



INWINEX
PHARMACEUTICALS LIMITED

BOARD OF DIRECTORS:

MR. ARVIND VARCHASWI N.	- MANAGING DIRECTOR
MR. NARAYANAN NARASIMHAN	- NON-EXECUTIVE CHAIRMAN & DIRECTOR
MR. RAMESH CHANDRA AGARWAL	- NON-EXECUTIVE DIRECTOR
MR. NIKHIL SEN	- ADDITIONAL DIRECTOR
MR. SRIRAM CHANDRASEKARAN	- ADDITIONAL DIRECTOR
MR. GOWRA SRINIVAS	- ADDITIONAL DIRECTOR
MR. DIGVIJAY CHOUDHARI	- ADDITIONAL DIRECTOR
MR.CHANDRAKANT L RATHI	- ADDITIONAL DIRECTOR

REGISTERED OFFICE

PLOT NO. 22 & 23, SVCIE,
BACHUPALLY, QUTHBULLAPUR MANDAL,
HYDERABAD- 500 090, INDIA.

AUDITORS

VIJAY NARAYAN AND CO.,
CHARTERED ACCOUNTANTS
5-4-776, 1ST FLOOR,
LANE OPP. G.PULLAREDDY SWEETS,
STREET NO. 4, ABIDS,
HYDERABAD - 500 001.

SHARE TRANSFER AGENTS

VENTURE CAPITAL & CORPORATION INVESTMENTS
PRIVATE LIMITED
12-10-167, BHARATNAGAR,
HYDERABAD - 500 018.

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of Members of INWINEX PHARMACEUTICALS LIMITED will be held on Monday the 26th Day of September, 2011 at 11:30 AM at Sapphire Hall, Hotel Fortune Manohar, Begumpet, Hyderabad, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance sheet as on 31st March, 2011 and the Audited Profit and Loss Account for the year ended 31st March, 2011 together with reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. N. Narasimhan who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Srinivas Gowra, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint the Auditors and fix their Remuneration and for this purpose pass the following resolution as Ordinary resolution:

“RESOLVED THAT M/S VIJAY NARAYAN & CO., Chartered Accountants, Hyderabad, retiring auditors of the Company be and are hereby re-appointed as Auditors of the Company pursuant to the provisions of Section 224 of the Companies Act, 1956 to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the company be and are hereby authorized to fix their remuneration including for other services and out of pocket expenses”

Place: Hyderabad

By Order of the Board

Date: 13.08.2011

ARVIND VARCHASWIN
Managing Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. Proxy Form duly executed should be deposited at the Registered Office of the Company at least **FORTY EIGHT** hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books shall remain closed from **21st September 2011 to 26th September 2011** (both days inclusive) for the purpose of Annual General Meeting.

DIRECTORS' REPORT

To

Members,

INWINEX PHARMACEUTICALS LIMITED.

Your Directors are pleasure to present 16th Annual Report of the Company together with Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 2011.

1.FINANCIAL RESULTS:

(Rs. Lakhs)

Particulars	31.03.2011	31.03.2010
Sales	48.83	34.76
Profit/(Loss) before depreciation and Interest and Income Tax (PBDIT)	(112.24)	(56.91)
Interest and Financial charges	0.05	0.05
Depreciation	17.76	16.49
Net Profit/(Loss)	(130.05)	(73.45)
Provision for Tax	Nil	Nil
Net Profit/(Loss) carried to Balance Sheet	(240.67)	(110.62)
Earnings Per Share (Basic/Diluted)	(5.34)	(1.63)

2.OPERATIONS:

The sales for the year ended 31st March, 2011 was Rs. 48,83,451/- compared to the previous financial year's income of Rs. 34,76,480/- for the year ended 31.03.2010. The income of the Company has increased compared to the last financial year due to new production advancements and values. The loss of the Company has increased to Rs. 1,30,04,720/- compared to the previous financial year's loss of Rs. 73,44,700/-.

As a result of change in management as per scheme of arrangement by the Hon'ble High Court of A.P, the Company has made a new beginning by firstly streamlining the workforce, the ancillary machinery etc. There has been a restructuring of manufacturing facility during the year to meet the global standards. This has resulted in increased operational expenditure. Further the new management has provided provisions for long outstanding debts, advances and deposits; doubtful of recovery aggregating to Rs. 43.98 lakhs, as a matter of abundant caution and prudence.

3. FUTURE OUTLOOK:

As stated in the previous report, the Company has registered with and obtained Certifications from various agencies like ISO 22000 SGS HACCP Certification from SGS, GMP Certification, USDA-Organic products approval, EEC and Indian Organic Certification, for which the Company has taken all initiatives to comply with requirements of the said agencies and is further implementing the new and improved manufacturing process and technology adoption.

Further as intended by the strategic investors, the Company has implemented its plans by installation of new technology equipments with which the company has already started to manufacture various Ayurvedic capsules and tablets, to be competent and meet the demand of both Domestic and International markets and further the Company has decided to enhance the efficiency of the production levels and quality of the medicines.

The Company estimates that the adoption of faster and better technology would meet the requirements of the market demand and on these grounds it can anticipate the expected level of revenue inflows during the next few years.

4. DIVIDEND:

In view of the losses suffered during the year, your Directors do not recommended any Dividend for the year ended 31.03.2011.

5.DIRECTORS:

Pursuant to the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Shri N. Narasimhan and Shri Srinivas Gowra retire by rotation at the conclusion of the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. During the year, Mr. Chandrakant Laxminarayan Rathi and Mr. Digvijay Choudhari have given their consents to act as Directors and pursuant to Section 264, the Board honored their intention and appointed them as Additional Directors in their meeting held on 12.11.2010 and are to be further regularized at the ensuing Annual General Meeting by passing the requisite resolutions that are forming part of this Notice.

6. AUDITORS:

M/s Vijay Narayan & Co., Chartered Accountants retire as the Statutory Auditors of the Company at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment for holding office until the conclusion of next Annual General Meeting, Pursuant to the provisions of Section 224(IB) of the Companies Act, 1956. Their remuneration shall be fixed by the Board of Directors as per the terms of arrangement agreed upon.

7. FIXED DEPOSITS:

Your Company has not accepted any Fixed Deposits from the Public or its shareholders within the meaning of the section 58A of the Companies Act, 1956, during the year under review.

8. COMPLIANCE CERTIFICATE UNDER SECTION 383A OF THE COMPANIES ACT, 1956:

Pursuant to Section 383A of the Companies Act, 1956, the company is required to obtain a compliance certificate from a Practicing Company Secretary certifying that the company has duly complied with all applicable statutory regulations and requirements and file the same with the Registrar of Companies, Andhra Pradesh. In this connection, a Compliance Certificate issued by a Practicing Company Secretary has been obtained and is attached hereto.

9. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, in respect of the financial statements as at 31st March, 2011, Your Directors state:

- (i) That in the preparation of the Annual accounts, the applicable accounting standards have been followed.
- (ii) That your Directors have selected appropriate accounting policies and applied them consistently and diligently so as to depict a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss account for that period.
- (iii) That your Directors have taken proper and sufficient care with respect to the maintenance of required and mandated records under the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and preventing any frauds and irregularities.
- (iv) That your Directors have prepared the Annual Accounts for the Financial Year ended 31.03.2011 as per the going concern concept.

10. PARTICULARS OF EMPLOYEES:

During the year under review, all the employees have drawn their salaries within the Limits specified under Section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Pursuant to the provisions of Section 217(1) (e) of the Companies Act, 1956, the particulars of conservation of energy and technology absorption are annexed hereto and Foreign exchange earnings and outgo are NIL.

Power and Fuel Consumption**Current Year****Electricity**

a) Purchased Units (Kwh)	52,866
Total Amount (Rs)	4,52,616
Rate/Unit (Rs)	8.56
b) Own Generation	
Through Diesel Generator Units (Kwh)	2,138
Total Amount (Rs)	64,997
Cost/unit (Rs)	30.40

12. RESEARCH AND DEVELOPMENT:

The Company is currently carrying out several research projects and development activities in the field of Ayurveda and various kinds of related herbal and nutritional supplements and further plans to indulge into more such R & D activities to further add value to the current quality of our products and also to develop new prototypes and variants. The Company is also emphasizing on organic food and nutritional

13. LISTING:

The shares of your Company are listed in the Bombay Stock Exchange. The listing permission for the shares issued post Scheme of Arrangement has been already obtained and has been duly informed in the report pertaining to previous year. Accordingly, the said shares along with the others are being actively traded and the formalities in this respect have been complied with in all due respects. The Company has also complied with the requirement of minimum public shareholding as prescribed under Clause 40A of the Listing Agreement.

14. CODE OF CONDUCT:

The Company has adopted a uniform Code of Conduct for Directors, Senior Management Personnel and other Executive level officers to ensure proper ethical standards and further ensure due compliance to established standards.

15. SUBSIDIARY COMPANIES:

There are no subsidiaries to your Company as on the date of report.

16. CORPORATE GOVERNANCE REPORT:

The Code of Corporate Governance as per Clause 49 of the Listing Requirement is attached herewith. The Compliance Certificate on Corporate Governance received from the Statutory Auditors is also given as an Annexure to this report.

17. ACKNOWLEDGEMENTS:

Your Directors take this opportunity to express their gratitude for the assistance and co-operation rendered by Government Authorities, Bankers and other business associates along with our esteemed Shareholders and employees.

On Behalf of the Board

ARVIND VARCHASWI . N
Managing Director

NARAYANAN NARASIMHAN
Director

Place: Hyderabad

Date: 13.08.2011

MANAGEMENT DISCUSSION & ANALYSIS REPORT**INDUSTRY STRUCTURE AND DEVELOPMENT**

The practical tenets of Ayurveda, the sector where the Company now operates, are divided into eight sections or branches. These sections include:

- Internal medicine,
- Surgery,
- Organic medicine,
- Pediatrics,
- Toxicology,
- Rejuvenating remedy,
- Aphrodisiac remedies and
- Spiritual healing.

These eight sections are called "Astanga Ayurveda".

Ayurveda is a complete or holistic system that integrates the mind, body and spirit. For a few centuries, the tradition of Ayurveda was dimmed due to the natural and human calamities and also by the invasion of foreign cultures into India. The sacred texts were either destroyed or stolen. However there were many 'Vaidyas' or doctors in India who managed to preserve some of the knowledge available in these Holy Scriptures. Divine plants that sustain long life and good health are now being rediscovered. Many renowned families of Vaidyas, who are specialized in certain branches of Ayurveda, have started functioning again in India. Today there is a revival of the ancient culture and traditions inherent to Ayurveda, which is a true gift of the ancient civilization to the modern world.

Current scenario of Ayurveda Industry:**Figures:**

Herbal Product's Market(World)	: USD 80 billion
Annual Growth Rate	: 7%
By 2050	: will reach 6 trillion
Indian Market	: Estimated as Rs. 4205 Crores
Export of Ayurvedic Drugs	: Estimated as Rs. 440 Crores **
Potential by 2020	: Estimated as Rs. 7000 Crores
	(**Source EXIM report)

Status Of Ayurveda In India

The Indian Government and Non-Government Organizations have been collecting statistics on the Ayurvedic system in India and these data about the manpower and institutional aspects of Ayurveda have emerged:

- Number of registered medical practitioners: 366,812
- Number of dispensaries: 22,100
- Number of hospitals: 2,189
- Number of hospital beds: 33,145
- Number of teaching institutions (undergraduate): 187
- Number of upgraded postgraduate departments: 51
- Number of specialties in postgraduate medical training: 16
- Number of pharmacies manufacturing Ayurvedic medicines: 8,400

OUTLOOK AND FUTURE PLANS

The Company is currently thriving to achieve profitable and steady growth by introducing new aspects into the Business plan by diversifying and extending its scope to manufacturing and exporting of Ayurvedic tablets, Capsules, food supplements etc. which currently have a subsisting demand in both domestic and foreign markets. The Company has registered with and obtained certifications from various agencies like ISO 22000 SGS HACCP Certification from SGS, GMP Certification, USDA- Organic products approval, EEC and Indian Organic Certification and has further taken required initiatives to comply with the requirements arising as a result of these certifications from the said agencies and is further implementing new and improved manufacturing processes which proved effective and resourceful in the Industry and has also adopted new and updated technologies that are currently available.

The Strategic Investors who currently comprise the Board have initiated and to some extent affected a major change in the working scenario of the Company by entering into new markets exploiting their benefits both domestic and international by mainly focusing on the field of Ayurveda, which is increasingly being accepted worldwide. The Company has planned to enter the international market via export of Ayurvedic products and for this purpose has formulated suitable strategies. One of these being obtaining accreditations from various renown certifying authorities having world wide acceptance thereby adding immense value our products which shall enter the International market in an Embryonic state. As far a domestic market is concerned, Ayurvedic products are widely acceptable in our Country due to the abundant awareness about the pros of Ayurvedic products. The strategic investors are mainly focusing on this aspect as this holds the potential to bring a positive change on the Company's financial structure in the near future.

OPPORTUNITIES AND THREATS

The growth of middle class in the country has resulted in fast changing lifestyles in urban and to some extent rural areas. This opens a huge market for lifestyle drugs, which has a very low contribution in the Indian markets. Indian manufacturers are one of the lowest cost producers of drugs in the world. With a scalable labor force, Indian manufactures can produce drugs at 40% to 50% of the cost to the rest of the world. In some cases, this cost is as low as 90%. Indian pharmaceutical industry possesses excellent chemistry and process re-engineering skills. This adds to the competitive advantage of the Indian companies. The strength in chemistry skill helps these Indian companies to develop processes, which are more cost effective.

Strength:

- Rich and time tested Traditional Knowledge (TK) associated with sustainable use of biogenetic resources
- Side effects free medicines.
- Trust in Indian Tradition Medicine System.
- Over 82% is Ayurveda in Indian Tradition Medicine System.

Opportunities

- An ever increasing need for new drugs to handle modern day life-style related chronic ailments
- >60 % of people in developing countries depend on Ayurveda.
- Due to fast life style trend is moving towards "HERBAL".
- India has become a top-five global destination for investment in all phases of pharmaceutical development and growth of lower-level biotechnology (e.g. vaccines, monoclonal antibodies, etc.) progresses well, but lacks an enabling environment and incentives for investment in traditional medicines.
- Business opportunities for Ayurvedic Industries: Ayurveda is an indigenous system of India and nearly 70% of its population uses the traditional system of medicine. Consumers of Ayurvedic drugs are increasing day by day in India and outside India, and growth in the consumption of herbal medicine is significant. Presently, a numbers of Ayurvedic products are being exported as nutraceuticals and health care products.

RISKS AND CONCERNS

Weaknesses:

- Lack of good institutions and teachers
- Poor marketing
- Very few good R&D centers
- Shortage of raw material
- Lack of documented validation of Products.
- Lack of documented quality control procedures.
- Lack of documented process validation.
- Batch to batch variation in product.
- Toxicity profile - not explained
- Efficacy - not scientifically proved & documented
- Quality assurance protocol - not properly designed.
- Lack of world class treatment centers.
- Lack of NABH accreditation.
- Lack of health Insurance approval.
- Lack of well trained man power.

Threats:

- Escalation in raw materials price
- Lowering of standards in the products
- Adulteration in the raw materials
- Unhealthy growth of fake massage parlors.

- Low exports due to
 - Lack of proper documents and scientific data
 - GMP and Quality
 - Price , Packaging , Delivery schedule
- Centers opened by untrained people.
- Allopathy as it is fast in results.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has recently modified and improved its internal control system by making it more efficient, effective and highly fraud detention system. The Company is carrying out internal audits at regular intervals so as to ensure NIL irregularities and operational inefficiencies. Such Audits are carried out in accordance with the requirements of the Company under the supervision of the Audit Committee and is being improved from time to time by including new methodologies and further polishing the existing ones. The final report on the Audit is submitted to the Board of Directors after being approved by the Audit Committee. The Board shall review the policies adopted and procedures followed and shall approve the same on finding them appropriate to the requirement.

The Audit Committee Comprises of the members from the Board so as to ensure total transparency and consists of three Independent non-executive Directors. The committee performs the task of review of internal control systems from time to time and unaudited financials every quarter before recommending them to the Board of Directors. In this regard, the Board shall seek expert advices and reviews from statutory auditors, Internal Auditor and Consultants to the Company.

The Company's Budgetary Control system has been substantially improved to monitor, manage and regulate the Cost and Capital related aspects. The Company has also reconfigured the internal control system so as to keep a continuous and regular check on the Assets of the Company and protect them from any loss or damages which occur due to unauthorized access and usage.

SHARE CAPITAL

During the year under review, there was no further issue of shares. Thus the paid up capital of the Company stands at Rs. 4,50,00,400/- as on 31.03.2011.

SECURED LOANS

Secured loans of the Company as on 31.03.2011 are NIL

FIXED ASSETS

New assets worth Rs.74.14 Lakhs have been acquired during the Year and added to the block, as a result the net block of fixed assets stands at Rs.332.70Lakhs for the year ended 31.03.2011 after providing an accumulated depreciation of Rs.127.87 Lakhs

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company is currently emphasizing on recruiting additional personnel and work force possessing enough expertise and experience in the field of Ayurvedic products as it has expanded its operations by diversifying in to a new line of products pertaining to the same industry. The human and industrial relations have remained peaceful and composed during the year and the company is currently working on providing much comfortable working environment to the existing personnel and new talents to motivate retain and attract the highly contributing talents.

The Company also has good relations with other companies in the similar stream of business and it shall be useful in understanding the market behavior and phenomenon in depth and to stay updated with competitors both in growth and adoption of new technologies for cost effective operation.

CAUTIONARY STATEMENT

Statements made in the Management Discussion and Analysis report which describes the Objectives, projections, estimates, approximations, predictions etc., may be considered to be forward looking statements and are stated as per the applicable laws and regulations. Actual results may defer from those expressed or speculated and are determined by many factors both domestic and global demand – supply conditions, processes, raw material availability, tax laws, government policies and other statutory obligations and implications which may affect the actual results which may be different from what the Directors envisaged in terms of future performance and outlook.

By Order of the Board

Sd/-

ARVIND VARCHASWI. N

Place: Hyderabad

Date: 13.08.2011

CORPORATE GOVERNANCE REPORT

1. Company Philosophy on Code of Corporate Governance

The Company's Board of Directors and management are committed to maximize the value of the share holders on sustained basis. The Company considers good Corporate Governance to be a prerequisite for meeting the objective of the share holder's wealth maximization. The Company has always believed in maintaining its affairs with diligence, transparency, responsibility and accountability, good Governance practice includes adoption of the best Board practice, respect and protection of minority views and interests and institutionalization of a fair and transparent reporting system. As a part of the compliance of the revised Clause 49 of the Listing Agreement, the Company presents hereunder the required disclosures in the form of a report for the information of all the stake holders.

2. Board of Directors:

As on date, the Company's Board of Directors consists of the following EIGHT Directors:
 Composition and category of Directors:

NAME	Designation	Category	No. of other Director ships	Attendance at Board meeting	Attendance at previous AGM
Mr. Arvind Varchaswi N.	Managing Director	Promoter & Executive	5	5	Yes
Mr. Narayanan Narasimhan	Chairman & Director	Non-Executive - Independent	4	3	Yes
Mr. Ramesh Chandra Agarwal	Director	Non-Executive - Independent	1	2	No
Mr. Digvijay Chowdhari	Additional Director	Non-Executive - Independent	1	2	No
Mr. Chandrakanth Laxminarayan Rathi	Additional Director	Non-Executive - Independent	7	1	No
Mr. Nikhil Sen	Additional Director	Non – Executive - Independent	2	4	Yes
Mr. Gowra Srinivas	Additional Director	Non-Executive – Independent	7	4	Yes
Mr. Sriram Chandrasekaran	Additional Director	Non-Executive – Independent	2	2	Yes

None of the above Directors are acting as a member in more than Ten Committees and as chairman in more than Five Committees across all Companies in which they are the Directors.

3. Board Meeting:

During the year 2010-11, the Board met Six times on the following dates, viz 31st May 2010, 25th June 2010, 21st July 2010, 8th August 2010, 12th November 2010, 27th January 2011 the maximum gap between any two successive meetings was less than 4 months.

4. Information Supplied to the Board:

The Board members are given agenda papers along with necessary documents and information in advance of each meeting of the Board and Committees. In addition to the regular business items, the following are regularly placed before the Board to the extent applicable.

- Quarterly and Half yearly results of the Company.
- Minutes of the Audit Committee, Share holders Committee meetings.
- Details of Agreements entered into by the Company.
- Non-Compliance of any statutory or listing requirements.

5. Minutes of the Board Meeting:

The minutes of the each Board and Committee meeting is prepared and approved by the Chairman within 30 days from the conclusion of the meeting.

6. Code of Ethics:

The Company has prescribed a Code of Ethics for its directors and senior management. The declaration from the Executive Director stating that all the Directors and the senior management of the Company have affirmed compliance with the code of ethics for the financial year 2010-11 has been reproduced below:

Declaration of Code of Conduct:

This is confirm that the Board has laid down the Code of conduct for all the Directors and senior management personal of the Company, it is further confirm that all Directors and senior management personals of the Company have affirmed compliance with the code of conduct of the Company for the financial year ended on 31st March, 2011, as envisaged in Clause 49 of the Listing Agreement with Stock Exchange.

Board Committees:

The Company has committed to be transparent on all the matters by providing efficient and effective disclosures of the discussions made by the Board and their Committees on the relevant matters.

Further the Board has delegated certain powers to some of the Committees of its members, and these Committees decided the matters referred and report to the Board by recommendations in the next Board meeting. The Company has been constituted two Committees viz. Audit Committee and Shareholders grievances Committee.

Audit Committee:

The terms referred in the audit Committee include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
3. Approval of payment to statutory auditor for any other services rendered by the statutory auditors.
4. Reviewing with management the annual financial statements before submission to the board, focusing primarily on:
 - a. Any changes in accounting policies and practices.
 - b. Major accounting entries based on exercise of judgment by management.
 - c. Qualifications in draft audit report.
 - d. Significant adjustments arising out of audit.
 - e. The going concern assumption.
 - f. Compliance with accounting standards.
 - g. Compliance with stock exchange and legal requirements concerning financial statements.
 - h. Any related party transactions.
5. Reviewing with management the quarterly financial statements before submission to the board.
6. Reviewing with the management, external and internal auditors, the adequacy of internal control systems, and recommending improvements to the management.
7. Discussion with internal auditors any significant findings and follow up thereon.
8. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
9. Discussion with external auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
10. Reviewing the company's financial and risk management policies.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

During the year 4 meetings were held on 31st May 2010, 21st July 2011, 12th November 2010, 27th January 2011.

The following are the details of the Director, their attendance at the Audit Committee Meeting held during the year 2010-2011.

Name	Status	Attendance
Mr. NilkhilSen	Member	3
Mr. Gowra Srinivas	Chairman	3
Mr. Sriram Chandrasekaran	Member	2

Remuneration Committee:

For the time being there is no remuneration Committee constituted.

Shareholders/Investors grievances Committee:

The composition of the shareholders/ Investors grievances committee as on date is as under:

Name of the Director	Designation	Category of Director ship
Mr. Arvind Varchaswi N.	Chairman	Executive
Mr. Gowra Srinivas	Member	Non-Executive
Mr. Nikhil Sen	Member	Non-Executive

The share holders/Investors grievances committee met whenever so required for Share transfer etc.

In accordance with the Clause 49(IV) (G) (iv) of the Listing Agreement with the Stock Exchange, all the complaints received from the share holders were resolved within the prescribed time limit and none of the grievances pending as on the date of the report.

Details of Annual/Extra ordinary General Meeting:

Locations and time of General meeting held in past 3 years:

YEAR	LOCATION	DATE	TIME
2007-2008	Plot No.22 & 23, SVCIE, Bachepally, Miyapur, Hyderabad – 500 090.	29.09.2008	9.30am
2008-2009	Plot No.22 & 23, SVCIE, Bachepally, Miyapur, Hyderabad – 500 090.	30.12.2009	9.30am
2009-2010	Hotel Fortune Manohar, Begumpet, Hyderabad-500016	27.09.2010	11.30am

***Extra ordinary general meeting, if any.

DISCLOSURES:

- (a) No transaction of material nature has been entered into by the company with directors or management and their relatives etc that may have a potential conflict with the interests of the company. The Register of contracts containing transactions in which directors are interested is placed before the Board regularly.
- (b) There has been no instance of non-compliance by the Company on any matter related to the capital markets. Hence the question of penalties or strictures being imposed by SEBI or Stock Exchanges does not arise.
- (c) The Company is in compliance with all the mandatory requirements of Corporate Governance and has fulfilled the non- mandatory requirements as prescribed in Annexure 1D of the revised Clause 49 of the Listing Agreement with Stock Exchanges.
- (d) The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable, in the Preparation of the Financial Statements
- (e) The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks through means of a properly defined framework
- (f) The Company has adopted with the Code of Conduct applicable to all Directors, senior management and employees. The Declaration as required under Clause 49 is as below:

“All the Directors and Senior Management of the Company have affirmed compliance with the Company’s Code of Conduct for the financial year ended 31st March, 2010.”

Place : Hyderabad
Date: 13th August 2011

Sd/-
Arvind Varchaswi. N
Managing Director

CEO Certification: The Managing Director has given a certificate as contemplated in Clause 49 of the Listing Agreement.

The Management Discussion and Analysis is provided elsewhere in this report.

I. Means of Communication

The financial results are published by the Company in prescribed format in Financial Express and Prajashakti with 48 Hr of approval of the Board.

II. General Shareholder Information

- 1) 16th Annual General Meeting
Date and Time 26th September 2011
Venue Sapphire, Hotel Fortune Manohar, Begumpet, Hyderabad.

- 2) Financial Calendar (2011-12) (Tentative)
 The Financial year of the company is 1st April to 31st March. For the year ending 31st March, 2011 Quarterly Un-audited / Annual Audited results shall be announced as follows:

Financial reporting for	Proposed Date
Unaudited Results for the Quarter ending : 30 th June, 2011	On or before 15 th August, 2011
Unaudited Results for the Quarter ending : 30 th September, 2011	On or before 15 th November, 2011
Unaudited Results for the Quarter ending : 31 st December, 2011	On or before 15 th February, 2012
Audited Results for the year ended 31 st March, 2012	On or before 30 th June, 2012

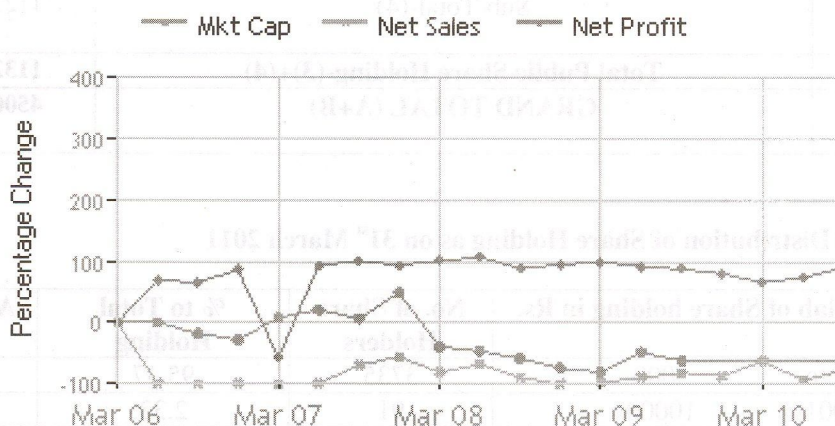
- 3) Book Closure Date : 21st September 2011 to 26th September 2011 (both day included)
- 4) Registered Office : Plot No.22 & 23, SVCIE, Bachepally,
Qutubullapur (M), Hyderabad - 500 090
- 5) Listing of Equity Shares : The Stock Exchange, Mumbai (BSE)
- 6) Listing Fees : Listing fee has been paid to Mumbai Stock
Exchange till the year 2011-12
- 7) Stock Code : 531398
- 8) ISIN No. : INE679C01019
- 9) CIN Number : L24231AP1995PLC019106
- 10) Market Price Data :

The monthly high and low quotations and volume of shares traded on BSE.

MONTH	BSE, MUMBAI		
	HIGH PRICE	LOW PRICE	NO.OF SHARES TRADED
APRIL, 2010	45.05	28.80	291
MAY, 2010	40.75	30.75	123
JUNE, 2010	34.45	28.55	146
JULY, 2010	32.15	27.15	237
AUGUST, 2010	30.90	25.75	217
SEPTEMBER, 2010	36.90	25.55	375
OCTOBER, 2010	33.85	23.80	217
NOVEMBER, 2010	34.95	23.50	149
DECEMBER, 2010	29.00	23.65	129
JANUARY, 2011	31.25	23.35	94
FEBRUARY, 2011	25.70	16.55	120
MARCH, 2011	19.70	15.75	99

11) Performance in comparison to broad-based indices such as BSE Sensex.

Performance Chart



12) Investors' Correspondence / Registrar & Share Transfer Agents:

Venture Capital & Corporate Investment Pvt. Ltd.,
 12-10-167, Bharat Nagar
 Hyderabad – 500 018.

13) Share Holding Pattern as on 31st March, 2011

	Category	No. of Shares Held	Percentage of Share Holding
A.	Promoter's Holding		
1	Promoters		
	- Indian Promoters	3369884	74.85
	- Foreign Promoters	0	--
2	Persons acting in concert		
	Sub-Total-(1)+(2)	3367884	74.85
B.	Non-Promoters Holding		
3	Institutional Investors:		
a	Mutual Funds and UTI	4960	0.11
b	Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/non-government Institutions)	0	0
c	FII's	0	0
	Sub-Total-(3)	4960	0.11
4.	Others(Non institutional)		
a	Private Corporate Boding	48018	1.07
b	Indian Public	1075274	23.90
c	NRIs/OCBs	3904	0.09
d	Any other (Please Specify)	0	0
	Sub-Total-(4)	1127196	25.05
	Total Public Share Holding-(3)+(4)	1132156	25.16
	GRAND TOTAL (A+B)	4500040	100.00

14) Distribution of Share Holding as on 31st March 2011

Slab of Share holding in Rs.	No. of Share Holders	% to Total Holding	Amount in Rs.	% to Total
Upto - 5000	3735	95.47	2,89,373	6.43
5001 - 10000	91	2.32	68,751	1.52
10001 - 20000	43	1.09	63,765	1.41
20001 - 30000	7	0.17	16,603	0.36
30001 - 40000	4	0.10	13,744	0.03
40001 - 50000	8	0.20	36,027	0.08
50001 - 100000	8	0.20	50,947	1.13
100001 and above	16	0.40	39,60,830	88.01
TOTAL	3912	100	45,00,040	100

15) Share Transfer System:

Share transfers which are received in physical form are processed by the Registrar and Share Transfer Agents and the share certificates are returned after affecting the transfer, subject to the documents being valid and complete in all respects.

16) Dematerialization of Shares:

The company's trading of equity shares came under compulsory dematerialization from 07.02.2001

As on 31st March, 2011, 814139 Equity Shares of Rs.10/- each aggregating to 18.09% are being held with NSDL & CSDL in demat form of the paid up capital & the rest 3685901 aggregating to 81.91% are in physical form.

17) Outstanding Bonds/ Convertible Instruments - Nil

18) Plant Location & Address for Correspondence: Plot No: 22 & 23, SVCIE, Bachepally, Qutubullapur (M), Hyderabad – 500 090.

For and on behalf of the board

Place: Hyderabad
Date: 13th August 2011

Arvind Varchaswi. N
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Shareholders of
Inwinex Pharmaceuticals Limited

We have examined the compliance of the conditions of Corporate Governance by Inwinex Pharmaceuticals Limited ("the Company") for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance, issued by The Institute of Chartered Accountants of India and was limited to review of 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 opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has, in all material respects, complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For Vijay Narayan & Co.
Firm Registration No. 010917S
Chartered Accountants

Vijay N. Kale
Proprietor
Membership No. 020322

Place: Hyderabad

Date: 13th August 2011

AUDITOR'S REPORT

TO THE MEMBERS OF INWINEX PHARMACEUTICALS LIMITED

1. We have audited the attached Balance Sheet of INWINEX PHARMACEUTICALS LIMITED ("the Company") as at 31st March 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Standards on Auditing 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 the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the companies (Auditor's Report Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the Order) 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, 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 of the Company:

- iii) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account:
- iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance 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 representation received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms 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 together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - b) In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
 - c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on th date.

For Vijay Narayan & Co.
Firm Registration No.010917S
Chartered Accountants

Vijay N. Kale
Proprietor
Membership No.020322

Place: Hyderabad
Date: 23rd May 2011

ANNEXURE TO THE AUDITOR'S REPORT

- i) a) The Fixed asset register showing full particulars, including quantitative details and situation of fixed assets is under updation by the management.
- b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification under development which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets .No material discrepancies were noticed on such verification.
- c) There was no substantial disposal of fixed assets during the year.
- ii) a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- b) In our opinion and according to explanation 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) In our opinion, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii) a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act ,1956.
- b) As informed, the Company has taken loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The number of parties and the amount involved in the transaction are given below.

Number of Parties

1) Sumeru Ayurveda Pvt. Ltd.

Amount involved

Rs. 1,00,26,000

- c) the rate of interest and other term and conditions of loans taken by the company secured or unsecured are prime face not prejudicial to the interest of company
 - d) The terms of repayment for loans taken have not been specified
 - e) There is no overdue amount more than rupees one lakh to be recovered and as such no action required in this regard.
- iv) In our opinion and according to the information and explanation given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business with regards to purchase of inventories and fixed assets and with regards to the sale of goods. During the course of our audit, we have not observed any major weakness in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- (v) In respect to contracts or arrangements entered in the register maintained in pursuance to Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- a) The particulars of contracts or arrangements referred to in section 301 that need to be entered in the Register maintained under the said section have been so entered.
 - b) Each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956. We have broadly reviewed the books of account maintained and in our opinion; prima facie, the prescribed accounts and records have been made and maintained by the Company. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- (ix) a) According to the records of the Company, provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it have generally been regularly deposited during the year with appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c) According to the records of the Company, the dues outstanding of income tax , sales tax, wealth tax, service tax , custom duty, excise duty, cess on account of any dispute, are as follows : Disputed Sales Tax Demand Rs.3.40 Lakhs
- (x) Accumulated losses of Rs. 24,066,586 at the end of the financial year are less than 50% of its net worth and the Company has incurred cash losses in the current financial year and in the financial year immediately preceding financial year also.
- (xi) As per the information and explanations given by the management, the Company has not taken any loan from financial institutions, bank or debenture holders. Accordingly, the provisions of clause 4(xi) of the Order are not applicable to the Company.
- (xii) In our opinion and according to the information and explanation given to us and based on the document and records provided to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the Company.
- (xiii) According to information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society, the provisions of clause (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) According to information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanation given to us by the management, the Company has not taken any term loans. Accordingly the provisions of Clause (xvi) of the Para 4&5 of the Order are not applicable to the Company during the year.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no fund raised on short -term basis have been used for long-term investment and vice versa.
- (xviii) According to the information and explanations given to us, during the year, 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) According to the information and explanations given to us, the Company has not issued any debentures. Accordingly, the provisions of clause (xix) of the Order is not applicable to the Company.
- (xx) The Company has not raised any money by the way of public issue during the year.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported, during the year.

For Vijay Narayan & Co.
Firm Registration No.010917S
Chartered Accountants

Vijay N. Kale
Proprietor
Membership No. 020322

Place: Hyderabad

Date: 23rd May 2011

INWINEX PHARMACEUTICALS LIMITED
Plot No.22 & 23, SVCIE, Bachipally, Qutubullapur (M), Hyderabad- 500 090

BALANCE SHEET AS ON 31st MARCH, 2011

PARTICULARS	Sch.No	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
SOURCES OF FUNDS :			
1. SHARE HOLDERS FUNDS:			
a) Share Capital	1	45,000,400	45,000,400
b) Reserves & Surplus	2	6,102,160	6,102,160
2. LOAN FUNDS:			
a) Secured Loans	3	-	-
b) Unsecured Loans	4	10,026,000	4,726,000
TOTAL		61,128,560	55,828,560
APPLICATION OF FUNDS:			
1. FIXED ASSETS	5		
a) Gross Block		46,056,964	38,642,874
b) Less : Accumulated Depreciation		12,786,542	11,010,469
c) Net Block		33,270,422	27,632,405
d) Capital Work In Process		-	1,522,871
2. INVESTMENTS		-	-
3. CURRENT ASSETS, LOANS AND ADVANCES			
a) Inventories	6	1,568,491	729,944
b) Sundry Debtors	7	1,123,590	3,296,265
c) Cash & Bank Balances	8	712,258	10,064,304
d) Other Current Assets	9	1,530,616	1,717,656
e) Loans & Advances	10	880,449	1,773,784
		5,815,404	17,581,953
Less : Current Liabilities & Provisions			
a) Liabilities	11	3,030,805	2,628,663
b) Provisions	12	111,635	833,322
Net Current Assets		2,672,964	14,119,968
4. a) MISCELLANEOUS EXPENDITURE			
To the Extent Not Written Off or Adjusted	13	1,118,588	1,491,450
b) Profit and Loss Account	14	24,066,586	11,061,866
TOTAL		61,128,560	55,828,560

Notes forming part of accounts

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The Schedules referred to above and the statement of Significant Accounting Policies and Notes to accounts form an integral part of the Balance Sheet

As Per our Report of Even Date

For Vijay Narayan & Co.,
Chartered Accountants

For and on behalf of The Board

Vijay N Kale
Proprietor
Membership No. 020322
Firm Registration No.010917S

Arvind Varchaswi. N
Managing Director

Narayanan Narasimhan
Director

Place : Hyderabad
 Date: 23.05.2011

INWINEX PHARMACEUTICALS LIMITED
Plot No.22 & 23, SVCIE, Bachipally, Qutubullapur (M), Hyderabad- 500 090

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31.03.2011

PARTICULARS	Sch.No	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
<u>I N C O M E :</u>			
Gross Sales/ Job Work Charges	15	4,883,451	3,476,481
Other Income	16	359,829	396,482
TOTAL		5,243,280	3,872,963
<u>E X P E N D I T U R E :</u>			
Accretion/ Decretion to Stock	17	(716,420)	(362,41)
Material Consumed	18	2,624,497	912,389
Central Excise Duty		363,666	13,952
Staff Cost	19	2,565,396	3,731,893
Manufacturing Expenses	20	2,795,289	2,252,010
Administrative Selling & Distribution Expenses	21	8,462,173	2,642,460
Financial Charges	22	4,464	5,100
Depreciation	5	1,776,073	1,649,455
Miscellaneous Expenses Written off (Deffered Revenue)	13	372,862	372,862
TOTAL		18,248,000	11,217,663
Profit / Loss Before Tax		(13,004,720)	(7,344,700)
Prior Period Adjustments		-	-
Provision For Tax		-	-
Net Profit/ (Loss) After Tax		(13,004,720)	(7,344,700)
Profit/ (Loss) From Previous Year		(11,061,866)	(77,880,766)
Carried Forward Loss Setoff Againsts Capital Reduction		-	74,163,600
Net Profit/ (Loss) Carried to Balance Sheet		(24,066,586)	(11,061,866)
Earning Per Share		(2.89)	(1.63)

Notes forming part of accounts

23

The Schedules referred to above and the statement of Significant Accounting Policies and Notes to accounts form an integral part of the Balance Sheet

As Per our Report of Even Date
For Vijay Narayan & Co.,
Chartered Accountants

For and on behalf of The Board

Vijay N Kale
Proprietor
Membership No. 020322
Firm Registration No.010917S

Arvind Varchaswi. N
Managing Director

Narayanan Narasimhan
Director

Place : Hyderabad
Date: 23.05.2011

INWINEX PHARMACEUTICALS LIMITED
Plot No.22 & 23, SVCIE, Bachipally, Qutubullapur (M), Hyderabad- 500 090

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31.03.2011

Sch. No.	Particulars	AS AT 31.03.11 Rs.	AS AT 31.03.10 Rs.
1	SHARE CAPITAL		
	<u>AUTHORISED SHARE CAPITAL:</u> 90,00,000 Equity Shares of Rs.10/- each	90,000,000	90,000,000
	<u>ISSUED AND SUBSCRIBED & PAID UP</u> 45,00,040 Equity shares of Rs.10/-each	45,000,400	45,000,400
		45,000,400	45,000,400
2	RESERVES & SURPLUS:		
	Share Premium		
	Opening Balance	6,102,160	-
	Addition During the Year	-	6,102,160
	Closing Balance	6,102,160	6,102,160
		6,102,160	6,102,160
3	SECURED LOANS :		
	a) Loans and Advance from Banks	-	-
	b) Loans and Advance from Subsidiaries	-	-
	c) Other Loans and Advances	-	-
		0	0
4	UNSECURED LOANS :		
	a) Fixed Deposits	-	-
	b) Loans and Advance from Subsidiaries	-	-
	c) Short Term Loans and Advance		
	- From Banks	-	-
	- From Others	-	-
	d) Other Loans and Advances		
	- From Banks	-	-
	- From Others (Directors)		
	- Body Corporate		
		10,026,000	4,726,000
		10,026,000	4,726,000
6	INVENTORIES : (As taken, valued and certified by the Manangement)		
	Raw Materials	457,107	224,182
	Packing Materials	32,506	143,304
	Work In Progress	329,508	357,040
	Finished Goods	749,370	5,418
		1,568,491	729,944
7	SUNDRY DEBTORS :		
	a) Debtors Outstanding for a Period Exceeding Six Months		
	Unsecured - Considered Good	222,641	1,609,737
	Unsecured - Considered Doubtful	2,609,755	1,045,913
	b) Debtors Outstanding for a Period less than Six Months		
	Unsecured - Considered Good	900,949	640,615
		3,733,345	3,296,265
	Less: Provision for Doubtful Debtors	2,609,755	-
		1,123,590	3,296,265
8	CASH AND BANK BALANCES :		
	Cash on Hand	13,351	194,440
	Balance with Scheduled Banks:		
	- Current Accounts	698,907	879,864
	- Deposits Accounts	-	8,990,000
		712,258	10,064,304

INWINEX PHARMACEUTICALS LIMITED
Plot No.22 & 23, SVCIE, Bachipally, Qutubullapur (M), Hyderabad- 500 090

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31.03.2011

Sch. No.	Particulars	AS AT 31.03.11 Rs.	AS AT 31.03.10 Rs.
9	OTHER CURRENT ASSETS:		
	Deposits		
	- Unsecured Considered Good	1,264,882	1,256,579
	- Unsecured Considered Doubtful	350,000	-
	Cenvat Credits		
	- Unsecured Considered Good	265,734	393,387
	- Unsecured Considered Doubtful	343,142	
	Interest Accrued on FDR's	-	67,690
		2,223,758	1,717,656
	Less: Provision for Doubtful Deposits	693,142	-
		1,530,616	1,717,656
10	LOANS AND ADVANCES:		
	(Unsecured - Considered Good Recoverable in cash or in kind or for value to be received)		
	a) Advances for : Purchase & Expenses Capital Items/ Works	-	112,000
	b) Others	-	-
	- Unsecured Considered Good	880,449	1,661,784
	- Unsecured Considered Doubtful	1,095,098	
		1,975,547	1,773,784
	Less: Provision for Doubtful Advances	1,095,098	-
		880,449	1,773,784
11	CURRENT LIABILITIES:		
	a) Sundry Creditors		
	i) Total Outstanding dues to small scale industrial undertakings	-	-
	ii) Total Outstanding dues to creditors other than small scale industrial undertakings	-	206,208
	b) Other Liabilities	2,892,117	2,422,455
	c) Advance From Customers	138,688	-
		3,030,805	2,628,663
12	PROVISIONS:		
	Leave Encashment Payable	-	278,750
	Grautity Payable	111,635	554,572
		111,635	833,322
13	MISCELLANEOUS EXPENDITURE (To the Extent Not Written Off or Adjusted)		
	Opening Balance	1,491,450	-
	Addition During the Year	-	1,864,312
	Less: Written off During the Year	372,862	372,862
	Closing Balance	1,118,588	1,491,450
14	PROFIT AND LOSS ACCOUNT:		
	Opening Balance	11,061,866	77,880,766
	Less: Carried Forward Loss Set off against Capital reduction	-	74,163,600
	Add: Loss for the year	13,004,720	7,344,700
	Closing Balance	24,066,586	11,061,866

INWINEX PHARMACEUTICALS LIMITED
Plot No.22 & 23, SVCIE, Bachipally, Qutubullapur (M), Hyderabad- 500 090

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT AS ON 31.03.2011

Sch. No.	Particulars	AS AT 31.03.11 Rs.	AS AT 31.03.10 Rs.
15	SALES	4,883,451	1,764,329
	JOB WORK CHARGES	-	1,712,152
		4,883,451	3,476,481
16	OTHER INCOME:		
	Interest Received	52,332	86,799
	Discount Received	26,167	1,200
	Sundry Balance Written Back	206,016	8,483
	Rent Received	-	300,000
	Miscellaneous Income	75,314	-
		359,829	396,482
17	ACCRETION/ (DECRETION) TO STOCK:		
	FINISHED GOODS:		
	Closing Balance	749,370	5,418
	Less: Opening Balance	5,418	-
	ACCRETION/ (DECRETION)	743,952	5,418
	WORK-IN-PROCESS:		
	Closing Balance	329,508	357,040
	Less: Opening Balance	357,040	-
	ACCRETION/ (DECRETION)	(27,532)	357,040
		716,420	362,458
18	MATERIALS CONSUMED:		
	OPENING STOCK		
	- Raw Material	224,182	-
	- Packing Material	143,304	-
		367,486	-
	Add : Purchases		
	- Raw Material	1,420,156	891,403
	- Packing Material	840,429	310,875
	- Consumables	486,039	77,597
		2,746,624	1,279,875
	Less : Closing Stock		
	- Raw Material	457,107	224,182
	- Packing Material	32,506	143,304
	Net Consumed	2,624,497	912,389
19	STAFF COST:		
	Salaries & Wages	2,025,419	1,886,944
	Contribution to ESI & Provident Fund	117,426	67,077
	Staff Welfare	148,809	75,604
	Gratuity	80,625	1,003,578
	Leave Encashment	193,117	698,690
		2,565,396	3,731,893
20	MANUFACTURING EXPENSES		
	Power & Fuel	517,613	520,275
	Repairs & Maintainance - P & M	188,274	316,554
	Repairs & Maintainance - Others	532,404	309,622
	Carriage Inward	103,311	59,686
	Factory Maintainance	184,377	556,713
	Analytical Testing Charges	253,263	220,970
	Labour Charges	1,016,047	268,190
		2,795,289	2,252,010

INWINEX PHARMACEUTICALS LIMITED
Plot No.22 & 23, SVCIE, Bachipally, Qutubullapur (M), Hyderabad- 500 090

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT AS ON 31.03.2011

Sch. No.	Particulars	AS AT 31.03.11 Rs.	AS AT 31.03.10 Rs.
21	ADMINISTRATIVE SELLING & DISTRIBUTION EXPENSES:		
	Travelling Expenses & Conveyance Charges	282,193	61,648
	Postage & Telephone	139,293	161,236
	Printing & Stationery	100,084	409,088
	Vehicle Repairs & Maintainance	147,639	179,812
	Sales Promotion Expenses	57,689	7,690
	Computers Expenses	22,259	-
	Directors Remuneration	409,734	435,500
	Advertisement	17,430	27,062
	Security Service Charges	136,085	117,804
	Insurance	52,997	27,331
	Electricity Charges	2,168	1,163
	Filling Fee	30,891	4,090
	Listing Fee	13,788	17,908
	Custodial Fee	32,376	34,996
	Garden Maintainance	157,275	57,300
	Registration & Renewals	83,141	44,000
	Commision	466,667	233,333
	FBT	-	1,701
	Directors Sitting Fee	-	6,000
	Professional Service Charges	826,309	262,000
	Rent	153,425	120,000
	Freight Outwards	207,787	10,505
	Subscriptions & Periodicals	1,545	80
	Professional Tax	2,500	2,500
	Internal Audit Fee	100,000	15,000
	Statutory Audit Fee	100,000	75,000
	Share Transfer Expenses	60,022	68,059
	Admin Charges on PF	6,409	4,285
	Legal Fee	100,000	111,500
	Incidental Expenses	-	6,500
	AGM Expenses	20,883	3,960
	Pooja Expenses	16,304	600
	Sales Tax Prior Years	59,318	54,592
	Office Maintainance	14,468	31,948
	Hamali	6,041	1,355
	EGM Expenses	-	14,900
	Stamping Fee	-	618
	Job Work Charges on Foil Printing	-	353
	Medical Expenses	6,097	2,000
	AMC	6,917	-
	Service Tax on Freight Outwards (2005-06)	-	12,591
	Provision for Doubtful Advances	1,095,098	-
	Provision for Doubtful Debts	2,609,755	-
	Provision for Doubtful Deposits	693,142	-
	Sales Tax	119,821	-
	Rates & Taxes	100,769	-
	Interest	3,854	16,452
		8,462,173	2,642,460
22	FINANCIAL CHARGES:		
	Bank Charges	4,464	5,100
		4,464	5,100

INWINEX PHARMACEUTICALS LIMITED
 Plot No.22 & 23, SVCIE, Bachipally, Qutubullapur (M), Hyderabad- 500 090

5. FIXED ASSETS

Sl.No	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		As on 01.04.10 Rs.	Additions 2010-11 Rs.	Deletions 2010-11 Rs.	State Subsidy Adjusted Rs.	Total 31.03.2011 Rs.	As on 01.04.10 Rs.	During 2010-11 Rs.	Deletions 2010-11 Rs.	Total 31.03.2011 Rs.	As on 31.03.2011 Rs.	As on 31.03.2010 Rs.
1	Land	504810	0	0	0	504810	0	0	0	0	504810	504810
2	Buildings	18306855	3101043	0	0	21407898	2794458	634895	0	3429353	17978545	15512397
3	Plant & Machinery	17228625	3780102	0	0	21008727	7083881	923215	0	8007096	13001631	10144744
4	Furniture	1561677	340325	0	0	1902002	361917	108577	0	470494	1431508	1199760
5	Office Equipment	178677	176969	0	0	355646	99270	12414	0	111684	243962	79407
6	Vehicles	647589	0	0	0	647589	522603	61521	0	584124	63465	124986
7	Computers	214642	15650	0	0	230292	148340	35451	0	183791	46501	66302
	TOTAL	38642875	7414089	0	0	46056964	11010469	1776073	0	12786542	33270422	27632406

Previous Year

38566194	2076680	0	2000000	38642874	9361014	1649455	0	11010469	27632406	29205180
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23. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

23.1 SIGNIFICANT ACCOUNTING POLICIES:

a. The Accounting Convention:

The financial statements are prepared in historical cost convention and as a going concern. Accounting policies not referred to specifically are consistent with generally accepted accounting principles.

b. Revenue Recognition:

The Company generally follows the mercantile system of accounting and recognises income and expenditure on accrual basis, except in the circumstances specifically mentioned below:

Sales Return : Breakages & Claims, Goods Returned Back.

c. Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation. Cost includes freight, taxes and any attributable cost of bringing the asset to its working condition for its intended use.

d. Depreciation:

Depreciation on assets is provided on straight line method, at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.

e. Inventories:

a. Raw Material, Packing Material, Stores and Spare Parts are valued at cost by following FIFO method.

b. Work in Process is valued at cost.

c. Finished Goods are valued at lower of cost or net realisable value.

f. Retirement Benefits:

Employees Provident Fund is administered by Regional Provident Fund Commissioner to whom remittances are made. Employer's Contribution is charged to revenue.

Gratuity amount payable to employees is provided on estimated basis in accordance with Payment of Gratuity Act, 1972.

g. Prior period items etc:

There are no material items relating to prior period, non- recurring in nature and extraordinary items.

h) Taxes on Income:

To provide and determine current tax as the amount of tax payable in respect of taxable income for the period. To provide and recognise deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence. Not to recognise deferred tax asset on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realise such assets.

i) Foreign Currency Transactions:

To account for transactions in foreign currency at the exchange rate prevailing on the date of transaction. Gains/losses arising out of fluctuations in the exchange rates are recognised in Profit and Loss in the period in which they arise except in respect of fixed assets where exchange variance is adjusted in carrying amount of the respective fixed assets. No Foreign Currency Transactions were done during the year.

23.2. NOTES TO ACCOUNTS

1. Contingent Liabilities

	Rs. In Lakhs	
	As on 31.03.2011	As on 31.03.2010
a. Bank guarantee against where counter Guarantee have been given	Nil	Nil
b. Claims against the Company not acknowledged as debt	Nil	Nil

- C. The Deputy Commissioner (C.T.) has vide his Assessment order No. 2467/199-2000 has confirmed the action of C.T.O. Gowliguda and has issued a revised order to collect additional sales tax of Rs. 6,81,265 for the year 1999-2000. The Additional Commissioner (C.T.) legal vide his order L11(1)564/2004 dated 22.03.2004 passed on a order staying the collection as the disputed tax subject to the condition that the Company shall pay 50% before 30.03.2004 pending disposal of the main appeal before STAT. The company has effected payment of Rs. 3,40,633 towards 50% payment in respect of disputed sales tax liability for the Assessment year 1999-2000. Pending final disposal of the disputed liability, the same has been reflected under loans and advances.

- d. The Labour Court - I AP Hyderabad had issued an order dated August 9, 2007 against Petition No. 83,84 and 85 of 2004 had directed the Company to pay Rs. 1,53,494 for the period August 2002 to June 2004 towards subsistence Allowance for three suspended employees. Further it has asked the Company to pay the amount with 9% per annum rate of interest from the date of petition to till the date of realisation.
2. ESI Department has issued a show cause notice for Rs. 5,51,907 on adhoc basis vide their letter No. AP/Ins. I/52-5639-34/359 dated 26.11.2007 towards omission of contribution on different heads for the period 1999-2000 to 2001-2002. In contest to the Show Cause Notice, company has filed petition for stay vide No.436/09 in Employees Insurance Court, Andhra Pradesh, Hyderabad on 1203.2009 and obtained stay order.
3. ESI Department also raised a demand for Rs.8479 on actual basis vide their letter No. AP/Ins. I/52-5639-34/540 dated 27.11.2007 towards short payment of contributions for the period 04/01 to 08/01, 10& 11/01, 01/02 to 03/02, 04/02 to 05/02, 10/02 to 02/03.
4. Commissioner of Central Excise, Hyderabad -IV has appealed to CESTAT against the Order No.7/2006 dated 31.10.2006 of Commissioner (Appeals-II) for stay and set aside the order of the Commissioner (Appeals -II). Amount involved in the Appeal is Rs.13,42,727.
5. PIL (Pochiraju Industries Limited) filed a petition on 23.01.2008 at III Additional Chief Judge, City Civil Court vide O.P.No.138/2008 for arbitration and for not to open locks of the factory. The Hon'ble judge after hearing dismissed the case. PIL demanded Rs. 71.00 lakhs (Rs. 60.00 lakhs Security Deposit and Rs.11.00 lakhs towards commission for providing Technical Know how) vide their notice dated 25.03.2008.

Inwinex had to receive an amount of Rs. 53,67,803 for the year 2007-08 and 2008-09 from PIL. Hence Inwinex had adjusted the said amount from Rs. 60.00 lakhs of Security Deposit during 2009-10. Further during 2009-10 the company had adjusted an amount of Rs.3.00 lakhs towards Rent.

As the case is under Arbitration, if the Company is unable to adjust the said amounts against Security Deposit then the loss of the company will increase by Rs. 56,67,803.
6. Deposits under Other Current Assets include amounts aggregating to Rs. 4,84,619 paid during the year towards arrear APGST for the years 1996-97, 1997-98 and 1998-99 against arrear notice dated 20.10.2009.

7. Excise Duty of Rs. 3,63,666 is charged to the Profit and Loss Account
8. Deferred Revenue Expenditure:
During 2009-10 the company had incurred certain expenditure of non recurring nature like payment of underwriting commission, capital reduction scheme expenses, etc which were deferred for a period of five years commencing from 2009-10.
9. During the year Rs. Nil (Previous Year Rs. 20 lakhs) has adjusted State Subsidy against Plant and Machinery
10. The Company has adopted AS 22 – Accounting for Taxes on Income. The accumulated net deferred tax asset on account of timing difference between book and tax loss has not been recognised due to virtual uncertainty that there will be future taxable income in near future available to realise such losses.

11. Managerial Remuneration

	Rs. In lakhs	
	31.03.2011	31.03.2010
Remuneration to Managing Director – Ramesh Chandra Agarwal		
- Salary	2.10	2.25
- Provident Fund	-	-
Remuneration to Executive Director – Manmohan Agarwal		
- Salary	1.96	2.25
- Provident Fund	-	-

12. Audit Fee

	Rs. In lakhs	
	31.03.2011	31.03.2010
As Statutory Auditor	1.00	0.65
As Tax Auditor	-	0.10
For Other Matter (Including Rs. 0.45 Lakhs Paid to Previous Auditor)	0.96	0.25

13. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3, 3 & 4D OF PART II OF THE SCHEDULE VI OF THE COMPANIES ACT, 1956

A. CLASS OF GOODS AND CAPACITY OF PRODUCTION

Class of Goods Manufactured	: Ayurvedic Formulations		
I. Licensed Capacity	: Not Applicable		
II. Installed Capacity	: As Certified by management		
a. PHARMACEUTICAL FORMULATIONS	UNIT	31.03.2011	31.03.2010
Tablets	Nos.in lakhs	6000	6000
Capsules	Nos. in lakhs	600	600
Powder Form	No. of Tons	600	600

B. QUANTITATIVE DETAILS OF PRODUCTION AND STOCKS

		As At 31.03.2011			As At 31.03.2010		
Product	Unit	Opening	Production	Closing	Opening	Production	Closing
Organic Medicines	No's	Nil	73242	21592	Nil	36,000	Nil
Masala's	Kg's	Nil	Nil	Nil	Nil	1,570.50	Nil
Swasti Tablets	No's	4800	Nil	4800	Nil	3,04,800	4800
Organic Churna	Kg's	Nil	28	Nil	Nil	Nil	Nil
Ojasvita	Kg's	Nil	79809	13991	Nil	Nil	Nil

C. SALES

		As At 31.03.2011		As At 31.03.2010	
Product	Unit	Quantity	Value Rs.	Quantity	Value Rs.
Organic Medicines	No's	51650	13,14,538	36,000	17,632
Masala's	Kg's	Nil	Nil	1,570.50	5,09,697
Swasti Tablets	No's	Nil	Nil	3,00,000	2,37,000
Organic Churna	Kg's	28	41,594	Nil	Nil
Ojasvita	Kg's	65818	35,27,319	Nil	Nil
			48,83,451		7,64,329

D. VALUE OF RAW MATERIAL, SPARE PARTS AND COMPONENTS CONSUMED

	31.03.2011	%	31.03.2010	%
	Rs.		Rs.	
Imported	Nil	Nil	Nil	Nil
Indigineous	26,24,497	100	9,12,389	100

E. CIF VALUE OF IMPORTS AND EXPORTS

	31.03.2011	31.03.2010
Raw Material	Nil	Nil
Packing Material	Nil	Nil
Capital Goods	Nil	Nil
Export of Goods	Nil	Nil

F.	Expenditure in Foreign Currency	Nil	Nil
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14. Prior Period Adjustments Nil

15. a) Balances of Sundry Creditors, Sundry Debtors, Loans, Advances and Deposits are subject to confirmation from parties concerned and reconciliation thereof.

b) Consequent to the change in management and control during the year the new management of the company has provided for long outstanding debts, advances and deposits doubtful of recovery as a matter of abundant precaution and prudence. The provision for doubtful debts, advances and deposits aggregating to Rs.43.98 Lakhs have been separately disclosed in schedule 21.

16. Segment Reporting as per Accounting Standard – 17

Business Segment: The company is operating in two segments ie. Allopathic and Ayurvedic Formulations. The revenue generated by the Allopathic Formulations is Nil. Hence it is not required to disclose figures for both the segments separately.

Geographical Segment: The company presently caters the needs of Indian public and the company is not operating in different economic environment and hence no information is provided under this standard.

17. Earning Per Share	As on 31.03.2011	As on 31.03.2010
Earnings		
(Net Loss for the year)	(Rs.1,30,04,720)	(Rs.73,44,700)
No. of Equity Shares (Rs. 10 each)	45,00,040	45,00,040
Basic (Rs.)	(2.89)	(1.63)
Diluted (Rs.)	(2.89)	(1.63)

18. Related Party Disclosure

Disclosure as required by the Accounting Standard 18 of the Institute of Chartered Accountants of India are given below:

a) Ionic Healthcare Private Limited	Associate Company
Jenirik Products	Partnership Firm
Sumeru Ayurveda Pvt Ltd	Holding Company
Arvind Varchaswi N	Director, Sumeru Ayurveda Pvt Ltd
Narasimhan N	Director, Sumeru Ayurveda Pvt Ltd
Ashok Kumar Agaral	Brother of Sri Ramesh Chandra Agarwal
Sumeru Travel Solutions Pvt Ltd	Associate Company
Divine Services	Proprietary Concern
Madhurya	Partnership Firm
Arvind Exports	Partnership Firm
b) Key Management Personnel	
Ramesh Chandra Agarwal	Managing Director (Upto 24.06.2010)
Manmohan Agarwal	Executive Director (upto 24.06.2010)
Arvind Varchaswi N	Managing Director (w.e.f 25.06.2010)

a) Transaction with Related Parties			Amount in Rs.	
Nature of Transaction	During the Current Year	During the Previous Year	Receivable (Payable) as on 31.03.2011	Receivable (Payable) as on 31.03.2010
Managerial Remuneration – Ramesh Chandra Agarwal	2,10,000	2,25,000	(2,09,400)	Nil
Managerial Remuneration – Manmohan Agarwal	1,96,000	2,25,000	Nil	Nil
Sitting Fee /Incidental Charges	Nil	12,500	Nil	Nil
Advances not in the nature of loan	Nil	Nil	97,094 (Ashok Kumar Agarwal)	97,094 (Ashok Kumar Agarwal)
Advances not in the nature of loan	Nil	Nil	874,584 (Jenrik Products)	874,584 (Jenrik Products)
Unsecured Loan	Nil	43,42,900 (Net Off)	Nil	Nil
Unsecured Loan	53,00,000 (Net off)	94,35,000 (Net off)	(1,00,26,000)	(47,26,000) – Sumeru Ayurveda Pvt Ltd
Sale to Arvind Exports	13,14,538	10,37,632	(85,463)	(10,12,368)
Sale to Sumeru Ayurveda Private Limited	3,37,620	45,895	(16,485)	45,895
Services from Sumeru Travel Solutions Pvt Ltd	45,274	Nil	(8,245)	Nil
Sale to Divine Services	2,11,737	19,980	816	19,980
Sale to Madhurya	14,116	Nil	14,116	Nil

19. Figures for the previous year have been re-grouped, re-classified and rearranged wherever necessary.

20. Since the Company is not aware of the SSI Status of its creditors, the amounts due to them have not been identified.

21. Paisa have been rounded off to the nearest rupee.

As Per our Report of Even Date

For Vijay Narayan & Co.,

Chartered Accountants

For and on behalf of The Board

Vijay N Kale

Proprietor

Membership No.020322

Firm Registration No.010917S

Arvind Varchaswi. N

Managing Director

Narayanan Narasimhan

Director

Place : Hyderabad

Date : 23.05.2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Rs. In Lakhs)

Particulars	31.03.2011	31.03.2010
Cash Flow from Operating Activities		
Net Profit/ (Loss) before Tax and Extra-ordinary Items	(130.05)	(73.45)
Adjustment for:		
Depreciation	17.76	16.49
Provision for Doubtful Debts and Advances	43.98	0.00
Miscellaneous Expenses Written Off	3.73	3.73
Operating Profit/ (Loss) Before Working capital Changes	(64.58)	(53.23)
Inventories	(8.39)	(7.30)
Sundry Debtors	(4.37)	(5.49)
Other Current Assets	1.87	(1.02)
Current Liabilities	(3.20)	20.24
Cash from Operations	(78.66)	(46.79)
Deferred Revenue Expenses Incurred	0.00	(18.64)
Net Cash Flow From Operations	(78.66)	(65.46)
Cash flow from Investing Activities		
Purchase of Fixed Assets	(74.14)	(20.77)
Capital Work - in - Process	15.23	1.86
(Increase)/Decrease in Loans & Advances	(8.95)	(5.10)
Investment in Fixed Deposits	89.90	(89.90)
Net Cash used for Investing activities	22.04	(113.91)
Cash Flow from Financing Activities		
Share Application Money	0.00	367.60
Loss on Capital Reduction	0.00	0.00
Share Premium	0.00	61.02
Unsecured Loans	53.00	(243.59)
Net Cash from Financing Activities	53.00	185.03
Net Increase in cash and Cash Equivalues	(3.62)	5.68
Cash and Cash Equivalents, beginning of the year	10.74	5.06
Cash and Cash Equivalents, end of the year	7.12	10.74
1. Cash & Cash Equivalents		
Cash on hand	0.13	1.94
Balances with Schedule Banks in Current Account	6.99	8.80
Total	7.12	10.74
2. Prepared on the basis of the Accounted Financial Statements		
3. The above cash flow statement has been prepared under the "Indirect Method" Setout in Accounting Standard 3 issued by the Institute of Chartered Accountants of India.		
4. While preparation of cash flow statement, Deposits of Rs. Nil (Previous year Rs. 89.90 Lakhs) are not Considered as cash equivalents as they are long term in nature.		

As Per Our Report of Even Date

For Vijay Narayan & Co.,
Chartered Accountants
For and on behalf of The Board
Vijay N Kale
Proprietor
Membership No. 020322
Firm Registration No.010917S
Arvind Varchaswi. N
Managing Director
Narayanan Narasimhan
Director

 Place : Hyderabad
 Date: 23.05.2011

Part IV
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
1. Registration details

 Registration No. - State Code

 Balance Sheet Date
2. Capital Raised during the year (Amount in Rs.Thousands)

 Public Issue Rights Issue

 Bonus Issue Private Placement
3. Position of Mobilisation and Development of Funds (Amount in Rs.Thousands)

 Total Liabilities Total Assets
Sources of Funds

 Paid-up Capital Reserves & Surplus

 Secured Loans Unsecured Loans
Application of Funds

 Net Fixed Assets Investments

 Net Current Assets Misc. Expenditure

 Accumulated Losses
5. Performance of Company (Amount in Rs.Thousands)

 Turnover Total Expenditure

 Profit/(Loss) before tax Profit/(Loss) after tax

 Earnings per Share in Rs. Dividend Rate
6. Generic Names of Three Principal Products of Company

 Item Code No.

Product Description ORGANIC ASHWAGANDHA TABLETS-WITH Ania somnifera

 Item Code No.

Product Description ORGANIC TRIPHALA TABLETS - Emblica officinalis, Terminalia chebula, Terminalia bellesica

 Item Code No.

Product Description ORGANIC SATAVARI TABLETS - Asparagus racemosa

INWINEX PHARMACEUTICAL LIMITED
Plot No. 22&23, SVCIE, Bachepally, Qutubullapur (M), Hyderabad-500 090.

PROXY FORM

Folio No.
Dp ID No.
Client ID No.

I/We..... of..... in the district
of..... being Member /member of Inwenix Pharmaceuticals Ltd hereby appoint
..... of in the District of
..... or of.....the District of
..... as my/ our proxy to vote for me/us on my/ our behalf at the 16th Annual General Meeting to
be held on Monday 26th Sepetemer, 2011 at the Hotel Fortune Manohar, Begumpet, Hyderabad- 500016 and any
adjournment thereof.

As witness my hand / our hands this..... day of..... 2011.

Affix
1 Rupee
Revenue
Stamp

Signed by the said

- Note:
1. A member /Proxy attending the meeting must complete this Attendance Slip and hand over at the entrance.
 2. Member intending to appoint a Proxy, should complete the Proxy from above deposit it at the Company's
 3. No gifts will be distributed at the meeting.

..... Cut here.....

INWENIX PHARMACEUTICALS LIMITED
Plot No. 22&23, SVCIE, Bachepally, Qutubullapur (M), Hyderabad-500 090.

**16th ANNUAL GENERAL MEETING
ATTENDANCE SLIP**

FOLIO NO:.....

NO OF SHARES.....

DP ID No.
Client ID No.
Name & Address of the Member

I hereby record my presence at the 16th Annual General Meeting to be held on Monday 26th September, 2011 at the Hotel Fortune Manohar, Begumpet, Hyderabad-500016.

I Certify that I am a registered member of the company and hold..... shares.
Please indicate whether Member /Proxy.

Member

Proxy

Member's / Proxy's Signature

Note: Shareholder /Proxy holder must bring the Admission slip to the meeting and handover at the entrance duly signed.

PRINTED MATTER
Book-Post / Under Certification of Posting

If Undelivered please return to:

INWINEX PHARMACEUTICALS LIMITED

Plot No. 22& 23 , SVCIE, Bachepally,
Quthbullapur Mandal, Hyderabad - 90, INDIA.