressively making efforts in enhancing the export sale, as a result of which, in the first two quarters of the current Financial Year the export sale of the Company has been enhanced tremendously.

**DIVIDEND**

Your Directors regret their inability to recommend any dividend for the year 2011-2012 to cover up the losses of the past years.

**DIRECTORS**

Mr. Mahesh Kumar Nanchal retires by rotation and being eligible offers himself for re-appointment. Directors recommend his re-appointment.





**AUDITORS**

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

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

**AUDITORS' REPORT**

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

**DEVELOPMENT**

One of the main objectives of the company in the current financial year is to improve in the range of critical care products and develop good export markets.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of your Company state:

- (a) That in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- (b) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) That the Directors had prepared the annual accounts for the year ended 31st March 2012 on a going concern basis.

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

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

**CORPORATE GOVERNANCE**

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

**EMPLOYEES RELATION**

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

**PARTICULARS OF EMPLOYEES**

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

**FIXED DEPOSIT**

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

**ACKNOWLEDGEMENT**

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

For and on behalf of the Board of Directors

PLACE: New Delhi

DATE: 31.08.2012

**(B.R. Gupta)**

**CHAIRMAN-CUM-MANAGING DIRECTOR**





**ANNEXURE TO THE DIRECTORS' REPORT**

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

- (A) Conservation of Energy
  - (i) Energy Conservation Measure taken
    - (ii) 1) Preventive maintenance of equipment to seal energy wastages. N.A.
    - 2) Regular day to day monitoring of energy Consumption items. N.A.
  - (iii) Total and per unit energy consumption  
The figure-A(see Rule-A Form-A (see Rule-2) Power and fuel consumption N.A.
- (B) Technology absorption N.A.
- (C) Expenditure on R&D N.A.
- (D) Foreign Exchange earnings Rs. 1,500.74 Thousands

		Year ended 31st March 2012	Year ended 31st March 2011
a)	Total foreign Exchange earned	1,500.74	7,087.51
b)	Total foreign Exchange used on Import of raw materials, spare parts and capital goods	-	-
c)	Expenditure in Foreign Currencies for travels, subscription, consumables stores, goods for resale, commission on export sales etc.	-	-
d)	Remittance during the year in foreign currency on account of dividend.	-	-

PLACE: New Delhi  
DATE: 31.08.2012

For and on behalf of the Board of Directors  
**(B.R. Gupta)**  
CHAIRMAN-CUM-MANAGING DIRECTOR





**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**OUTLOOK**

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

**FINANCIAL AND OPERATIONAL PERFORMANCE**

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

**HUMAN RESOURCES**

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

**COMPANY PERFORMANCE**

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

**INTERNAL CONTROL & ADEQUACY**

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

**PROSPECTS**

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

**CAUTIONARY NOTE**

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

**REPORT ON CORPORATE GOVERNANCE**

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

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

Corporate Governance primarily involves transparency, full disclosure, independent monitoring of the state of affairs and being fair to all stakeholders. A good Corporate Governance lead to long term shareholders value and enhances interest of other stakeholders. It brings in to focus the fiduciary and trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value. The Company has always believed in good Corporate Governance and Standard Corporate Practice. The company has always remained prompt and regular in discharging its statutory obligations and duties.

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



**2. BOARD OF DIRECTORS**

The Board of Directors comprises one Chairman-cum-Managing Director, two Non Executive Promoter Director and three Non Executive Independent Directors.

During the year, 23 Board Meetings were held.

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

Name of the Directors & Category of Directorship		Directorship in other public limited companies		Committees Membership held in Other public Companies		No. of Board Meetings during the year		Attended Last AGM	No. of shares held in the company
		Total	As Chairman	Total	Chairman	Held	Attended		
B.R. Gupta	Chairman & M.D	1	NIL	NIL	NIL	23	23	Yes	3,77,650
Brij Bala Gupta	Non-Executive Promoter Director	1	NIL	NIL	NIL	23	14	No	89,600
Urmila Gupta	Non-Executive Director	1	NIL	NIL	NIL	23	0	No	NIL
Manohar Lal	Non-Executive Independent Director	NIL	NIL	NIL	NIL	23	23	Yes	NIL
Mahesh Kumar Nanchal	Non-Executive Independent Director	NIL	NIL	NIL	NIL	23	23	Yes	3,100
Bal Kishan Sharma	Non-Executive Independent Director	NIL	NIL	NIL	NIL	23	18	Yes	NIL

**3. COMMITTEE OF THE BOARD**

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

**A. Audit Committee**

Composition of Audit Committee meets all the criteria as prescribed by law. The committee comprises of three Directors, who are Non Executive & Independent. It met four times during the year 2011-12 on 14th May, 2011; 11th August, 2011, 11th November, 2011 and 14th February, 2012.

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

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





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

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

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

Members	Category	Meetings held	Meetings attended
Mr. Manohar Lal	Chairman	9	9
Mr. Mahesh Kumar Nanchal	Member	9	9
Mr. Bal Kishan Sharma	Member	9	9

**C. Remuneration Committee**

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

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

**1. General Body Meeting**

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

Year	Date	Location	Time
2010-11	30th September, 2011	Executive Club, 439, Vill-Shahoorpur, P.O., Fatehpur Beri, N.D-110074	4.00 p.m.
2009-10	28th September, 2010	Executive Club, 439, Vill-Shahoorpur, P.O., Fatehpur Beri, N.D-110074	9.30 a.m.
2008-09	26th September, 2009	Executive Club, 439, Vill-Shahoorpur, P.O., Fatehpur Beri, N.D-110074	9.30 a.m.

(ii) Special resolutions passed in the previous 3 AGMs :

28.09.2010: Special resolution for change of name of the Company from Brawn Pharmaceuticals Limited to Brawn Biotech Limited has been passed.

(iii) No Special resolution is proposed to be conducted through Postal Ballot.

**2. Means of Communication**

- Quarterly Results: Dissemination through publication in newspaper as required under Listing Agreement.
- Newspapers wherein results normally published –Business Standards (in Hindi) and Business Standards (in English).
- The financial results and official news releases are also available on the company's website at [www.brawnpharma.com](http://www.brawnpharma.com)

**3. GENERAL SHAREHOLDERS INFORMATION**

(i) Details of Forthcoming Annual General Meeting

Date	28th September, 2012
Time	03.00 P.M.
Venue	The Executive Club", 439, Vill – Shahoorpur, P.O. – Fatehpur Beri, New Delhi-110074





Financial year	The financial year of the company is for a period of 12 months from 1st April to 31st March every year.
Date of Book Closure	22-09-2012 to 28-09-2012
Listing on Stock Exchanges	Bombay Stock Exchange Limited; Delhi Stock Exchange Limited
Financial Calendar (Tentative)	1. Results for the Quarter ending June'12- mid of Aug' 12 2. Results for the Quarter ending Sep'12- mid of Nov' 12 3. Results for the Quarter ending Dec'12- mid of Feb' 13 4. Results for the Quarter ending Mar'13- mid of May' 13
Registrar and Share Transfer Agent	M/s. RCMC Share Registry Private Limited B-106, Sector-2, Noida,-201301 (U.P.)
Dematerialisation of Shares	11,45,747 shares i.e. 38.19% (As on 31.03.2012)
Address for Correspondence	4/4B, Asaf Ali Road, Old Delhi Stock Exchange Building, New Delhi-110002, Phone: 32911528, 32911529, Fax: 011-23275208

**(ii) Distribution of Shareholding as on 30.06.2012**

Shareholding of value of Rs.	Shareholders		Share holdings		% to total
	Number	% to total	Shares	Amount	
UPTO TO 5000	6199	93.39	761325	7613250.00	25.37
5001 TO 10000	204	3.07	173675	1736750.00	5.79
10001 TO 20000	127	1.91	209725	2097250.00	6.99
20001 TO 30000	50	0.75	132930	1329300.00	4.43
30001 TO 40000	13	0.20	45490	454900.00	1.52
40001 TO 50000	11	0.17	52255	522550.00	1.74
50001 TO 100000	9	0.14	61412	614120.00	2.05
100001 and Above	25	0.38	1563488	15634880.00	52.11
<b>** G Total</b>	<b>6638</b>	<b>100.00</b>	<b>3000300</b>	<b>30003000.00</b>	<b>100.00</b>





Category code	Category of shareholder	Number of Shareholders	Total number of shares	Number of Shares held in dematerialized forms	Total Shareholding as a percentage of total number of shares		Shares Pledged or other wise Encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	No. of Shares (VIII)	As a percentage (IX)=(VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
<b>(A)</b>	<b>Shareholding of promoter and promoter Group</b>							
<b>(1)</b>	<b>Indian</b>							
(a)	INDIVIDUALS/HUF	33	13,13,576	1,57,376	43.78	43.78	0	0.00
(b)	CENTRAL GOVERNMENT/STATE GOVERNMENT	0	0	0	0.00	0.00	0	0.00
(c)	BODIES CORPORATE	1	68,100	0	2.27	2.27	0	0.00
(d)	FINANCIAL INSTITUTIONS/BANKS	0	0	0	0.00	0.00	0	0.00
(e)	ANY OTHER (SPECIFY)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A) (1)	34	13,81,676	1,57,376	46.05	46.05	0	0.00
<b>(2)</b>	<b>Foreign</b>							
(a)	INDIVIDUALS(NRI)/FOREIGN INDIVIDUALS	0	0	0	0.00	0.00	0	0.00
(b)	BODIES CORPORATE	0	0	0	0.00	0.00	0	0.00
(c)	INSTITUTIONS	0	0	0	0.00	0.00	0	0.00
(d)	ANY OTHER (SPECIFY)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A) (2)	0	0	0	0.00	0.00	0	0.00
	Total (A)	34	13,81,676	1,57,376	46.05	46.05	0	0.00
<b>(B)</b>	<b>Public shareholding</b>							
<b>(1)</b>	<b>Institutions</b>							
(a)	MUTUAL FUNDS/UTI	5	17,800	0	0.59	0.59	0	0.00
(b)	FINANCIAL INSTITUTIONS/BANKS	0	0	0	0.00	0.00	0	0.00
(c)	CENTRAL GOVERNMENT/STATE GOVERNMENT	0	0	0	0.00	0.00	0	0.00
(d)	VENTURE CAPITAL FUND	0	0	0	0.00	0.00	0	0.00
(e)	INSURANCE COMPANIES	0	0	0	0.00	0.00	0	0.00
(f)	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.00	0.00	0	0.00
(g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0.00	0	0.00
(h)	ANY OTHER SPECIFY	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B) (1)	5	17,800	0	0.59	0.59	0	0.00
<b>(2)</b>	<b>Non-institutions</b>							
(a)	BODIES CORPORATE	62	98,370	94,470	3.28	3.28	0	0.00
(b)	i) INDIVIDUALS -HOLD UPTO 1 LAKH (NOM VALUE)	6472	12,51,599	7,69,746	41.72	41.72	0	0.00
	ii) INDIVIDUALS -HOLD ABOVE 1 LAKH (NOM VALUE)	7	1,54,659	84,859	5.15	5.15	0	0.00
(c)	ANY OTHER (SPECIFY)- A) CLEARNG MEMBERS	9	3,203	3,203	0.11	0.11	0	0.00
	B) NON-RESIDENTS	49	92,993	36,793	3.10	3.10	0	0.00
	C) TRUST	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B) (2)	6599	16,00,824	9,89,071	53.36	53.36	0	0.00
	Total (B)	6604	16,18,624	9,89,071	53.95	53.95	0	0.00
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>							
	SHARES HELD BY CUSTODIANS	0	0	0	0.00	0.00	0	0.00
	Sub-Total (C)	0	0	0	0.00	0.00	0	0.00
	Total (C)	0	0	0	0.00	0.00	0	0.00
	Grand-Total	6638	30,00,300	11,46,447	100.00	100.00	0	0.00





**Code of conduct**

As required by clause 49 I (D) of the Listing Agreement, the Company has formulated a Code of Conduct for all Directors and Senior Management of the Company and the same has been adopted by the Board. The Code is also available on the Company's official website. All the Directors and Senior Management Personnel have affirmed compliance with the said Code of Conduct.

**CEO/CFO Certification**

The Company is duly placing a certificate to the Board from the Chairman and Managing Director in accordance with the provisions of clause 49 (V) of the Listing Agreement. The aforesaid certificate duly signed by the Chairman and Managing Director in respect of the financial year ended 31st March`12 has been placed before the board in the meeting held on 21st May, 2012.

**Declaration**

The Board of Directors of the Company has adopted the Code of Conduct for Directors and Senior Management of the Company.

All the Board Members and Senior Management Personnel have affirmed their Compliance with the respective Codes.

BRIJ RAJ GUPTA  
CHAIRMAN & MANAGING DIRECTOR





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

To  
The Members of  
Brawn Biotech Limited  
(Formerly Brawn Pharmaceuticals Limited)

We have examined the compliance of conditions of Corporate Governance by Brawn Biotech Limited (Formerly Brawn Pharmaceuticals Limited) for the year ended on 31st March, 2012, as stipulated in Clause 49 by the Listing Agreement of the said Company with the Stock Exchanges.

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

We state that in respect of investor grievances received during the year ended 31st March, 2012, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

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

For Satinder Saini & Co  
Chartered Accountants  
Registration No. 008834N

(S.K. Saini)  
Proprietor

Place : New Delhi  
Date : 31.08.2012

M. No. 87357





## **AUDITORS' REPORT**

To the Members of  
M/s Brawn Biotech Limited

1. We have audited the attached Balance Sheet of M/s Brawn Biotech Limited (Formerly Known as Brawn Pharmaceuticals Limited) as at March 31, 2012 and also the Profit and Loss account and the cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above and subject to Note No.14(1), 14(5) and 15(1), we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
  - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub - Section (3C) of Section 211 of the Companies Act, 1956.
  - v. On the basis of the written representations received from the Directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - a) in the case of the Balance Sheet, of the state of affairs of Company as at March 31, 2012;
    - b) in the case of the Profit and Loss Account, of the profit earned for the year ended on that date; and
    - c) in the case of Cash Flow Statement, of the cash Flow for the year ended on that date.

**For Satinder Saini & Co**  
**Chartered Accountants**  
Registration No. 008834N

Place : New Delhi  
Date : 31.08.2012

**(S.K.Saini)**  
Proprietor  
M.No. 87357





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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of the information made available.
- (ii) (a) As explained to us, inventories have been physically verified by the management in accordance with perpetual inventory program at regular intervals during the year which in our opinion is reasonable.
  - (b) The procedures of physical verification of inventory followed by management are, in our opinion reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The company has maintained proper record of inventory. As explained to us the discrepancies noticed on verification between the physical stock and the book records were not material.
- (iii) (a) As informed to us, the Company has not taken/granted loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Company's Act, 1956. Consequently the requirements of clauses (iii) (f) and (iii) (g) of paragraph 4 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) According to the information and explanations given to us there is no contract or arrangement referred to in Section 301 of the Act, which are required to be entered in the register maintained under the said Section.
  - (b) Accordingly, the provision of the clause v (b) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (vi) According to the information and explanation given to us the company has not accepted any deposits from the public during the year. Therefore the provisions of clause (vi) of paragraph 4 of the order are not applicable to the company.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) According to the company records, the company is regular in depositing with appropriate authorities undisputed statutory dues including, Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty, Cess & other material statutory dues applicable to it. There is no outstanding with respect to undisputed dues as of the last of the financial year concerned for a period of more than six months from the date they became payable.
- (x) The company has accumulated losses at the end of the financial year aggregating to Rs. 93.72 Lac. The company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the explanation given to us, we are of the opinion that





the company has not defaulted in repayment of dues to financial institutions, banks. The company has not issued any debentures.

- (xii) According to the information and explanations given to us, and based on the documents and records produced to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Accordingly the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) The company does not deal or trade in shares, securities, debentures and other investments.
- (xv) Based on the information and explanations given to us by management, the company has not given the guarantees for loans by others from the banks & financial institutions.
- (xvi) The company has not raised any term loan during the year.
- (xvii) According to the information and explanations given to us, and on overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any secured debentures.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during year.

**For Satinder Saini & Co**  
**Chartered Accountants**  
Registration No. 008834N

Place : New Delhi  
Date : 31.08.2012

**(S.K.Saini)**  
Proprietor  
M.No. 87357





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

(Figures in Thousands except share quantity and per share data)

S.No.	Particulars	Note No.	Amount As at 31.03.2012	Amount As at 31.03.2011
<b>I</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
<b>1</b>	<b>Shareholders Funds</b>			
	Share Capital	3	30,003.00	30,003.00
	Reserve and surplus	4	11,824.00	11,591.34
			<b>41,827.00</b>	<b>41,594.34</b>
<b>2</b>	<b>Share application money pending allotment</b>			
<b>3</b>	<b>Non - Current Liabilities</b>			
	(a) Long Term Borrowings	5	156.90	-
	(b) Long Term Provisions	6	1,135.74	1,078.25
			<b>1,292.63</b>	<b>1,078.25</b>
<b>4</b>	<b>Current Liabilities</b>			
	(a) Short Term Borrowings	7	79.32	-
	(b) Trade Payables	8	51,468.41	40,522.82
	(c) Other Current Liabilities	9	26,992.94	14,058.28
	(d) Short Term Provisions	10	3,018.34	1,982.59
			<b>81,559.01</b>	<b>56,563.69</b>
	<b>TOTAL</b>		<b>124,678.64</b>	<b>99,236.28</b>
<b>II</b>	<b><u>ASSETS</u></b>			
<b>1</b>	<b>Non - Current Assets</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	11	835.10	269.56
	(b) Non Current Investments	12	300.00	300.00
	(c) Deffered Tax Assets (Net)	13	857.07	2,374.07
	(d) Long term loans and advances	14	8,775.24	7,646.54
	(e) Other Non Current Assets	15	26,816.00	26,816.00
			<b>37,583.41</b>	<b>37,406.18</b>
<b>2</b>	<b>Current Assets</b>			
	(a) Inventories	16	27,734.61	23,927.16
	(b) Trade Receivables	17	54,979.10	34,862.14
	(c) Cash and Bank Balances	18	1,967.54	1,573.64
	(d) Short Term loans and advances	19	2,413.98	1,467.16
			<b>87,095.24</b>	<b>61,830.10</b>
	<b>TOTAL</b>		<b>124,678.64</b>	<b>99,236.28</b>
	<b>Significant Accounting Policies</b>	1		

The accompanying notes are an integral part of the financial statements.

For and on behalf of Board of Directors

"As per our report of even date"  
**FOR SATINDER SAINI & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
 Firm Registration No.008834N

(Brij Raj Gupta)  
 (Managing Director)

(Brij Bala Gupta)  
 (Director)

(S. K. SAINI)  
 PROPRIETOR  
 M.No. 87357

(Amit Bansal)  
 (Company Secretary)

PLACE : NEW DELHI  
 DATE : 31.08.2012





## PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

(Figures in Thousands except share quantity and per share data)

S.No.	Particulars	Notes	Amount 31/03/2012	Amount 31/03/2011
I	<b>Revenue from Operations</b>			
	Sale of Products	20	150,640.31	161,276.53
	Other Incomes	21	6.32	28.00
	<b>TOTAL REVENUE</b>		<b>150,646.63</b>	<b>161,304.53</b>
II	<b>Expenses</b>			
	Cost of Goods Sold	22	67,545.43	86,594.59
	Direct Expenses	23	9,737.02	8,287.10
	Employee Benefits Expenses	24	41,111.71	39,324.55
	Finance Cost	25	505.22	425.93
	Other Indirect Expenses	26	29,638.28	22,519.24
			<b>148,537.66</b>	<b>157,151.41</b>
III	<b>Profit / (Loss) before exceptional items, extraordinary items, tax, depreciation and amortisation ( I - II )</b>		<b>2,108.97</b>	<b>4,153.12</b>
	Depreciation Expenses	11	91.62	32.13
IV	<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		<b>2,017.35</b>	<b>4,120.99</b>
V	Extraordinary items & Exceptional items		-	-
VI	<b>Profit / (Loss) before tax (IV ± V)</b>		<b>2,017.35</b>	<b>4,120.99</b>
VII	<b>Tax Expense:</b>			
	(a) Current Tax Expense for Current Year (MAT)		267.69	-638.14
	(b) Creation of Deferred Tax Assets/ (Written Off)		(1,517.01)	(1,348.31)
VIII	<b>Profit / (Loss) from continuing operations (VI ± VII)</b>		<b>232.66</b>	<b>2,134.54</b>
IX	Profit / (Loss) from discontinuing operations		-	-
X	<b>Profit / (Loss) for the year (VIII ± IX)</b>		<b>232.66</b>	<b>2,134.54</b>
	There are no Exceptional Items, Extra Ordinary Items and Discontinuing Operations.			
XI	<b>Earning Per Equity Share (Face Value Rs.10/-)</b>			
	Basic		0.58	1.16
	Diluted		0.58	1.16
XII	<b>Significant Accounting Policies</b>	1		

The accompanying notes are an integral part of the financial statements.

"As per our report of even date"

FOR SATINDER SAINI & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 Firm Registration No.008834N

For and on behalf of Board of Directors

(Brij Raj Gupta)  
 (Managing Director)

(Brij Bala Gupta)  
 (Director)

(S. K. SAINI)  
 PROPRIETOR  
 M.No. 87357

(Amit Bansal)  
 (Company Secretary)

PLACE : NEW DELHI  
 DATE : 31.08.2012





**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012**

(Figures In Thousands except share quantity and per share data)

Particulars	For the year ended		For the year ended	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		2,017.35		4,120.99
<i>Adjustments for:</i>				
Depreciation and amortisation	91.62		32.13	
Finance costs	505.22	596.84	425.93	458.06
Operating profit / (loss) before working capital changes				
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(3,807.45)		(23,927.16)	
Trade receivables	(20,116.96)		(29,667.03)	
Short-term loans and advances	(946.82)		(1,187.61)	
Long-term loans and advances	(1,128.70)		(3,192.94)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	10,945.60		39,415.19	
Other current liabilities	12,934.66		13,597.90	
Short-term provisions	768.07		1,229.21	
Long-term provisions	57.49	(1,294.12)	1,078.25	(2,654.19)
Cash flow from extraordinary items		-		-
Cash generated from operations		-		-
Net income tax (paid) / refunds		-		-
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>1,320.07</b>		<b>1,924.86</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(657.15)		(202.53)	
Cash flow from extraordinary items	-	(657.15)	-	(202.53)
Net income tax (paid) / refunds	-	-	-	-
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(657.15)</b>		<b>(202.53)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from long-term borrowings	156.90		-	
Proceeds from other short-term borrowings	79.32		-	
Finance cost	(505.22)	(269.01)	(425.93)	(425.93)
Cash flow from extraordinary items		-		-
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(269.01)</b>		<b>(425.93)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>393.90</b>		<b>1,296.40</b>
Cash and cash equivalents at the beginning of the year		1,573.64		277.25
Effect of exchange differences on restatement of foreign currency Cash		-		-
<b>Cash and cash equivalents at the end of the year</b>		<b>1,967.54</b>		<b>1,573.64</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet</b>				
Cash and cash equivalents as per Balance Sheet (Refer Note-19)		1,967.54		1,573.64
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)		-		-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19		<b>1,967.54</b>		<b>1,573.64</b>
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note (ii) to Note 16 Current investments)		-		-
<b>Cash and cash equivalents at the end of the year *</b>		<b>1,967.54</b>		<b>1,573.64</b>
* Comprises:				
(a) Cash on hand		63.29		75.94
(b) Cheques, drafts on hand		-		-
(c) Balances with banks		-		-
(i) In current accounts		1,904.26		1,497.71

**Notes:**

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
- (ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

The accompanying notes are an integral part of the financial statements.

"As per our report of even date"

For and on behalf of Board of Directors

**FOR SATINDER SAINI & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
 Firm Registration No.008834N

(Brij Raj Gupta)  
 (Managing Director)

(Brij Bala Gupta)  
 (Director)

(S. K. SAINI)  
 PROPRIETOR  
 M.No. 87357

(Amit Bansal)  
 (Company Secretary)

PLACE : New Delhi  
 DATE : 31.08.2012





**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Figures In Thousands except share quantity and per share data)

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(A) GENERAL**

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

**(B) VALUATION OF INVENTORIES**

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

**(C) FIXED ASSETS AND DEPRECIATION**

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

**(D) INVESTMENTS**

Investments are stated at cost of acquisition.

**(E) REVENUE RECOGNITION**

**(i) Sales**

Sales are recognized when effectively the risk and rewards of ownership has passed to the buyer.

**(ii) Commission/Fee/Discount Income**

Commission / Fee/ Discount Income is accounted as and when accrued and realizable upon raising of bills.

**(F) FOREIGN EXCHANGE TRANSACTION**

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

**(G) CONTINGENT LIABILITIES**

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

**2. NOTES ON ACCOUNTS:**

**(A) CONTINGENT LIABILITIES NOT PROVIDED FOR**

(i) Claims against the company not acknowledged as debts: Nil

(ii) Estimated amounts of contracts remaining to be executed on Capital Accounts and not provided for Nil (Previous Year Nil).

**(B) IN THE OPINION OF DIRECTORS**

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

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





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

**(D) RETIREMENT BENEFITS**

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

(E) Managerial Remuneration :  
Remuneration to Directors

Nil (Nil)

**(F) Auditor's Remuneration:**

Audit Fee

Rs.44.12 (Rs.44.12)

(G) The deferred tax assets comprises of the following:

**i. Deferred Tax Liability**

Related to Fixed Assets

Rs.105.81 (Rs.20.20)

**ii. Deferred Tax Assets**

Related to Brought Forward/carried forward of business losses and Unabsorbed depreciation

Rs.962.88 (Rs.2394.27)

**Net Deferred Tax Assets**

Rs.857.07 (Rs.2374.07)

(H) Related Party Disclosure

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

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

**Name of Concern**

**Relationship**

M/s Brawn Laboratories Ltd.

Associate Company by virtue of Common Directors

M/s Overseas Laboratories (P) Ltd.

Associate Company by virtue of Common Directors

M/s Delhi Pharma

Associate firm by virtue of relative of Director is proprietor

M/s Fine Pharmachem

Associate firm by virtue of relative of Director is proprietor

M/s South Delhi Medicos

Associate firm by virtue of relative of Director is proprietor

**Directors:**

Mr. Brij Raj Gupta

Mrs. Brij Bala Gupta

Mrs. Urmila Gupta

Mr. Mahesh Kumar Nanchal

Mr. Manohar Lal

Mr. Bal Kishan Sharma

Relatives of Director :

Mr. A.K. Gupta

Mrs. Shashi Bala Gupta

Dr. Atul Gupta

Mr. Nitin Gupta

Mr. Love Gupta

Mr. Kush Gupta



**Transactions with related parties:**

S.No.	Name of Company/Firm	Nature of Transactions	
1.	M/s Brawn Laboratories Ltd.	Sales/Purchases/ Discount Income	Rs.44277.49 (Rs.54788.00)
2.	M/s Delhi Pharma	Sales	Rs.10990.94 (Rs.1470.00)
3.	M/s South Delhi Medicos	Sales/ Commission Income	Rs.2253.66 (Nil)

**(I) Segment Reporting (AS-17)**

- Primary Segment:** The identification of Business segment is done in accordance with the system adopted for internal financial reporting to the board of directors and management structure. The company has identified products as primary segment.
- Secondary Segment:** The company had operated in one segment only.

**(J) Earning Per Share**

	2011-2012	2010-2011
Profit/(Loss) after Tax	Rs.1749.66	Rs.3482.85
As per Profit & Loss Account		
Number of Equity Share	3000300	3000300
Earnings/ (Loss) Per Shares	0.58	1.16

(K) In view of the insufficient information from the suppliers regarding their status as SSI units, the amount due to small scale industrial undertaking can not be ascertained.

(L) The variation in profit shown in unaudited results/ published is due to provisions for retirement benefits as on date of 31st March 2012.

(M) Amount remitted in foreign currency

(a) Expenditure in foreign currency	NIL	(NIL)
Traveling expense	NIL	(NIL)
(b) Value of imports on CIF basis	NIL	(NIL)
(c) Earning in foreign currency		
Export of good	Rs.1500.74	(Rs.7087.51)
(Previous year figures in Brackets)		

(N) Previous year's figures have been regrouped/rearranged wherever necessary to make them comparable with current year figures.





## NOTES FORMING PART OF FINANCIAL STATEMENTS

## Note-3: Equity Share Capital

(Figures in Thousand except share quantity and per share data)

S. No.	Particulars	Amount as at 31/3/2012		Amount as at 31/03/2011	
1	<u>Authorised Capital</u> 45,00,000 Equity Shares of Rs.10/- Each (Previous Year 45,00,000 Equity Shares of Rs.10/- Each)	45,000.00		45,000.00	
2	<u>Subscribed, Issued and Paid up Capital</u> 30,00,300 Equity Shares of Rs10/- Each Fully Paid Up (Previous Year 30,00,300 Equity Shares of Rs.10/- Each Fully Paid Up)	30,003.00		30,003.00	
	<b>Total</b>	<b>30,003.00</b>		<b>30,003.00</b>	
<b>Shareholding Pattern</b>					
S.No.	Name of Shareholders Holding More than 5%	as on 31/03/2012		as on 31/03/2011	
		Number	Percentage	Number	Percentage
1	Mr Adarsh Kumar Gupta	187,650	6.25%	187,650	6.25%
2	Mr Brij Raj Gupta	377,650	12.59%	377,650	12.59%
3	Mrs Shashi Bala Gupta	209,600	6.99%	209,600	6.99%
	<b>Total</b>	<b>774,900</b>	<b>25.83%</b>	<b>774,900</b>	<b>25.83%</b>
<b>Reconciliation</b>					
	Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Equity Shares (Fully Paid Up) having voting rights				
	Opening Balance	30,003.00		30,003.00	
	Fresh Issue during the year	-		-	
	Other Changes	-		-	
	Closing Balance	30,003.00		30,003.00	





**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Note- 4: Reserve & Surplus**

(Figures In Thousands except share quantity and per share data)

S. No.	Particulars		As at 31 March, 2012		As at 31 March, 2011
1	<b>Securities Premium Reserve</b> 3,60,000 Equity Shares of Rs 10/- each issued At a premium of Rs 15/- each 19,60,300 Equity Shares of Rs 10/- each issued At a premium of Rs 5/- each		15,201.50		15,201.50
2	<b>Investment Allowance Reserve</b>		150.00		150.00
3	<b>General Reserve</b>		5,844.00		5,844.00
4	<b>Profit / (Loss) Account</b>				
	Opening Balance	(9,604.16)		(11,738.70)	
	Add/(Less) Profit/(Loss) during the year	232.66	(9,371.50)	2,134.54	(9,604.16)
	<b>TOTAL</b>		<b>11,824.00</b>		<b>11,591.34</b>

S.No.	Particulars		For the Year Ended on 31st March 2012		For the Year Ended on 31st March 2011
1	<b>Profit / (Loss) for the Year</b>		232.66		2,134.54
	Less: Dividend on Equity Shares	-	-	-	-
	Tax on Distributed Profits on Equity	-	-	-	-
	Transfer to General Reserve	-	-	-	-
	<b>TOTAL</b>		<b>232.66</b>		<b>2,134.54</b>

**Note-5: Long Term Borrowings**

(Figures In Thousands except share quantity and per share data)

S. No.	Particulars	Amount as at 31.03.2012	Amount as at 31.03.2011
1	<b>Secured</b>		
	<b>A. Loan From Banks</b>		
	- Term Loans	156.90	-
	(Car Loan Total Outstanding Rs.236.22 Amount due in one year Rs 79.32 ( Refer Note 8 )		
	<b>TOTAL</b>	<b>156.90</b>	<b>-</b>

**Note-6: Long Term Provisions**

(Figures in Thousands except share quantity and per share data)

S.No.	Particulars	Amount as at 31.03.2012	Amount as at 31.03.2011
A.	<b>Employee Benefits</b>		
	- Compensated Absents	429.42	409.07
	- Gratuity	706.32	669.18
	- Others	-	-
	<b>TOTAL</b>	<b>1,135.74</b>	<b>1,078.25</b>





## NOTES FORMING PART OF FINANCIAL STATEMENTS

## Note-7: Short Term Borrowings

(Figures In Thousands except share quantity and per share data)

S.No.	Particulars	Amount as at 31.03.2012	Amount as at 31.03.2011
A.	<b>Secured</b>		
	Loan Repayable on Demand		
	a From Banks (Refer Note-5)	79.32	-
	b From Other Parties	-	-
	<b>TOTAL</b>	<b>79.32</b>	<b>-</b>

## Note-8: Trade Payables

(Figures In Thousands except share quantity and per share data)

S.No.	Particulars	Amount as at 31.03.2012	Amount as at 31.03.2011
1	Trade Payables	10,941.20	2,801.16
2	Due from Related Parties (In respect of goods purchased from M/s Brawn Laboratories Limited.)	40,527.22	37,721.66
	<b>Total</b>	<b>51,468.41</b>	<b>40,522.82</b>

## Note-9: Other Current Liabilities

(Figures In Thousands except share quantity and per share data)

S.No.	Particulars	Amount as at 31.03.2012	Amount as at 31.03.2011
A	- Statutory remittances		
	Contributions towards Employee Welfare	430.48	242.48
	Direct / Indirect Taxes	421.58	125.98
B	- Payables on purchase of fixed assets	-	-
C	- Expenses Payable	2,210.88	1,697.42
D	- Trade / Security Deposits received	5,000.00	3,000.00
E	- Advances from customers	9,204.74	8,979.45
F	- Cheques issued but not yet presented	9,712.32	-
G	- Employees Balances Pending Settlements	12.95	12.95
	<b>Total</b>	<b>26,992.94</b>	<b>14,058.28</b>

## Note10: Short Term Provisions

(Figures In Thousands except share quantity and per share data)

S.No.	Particulars	Amount as at 31.03.2012	Amount as at 31.03.2011
A	Employee Benefits		
	- Compensated Absents	-	-
	- Gratuity	-	-
	- Bonus	1,952.50	1,184.43
B	Others Short Term Provisions		
	- Income Tax	1,065.84	798.16
	<b>Total</b>	<b>3,018.34</b>	<b>1,982.59</b>





**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Note -11 : Tangible Assets Schedule**

(Figures in Thousands except share quantity and per share data)

S. No.	Particulars	Gross Block		Depreciation		Net Block					
		As At 01.04.11	Additions	Sale/ Adjustment	As At 31.03.2012	Up to 31.03.11	For the year	Deduction/ Adjustment	Up to 31.03.12	As At 31.03.2012	As At 31.03.2011
1	Computers	276.93	359.34	-	636.27	57.19	74.48	-	131.67	504.60	219.74
2	Airconditioners & Refrigeration	27.00	-	-	27.00	1.22	1.71	-	2.93	24.07	25.78
3	Mobile/Telephone Instruments	4.90	8.95	-	13.85	0.20	0.77	-	0.97	12.88	4.70
4	Office Equipments	20.00	17.11	-	37.11	0.66	1.75	-	2.41	34.70	19.34
5	Vehicles	-	271.75	-	271.75	-	12.91	-	12.91	258.84	-
	<b>Total</b>	<b>328.83</b>	<b>657.15</b>	<b>-</b>	<b>985.98</b>	<b>59.26</b>	<b>91.62</b>	<b>-</b>	<b>150.88</b>	<b>835.10</b>	<b>269.56</b>
	<b>Previous Year Figures</b>	<b>126.30</b>	<b>202.53</b>	<b>-</b>	<b>328.83</b>	<b>27.14</b>	<b>32.13</b>	<b>-</b>	<b>59.26</b>	<b>269.56</b>	<b>99.16</b>

Note: The depreciation has been charged as per Straight Line method prescribed under the Companies Act 1956.





## NOTES FORMING PART OF FINANCIAL STATEMENTS

## Note -12 : Non Current Investments

(Figures In Thousands except share quantity and per share data)

S.No.	Particulars	Amount as at 31.03.2012	Amount as at 31.03.2011
A	<b>Trade Investment Unquoted (at cost)</b>		
	- Equity Instruments		
	30,000 Equity Shares of Brawn Laboratories Ltd of Rs. 10/- each (previous year 30,000 Equity Shares of Brawn Laboratories Ltd of Rs. 10/- each) (Related Party by virtue of same Directors)	300.00	300.00
	- Others		
	<b>Total</b>	<b>300.00</b>	<b>300.00</b>

## Note -13 : Deferred Tax Assets

(Figures In Thousands except share quantity and per share data)

S.No.	Particulars	Amount as at 31.03.2012	Amount as at 31.03.2011
A	<b>Opening Balance</b>	2,374.07	3,722.38
	<b>Creation for Deferred Tax Assets/ (written off)</b>	(1,517.01)	(1,348.31)
	<b>Total</b>	<b>857.07</b>	<b>2,374.07</b>

## Note -14 : Long Term Loans &amp; Advances

(Figures In Thousands except share quantity and per share data)

S.No.	Particulars	Amount as at 31.03.2012	Amount as at 31.03.2011
1	<b>DEPB CREDIT RECOVERABLE</b> The Company has recognized DEPB Credit Recoverable claim of Rs.41.40 Lac (Rs.41.40 Lac), arised on account of custom duty credit on export sales. These claims are recoverable subject to receipt of export payments, which are overdue and under litigation. The management considered these debtors as good and hence no provision is considered necessary.	4,140.00	4,140.00
2	<b>SECURITY DEPOSIT - REGISTRAR GENERAL DELHI</b> Security Deposited with Court pending litigation.	107.50	107.50
3	<b>SECURITY DEPOSIT - THE REGISTRAR DELHI HIGH COURT</b> Security Deposited with Court pending litigation.	156.10	156.10
4	<b>SECURITY DEPOSIT - DEPOT RENT</b>	50.00	50.00
5	<b>STAFF ADVANCES</b> (Unadjusted Balances with ex employees. Management is in process of settling the full and final settlement of the employees. No provision for doubtful recovories has been made.)	4,321.64	3,192.94
	<b>Total</b>	<b>8,775.24</b>	<b>7,646.54</b>





## NOTES FORMING PART OF FINANCIAL STATEMENTS

## Note-15 : Other Non - Current Assets

(Figures In Thousands except share quantity and per share data)

S. No.	Particulars	Amount as at 31.3.2012	Amount as at 31.03.2011
1	Long Term Trade Receivable - Considered Good under Litigations (Amount recoverable from M/s Balajee Comercio General - Lda against export sales in earlier years. The amount is under dispute and pending before Court for settlement. Management considered these recoverables as good and hence no provision considered necessary.)	26,816.00	26,816.00
	<b>TOTAL</b>	<b>26,816.00</b>	<b>26,816.00</b>

## Note -16 : Inventories

(Figures In Thousands except share quantity and per share data)

S.No.	Particulars	Amount as at 31.03.2012	Amount as at 31.03.2011
1	Finished Goods	27,734.61	23,927.16
	<b>Total</b>	<b>27,734.61</b>	<b>23,927.16</b>

## Note -17 : Trade Receivables

(Figures In Thousands except share quantity and per share data)

S.No.	Particulars	Amount as at 31.03.2012	Amount as at 31.03.2011
1	<b>Unsecured</b>		
	Over Six Months		
	- Considered Good	11,526.31	204.65
	- Related Parties	646.21	-
	<b>Others</b>		
	- Considered Good	28,307.03	32,042.86
	- Related Parties	14,499.56	2,614.63
	<b>Total</b>	<b>54,979.10</b>	<b>34,862.14</b>

## Note -18 : Cash and Bank Balances

(Figures In Thousands except share quantity and per share data)

S. No.	Particulars	Amount as at 31.03.2012	Amount as at 31.03.2011
1	Cash and Cash Equivalents		
	Cash in Hand	63.29	75.94
2	Balance with Scheduled Bank in Current Accounts	1,904.26	1,497.71
	<b>Total</b>	<b>1,967.54</b>	<b>1,573.64</b>





**SCHEDULE FORMING PART OF ACCOUNTS**

**Note -19 :Short Term Loans and Advances**

(Figures In Thousands except share quantity and per share data)

S. No.	Particulars	Amount as at 31.03.2012	Amount as at 31.03.2011
1	Staff Advances (Imprest with the 214 (198) number of staff members)	1,193.85	1,071.22
2	Tax Deducted At Source	1,028.20	155.78
3	Deposits / Balances with Sales Tax Authorities	5.09	5.09
4	Advance to Suppliers	163.02	149.72
5	Prepaid Expenses	23.82	85.35
	<b>TOTAL</b>	<b>2,413.98</b>	<b>1,467.16</b>

**Note -20 : Sale of Products**

(Figures In Thousands except share quantity and per share data)

S. No.	Particulars	Amount for the year ended 31.03.2012	Amount for the year ended 31.03.2011
1	Domestic *	143,977.36	154,086.34
2	Export *	1,500.74	7,087.51
* Sale of products consists Trading of pharmaceuticals drugs & medicines.			
3	Other Operating Income (Comprises of Commission & Discount)	5,162.20	102.67
	<b>TOTAL</b>	<b>150,640.31</b>	<b>161,276.53</b>

**Note -21 : Other Incomes**

(Figures In Thousands except share quantity and per share data)

S. No.	Particulars	Amount for the year ended 31.03.2012	Amount for the year ended 31.03.2011
1	Notice Pay Deduction	6.00	28.00
2	Short & Excess	0.32	-
3	Miscellaneous Income	-	0.70
	<b>TOTAL</b>	<b>6.32</b>	<b>28.00</b>

**Note-22 : Cost of Goods Sold**

(Figures In Thousands except share quantity and per share data)

S. No.	Particulars	Amount for the year ended 31.3.2012	Amount for the year ended 31.3.2011
1	Opening Stock	23,927.16	-
	Add: Purchases during the year	71,352.88	110,521.75
		95,280.05	110,521.75
	Less: Closing Stock	27,734.61	23,927.16
	<b>Cost of Goods sold</b>	<b>67,545.43</b>	<b>86,594.59</b>





## SCHEDULE FORMING PART OF ACCOUNTS

## Note -23 : Direct Expenses

(Figures In Thousands except share quantity and per share data)

S. No.	Particulars	Amount for the year ended 31.03.2012	Amount for the year ended 31.03.2011
1	Freight & Cartage Inward	430.99	261.97
2	Commission Expenses	6,111.34	4,990.84
3	Scheme & Discount Expenses	1,562.22	1,753.55
4	Breakage & Expiry Expenses	1,632.47	1,280.74
	<b>TOTAL</b>	<b>9,737.02</b>	<b>8,287.10</b>

## Note- 24 : Employee Benefits Expenses

(Figures In Thousands except share quantity and per share data)

S. No.	Particulars	Amount for the year ended 31.03.2012	Amount for the year ended 31.03.2011
1	Salary, Bonus and Allowances	35,457.53	33,721.26
2	Gratuity	95.93	635.94
3	Leave Encashment	60.19	415.00
4	Contribution to Provident and Other Funds	2,685.39	2,335.84
5	Staff Welfare Expenses	106.00	67.59
6	Training & Conference Expenses	336.43	-
7	Incentives	2,370.24	2,148.92
	<b>TOTAL</b>	<b>41,111.71</b>	<b>39,324.55</b>

## Note-25 : Finance Cost

Figures In Thousands except share quantity and per share data

S. No.	Particulars	Amount for the year ended 31.03.2012	Amount for the year ended 31.03.2011
1	Interest on Term Loan	18.41	-
2	Interest on Securities Deposits	383.63	351.17
3	Interest on Late Deposit of TDS	1.71	-
4	Bank Charges	67.51	74.76
5	Interest on Late Deposit of Income Tax	33.96	-
	<b>TOTAL</b>	<b>505.22</b>	<b>425.93</b>





## SCHEDULE FORMING PART OF ACCOUNTS

## Note-26 : Other Indirect Expenses

(Figures in Thousands except share quantity and per share data)

S. No.	Particulars	Amount for the year ended 31.03.2012	Amount for the year ended 31.03.2011
1	Advertising Expenses	179.88	863.09
2	AGM Expenses	25.30	9.71
3	Audit Fees	44.12	60.67
4	Business Promotion Expenses	6,269.60	1,078.76
5	Books & Periodicals Expenses	6.39	-
6	Bad Debts Written Off	16.83	-
7	Computer Maintenance Expenses	186.11	126.57
8	Conveyance Expenses	260.16	93.61
9	Electricity & Diesel Expenses	582.57	-
10	Freight & Cartage Out ward	2,290.84	2,638.43
11	Insurance Expenses	133.71	45.79
12	General Expenses	270.59	271.45
13	Input Vat Reverse	215.68	1,292.60
14	Sales Tax Demand of Previous Year	44.97	-
15	Legal & Professional Fees	315.80	225.51
16	Leaflets & Litratures Expenses	1,063.33	-
17	Listing & Filing Fee	25.28	44.12
18	Membership Fee	12.21	16.49
19	Office Expenses	617.28	128.34
20	Other Expenses	2.20	752.28
21	Postage & Communication Expenses	717.98	613.62
22	Packing Expenses	57.12	-
23	Printing & Stationary Expenses	603.25	368.81
24	Octroi & Entry Tax Expenses	224.50	147.16
25	Repair & Maintenance Expenses	139.18	43.99
26	Registration & Licence Fee	249.13	171.47
27	Rent	1,181.74	948.58
28	Share Management Expenses	28.76	30.04
29	Telephone Expenses	1,598.25	1,448.65
30	Testing Charges	23.67	17.50
31	Travelling Expenses	12,251.86	11,082.04
	<b>TOTAL</b>	<b>29,638.28</b>	<b>22,519.24</b>

"As per our report of even date"

FOR SATINDER SAINI & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 Firm Registration No.008834N

(S. K. SAINI)  
 PROPRIETOR  
 M.No. 87357

PLACE : NEW DELHI  
 DATE : 31.08.2012

For and on behalf of Board of Directors

(Brij Raj Gupta)  
 (Managing Director)

(Brij Bala Gupta)  
 (Director)

(Amit Bansal)  
 (Company Secretary)





### Brawn Biotech Limited

Regd. Office: C-64, Lajpat Nagar-I, New Delhi -110024

#### ATTENDANCE SLIP

Folio No.

**	
Client ID No.	<input type="text"/>
DPID No.	<input type="text"/>

Name : .....

Address : .....

No. of Shares held .....

I hereby record my presence at the 27th Annual General Meeting of the Company held on Friday, the 28th September, 2012 at 3.00 p.m. at "The Executive Club", 439, VIII-Shahoorpur, P.O. - Fatehpur Beri, New Delhi - 110030.

.....  
SIGNATURE OF THE ATTENDING MEMBER / PROXY\*

Notes : A Member/proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over the same at the entrance duly signed.

\* Strike out whichever is not applicable.

\*\* Applicable for investors holding shares in electronic form.

**NB.: No Gift Coupon will be distributed at the AGM**

### Brawn Biotech Limited

Regd. Office: C-64, Lajpat Nagar-I, New Delhi -110024

#### PROXY FORM

Folio No.

**	
Client ID No.	<input type="text"/>
DPID No.	<input type="text"/>

I/we .....

of ..... being a member/ members of the above named

Company, hereby appoint .....

..... of ..... of failing him/her

..... as my/our proxy to attend and vote for me/us and on my/our behalf at the 27th Annual General Meeting of the Company to be held on Friday, the 28th September, 2012 at 3.00 p.m. or at any adjournment thereof.

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

Folio No. .... Signature .....

No. of Shares held .....

Affix  
Re 1/-  
Revenue  
stamp

\*\* Applicable for investors holding shares in electronic form.

Note: This Form in order to be effective should be duly stamped, completed and must be deposited at the Registered/Corporate Office of the Company not less than 48 hours before the time of commencement of the meeting.