
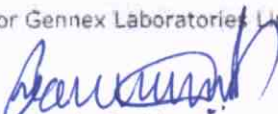
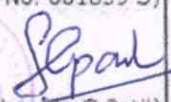


FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	Gennex Laboratories Limited
2.	Annual financial statement for the year ended	31st March 2014
3.	Type of Audit qualification	Qualified
4.	Frequency of qualification	The below mentioned qualification appears in the Balance Sheet was Repetitive
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report.	<p>Observation Balance in Advances, Deposits, Unsecured loans, other Liabilities, Trade Receivables, Trade Payables and advances against suppliers are subject to confirmation by respective parties.</p> <p>Management Response As pointed out by the Statutory Auditors, the company has not obtained confirmation of balances of Advances, Deposits, Unsecured Loans, other liabilities, Trade Receivables, Trade Payables and advance against Suppliers. The Company has made best of its efforts to obtain the same before signing the accounts for current financial year as well as for last financial year. Further, the management of the company confirms that balances shown in the books are true and correct as per their knowledge</p>
6.	Additional comments for the board/audit committee chair	The Audit Committee took note of same and Formulated appropriate policies to avoid the same qualification in next financial year onwards
7.	To be signed by-	For Gennex Laboratories Limited
	CEO / Managing Director	 Arihant Baid
	CFO	The Company dose not have CFO
	Chairman, Audit Committee	For Gennex Laboratories Limited  Y. Ravinder Reddy
	Auditor of the Company	For Laxminiwas & Jain (Firm No. 001859 S)  (Sharada G Patil) Partner Chartered Accountants

**29th ANNUAL REPORT**  
**2013 - 2014**



**GENNEX LABORATORIES LIMITED**  
(GENNEX You Can Trust)



**BOARD OF DIRECTORS**

Shri Arihant Baid	–	<i>Managing Director</i>
Shri T.M. Gopalakrishnan	–	<i>Whole-time Director</i>
Shri U.C. Bhandari	–	<i>Director</i>
Shri Y. Ravinder Reddy	–	<i>Director</i>

**REGISTERED OFFICE & WORKS**

Sy. No. 133, Bollaram, Jinnaram Mandal  
Medak District – 502 325  
Telangana.

**CORPORATE OFFICE**

‘Akash Ganga’, 3rd Floor  
Plot # 144, Srinagar Colony  
Hyderabad – 500 073.

**BANKERS**

State Bank of Hyderabad  
Overseas Branch, Somajiguda  
Hyderabad – 500 082.

**AUDITORS**

M/s. Laxminiwas & Jain  
Chartered Accountants  
5-4-726, Nampally Station Road  
Hyderabad – 500 001.

**REGISTRAR & SHARE TRANSFER AGENTS**

R&D Infotech Pvt. Ltd.  
1st Floor, 7A, Beltala Road  
Naresh Mitra Sarani  
Kolkata – 700 026.



**NOTICE**

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Company will be held on Tuesday, September 30, 2014 at 11:30 a.m. at the Registered Office of the Company at Survey No.133, Bollaram, Jinnaram Mandal, Medak District-502 325, Telangana to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2014 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in the place of Shri T M Gopala Krishnan (DIN: 03137458) who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Laxminiwas & Jain, Chartered Accountants (Firm Registration No. 001859S), Hyderabad recommended by the Audit Committee of the Board of Directors, be and are hereby re-appointed as Statutory Auditors of the Company for a period of three financial years i.e., to hold office from the conclusion of this Annual General Meeting till the conclusion of 32nd Annual General Meeting at such remuneration as may be fixed by the Board of Directors of the Company.”

**SPECIAL BUSINESS:**

4. Appointment of Shri Y. Ravinder Reddy (DIN: 00011040) as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and

Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Y. Ravinder Reddy (DIN: 00011040), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019.”

5. Appointment Ms. Sadhana Bhansali (DIN: 06962425) as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Ms. Sadhana Bhansali (DIN: 06962425), who is liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019.”

6. Payment of Remuneration to the Cost Auditor for the Financial Year ending March 31, 2015



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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and Rules framed thereunder, as amended from time to time and such other permissions as may be necessary, the Members hereby ratify the remuneration of Rs.60,000/- plus service tax, out-of- pocket, travelling and living expenses payable to M/s N.S.V. Krishna Rao & Co., Cost Accountants, who are appointed by the Board of Directors of the Company to conduct audit of the Cost records pertaining to pharmaceuticals and other relevant product groups maintained by the Company for the Financial Year ending March 31, 2015.”

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

7. Appointment of Branch Auditors

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

“RESOLVED THAT pursuant to the provisions of Section 143 (8) and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder, (including any statutory modification(s) or re-enactment thereof), M/s Sibsankar & Associates, Chartered Accountants (Firm Registration Number: 323691E) be and are hereby appointed as Branch Auditors of the Company to audit the accounts of the Company’s branches/offices in India and to hold office from the conclusion of this Annual General Meeting (AGM), for three consecutive years until the conclusion of the 32nd Annual General Meeting of the Company (subject to ratification by the members at every AGM) on a remuneration

including terms of payment to be fixed by the Board of Directors of the Company.”

8. Increase in Borrowing powers of the Company

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

“RESOLVED THAT subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, and the Companies Act, 2013 including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard, the Board of Directors (hereinafter referred to as the Board), including any committee thereof for the time being exercising the powers conferred on them by this resolution, be and are hereby authorized to borrow money, as and when required, from, including without limitation, any Bank and/or Public Financial Institution as defined under Section 2(72) of the Companies Act, 2013 and/or eligible foreign lender and/or any entity/entities and/or authority/ authorities and/ or through suppliers’ credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in Indian currency or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs.100 Crores (Rupees One Hundred Crores Only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose.



RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

9. Creation of Charge on Movable and Immovable properties of the Company both present and future

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

“RESOLVED THAT pursuant to the provisions of Section 180 (1) (a) and other applicable provisions , if any, of the Companies Act, 2013 including any statutory modifications or re-enactments thereof the members of the Company hereby accord their consent to the Board of Directors, including any committee thereof for the time being exercising the powers conferred on them by this resolution, to create mortgage and/or charge on all or any of the moveable and/or immovable assets of the Company, both present and future and/or whole or any part of the Company in favour of the lenders, agents, trustees for securing the borrowings of the Company availed/to be availed by way of loans (in foreign currency and/or in Indian currency) and securities (comprising of fully/partly convertible debentures and/or secured premium notes and/or floating rates notes/bonds or other debt instruments) issued/to be issued by the Company from time to time, in one or more tranches, upto an aggregate limit of Rs. 100 Crores (Rupees One Hundred Crores Only) together with

interest as agreed, additional interest in case of default, accumulated interest, liquidated damages and commitment charges, all other costs, charges and expenses and all other monies payable by the Company in terms of respective loan agreement(s) or any other document entered / to be entered into between the Company and the lenders/agents/investors and trustees in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or any committees thereof and the lenders, agents or trustees.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalise the terms and conditions for creating the aforesaid mortgage and/or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution.”

10. Retirement of Director

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

“RESOLVED not to fill for the time being the vacancy caused by the retirement of Shri U.C.Bhandari (DIN: 01429808), Director, who retires by rotation at the AGM and does not seek re-appointment.”

By Order of the Board of Directors

**Arihant Baid**  
Managing Director

Place:Hyderabad

Date :August 14, 2014



**NOTES**

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself. A Proxy need not be a member of the Company. Proxies, to be effective, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
2. The Register of Members of the Company will remain closed from 26th September, 2014 to 30th September, 2014 (both days inclusive).
3. Members are requested to quote their Registered Folio Numbers in all their Correspondence with the Company and notify change in their registered address, if any.
4. Members/proxies should bring the Attendance slips duly signed to the meeting and hand them over at the entrance. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting. Xerox copy of attendance slips will not be accepted at the entrance of the Meeting Hall. Members are requested to bring their copy of the Annual Report to the Meeting as copies will not be distributed at the Meeting hall due to prohibitive cost of printing.
5. Electronic copy of the Notice of the 29th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 29th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
6. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the revised Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in this Notice. The detailed instructions for e-voting are given as a separate attachment to the Annual Report.
7. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories), initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.

By Order of the Board of Directors

**Arihant Baid**  
Managing Director

Place:Hyderabad  
Date :August 14, 2014



**ANNEXURE TO THE NOTICE**

Notes on Directors seeking appointment/re-appointment as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

**Item No. 2**

S.No.	Particulars	T.M. Gopalakrishnan
1.	Age	63 Years
2.	Date of Appointment	18.05.2012
3.	Qualification	M.Tech. in Chemical Engineering
4.	Experience	He has 32 years of wide experience in Pharmaceutical Industry and has vast chemical knowledge
5.	Other Directorships	NIL
6.	Chairman/Member of the Committees of the Board of the other Companies on which he is a Director	NIL

**Item No. 4**

S.No.	Particulars	Y. Ravinder Reddy
1.	Age	47 Years
2.	Date of Appointment	22.03.2003
3.	Qualification	B.A.
4.	Experience	He has vast experience in executing Civil Works, i.e. Roads, Buildings, Bridges, Canals in Government sector and Private Sectors. Cultivating Agriculture and Poultry Business
5.	Other Directorships	1. Prudential Sugar Corporation Ltd. 2. Rose Garden Developers Ltd. 3. B&B Infratech Ltd. 4. B&B Realty Ltd. 5. Beam Cox Constructions (P) Ltd.
6.	Chairman/Member of the Committees of the Board of the other Companies on which he is a Director	Audit Committee and Share Transfer Committee/Investors' Grievances' Committee of Prudential Sugar Corporation Ltd.

**Item No. 5**

S.No.	Particulars	Sadhana Bhansali
1.	Age	25 Years
3.	Qualification	Pursuing CA and CS Final
4.	Experience	Has extensive experience in Company and Taxation Laws
5.	Other Directorships	NIL
6.	Chairman/Member of the Committees of the Board of the other Companies on which she is a Director	NIL





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**Explanatory Statement under Section 102(1) of the Companies Act, 2013**

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**Item No. 4**

It is proposed to appoint Shri Y. Ravinder Reddy (DIN: 00011040 ) as Independent Director under Section 149 of the Act to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019.

Shri Y. Ravinder Reddy is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri Y. Ravinder Reddy for the office of Director of the Company.

The Company has also received declaration from Shri Y. Ravinder Reddy that he meets with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act.

In the opinion of the Board, Shri Y. Ravinder Reddy fulfills the conditions for appointment as an Independent Director as specified in the Act. Shri Y. Ravinder Reddy is independent of the management.

Copy of the draft letter for appointment of Shri Y. Ravinder Reddy as Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Shri Y. Ravinder Reddy is interested in the resolution set out at Item No. 4 of the Notice with regard to his appointment.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

**Item No. 5**

As per the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company should have at least one woman director.

Keeping in view the above legal requirements and in deference to Company's shareholders' wishes, the Board of Directors has proposed that Ms. Sadhana Bhansali (DIN: 06962425) be appointed as an Independent Director under Section 149 of the Act to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Sadhana Bhansali for the office of Director of the Company.

Ms. Sadhana Bhansali is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Company has also received declaration from Ms. Sadhana Bhansali that she meets with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act.

In the opinion of the Board, Ms. Sadhana Bhansali fulfills the conditions for appointment as Independent Directors as specified in the Act. Ms. Sadhana Bhansali is independent of the management.

Copy of the draft letters for respective appointment of Ms. Sadhana Bhansali as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.



The Board recommends the Ordinary Resolutions set out at Item No. 5 of the Notice for approval by the shareholders.

**Item No. 6**

The Board on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s N.S.V. Krishna Rao & Co., the Cost Auditors to conduct the audit of the Cost records pertaining to pharmaceuticals and other relevant product groups maintained by the Company for the Financial Year ending March 31, 2015 and remuneration of Rs.60,000/- plus service tax, out-of-pocket, travelling and living expenses have been fixed for this purpose.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2014-15 by way of an Ordinary Resolution is being sought from the members as set out at Item No.6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolution set out at Item No.6 of the Notice.

**Item No. 7**

The Company has branches in other places of India and may also open/acquire new branches in other places of India in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches.

M/s Sibsankar & Associates, Chartered Accountants (Firm Registration Number: 323691E) have confirmed that their appointment, if made, will be in accordance with the prescribed conditions and they satisfy the eligibility criteria stated in the Act for the proposed appointment. In view of this, the Board has, on the recommendations of the Audit Committee, proposed the appointment of M/s Sibsankar & Associates, Chartered Accountants as Branch Auditors of the

Company for a period of three years to hold office from the conclusion of this AGM till the conclusion of 32nd AGM of the Company (subject to ratification of their appointment at every AGM) for approval of the members.

The Board recommends the Resolution at Item No.7 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP are concerned or interested in the Resolution at Item No.7 of the accompanying Notice.

**Item No. 8**

As per Section 180 (1) (c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company.

With a view to meet the funds requirements of the Company for both short term as well as long term, the Company may require to borrow from time to time by way of loans and/or issue of Bonds, Debentures or other securities and the existing approved limit may likely to be exhausted in near future and it is therefore recommended to enhance the borrowing limits of the Company up to Rs.100 Crores (Rupees One Hundred Crores Only).

The Directors recommends the resolution for members' approval as a Special Resolution.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP are concerned or interested in the Resolution at Item No. 8 of the accompanying Notice.

**Item No.9**

The Company is required to create security for the said facilities as mentioned under Item No.9 above in favour of the Lenders/ Trustees for the Non-Convertible Debentures and loans/ financial assistance availed by the Company, by way of creation of mortgage and/ or charge on the assets of the Company, as stated in the resolution.



In furtherance to the Resolution No.9 of this notice, the said borrowings/ issue of securities may be required to be secured by way of mortgage/ charge over all or any part of the movable and/or immovable assets of the Company and as per provisions of Section 180 (1) (a) of the Companies Act 2013, the mortgage or charge on all or any part of the movable and/or immovable properties of the Company, may be deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company and hence, requires approval from the shareholders of the Company.

Accordingly, it is proposed to pass an enabling resolution authorizing the Board to create charge on the assets of the Company for a value not exceeding Rs.100 Crores (Rupees One Hundred Crores Only).

Your Directors recommend the resolution for your approval as a Special Resolution.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP are concerned or interested in the Resolution at Item No.9 of the accompanying Notice.

**Item No. 10**

Shri U.C. Bhandari (DIN: 01429808) is a non-Executive (Independent) Director of the Company. He joined the Board of Directors of the Company in August 31, 2002. Shri U.C. Bhandari retires by rotation at the ensuing AGM under the erstwhile applicable provisions of the Companies Act, 1956, and does not seek re-appointment owing to his busy schedule and commitments on other overseas Boards. Accordingly, Shri U.C. Bhandari retires at this AGM and the Board has decided not to fill, for the time being, the vacancy caused due to his retirement.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution set out at item No.10 of the Notice.

The Board recommends the Ordinary Resolution set out at item No.10 of the Notice for approval by the members.

By Order of the Board of Directors

**Arihant Baid**  
Managing Director

Place:Hyderabad  
Date :August 14, 2014



## DIRECTORS' REPORT

Your Directors are pleased to present the Twenty Ninth Annual Report and the Audited Accounts for the year ended 31st March, 2014.

### 1. Financial Results (Rs. in Lakhs)

	Year ended 31.03.2014	Year ended 31.03.2013
Profit before Finance charges and Depreciation	183.70	156.77
Finance Charges	32.03	28.15
Depreciation	81.99	79.62
Exceptional Items	(0.12)	1.69
Provision for Tax:		
- Current	(31.00)	(23.00)
- Deferred	(8.39)	15.26
- Tax for earlier years	(9.79)	—
Profit after Tax	20.62	39.57
Surplus Brought forward	488.28	448.71
Surplus carried forward	508.90	488.28

**2. Performance & Prospects:** During the year under review, the Company has successfully achieved the maximum production capacity. There is huge demand of the products being manufactured by the Company in the Overseas and Domestic markets. Keeping in view the demand of its products, the Company is in the process of developing new products and research of the said products is being done in R & D Lab of the Company. This year the turnover of the company has increased considerably and the company expects that with the increasing demand for its products in the Overseas and Domestic markets the turnover of the company would amplify in the coming years.

The Company has successfully completed an ISO Audit and obtained ISO-14001 & OHSAS-18000 Certification.

The Company could achieve a gross profit of Rs.183.70 Lacs in the year 2013-14 as

against Rs.156.77 Lacs during the previous year 2012-13. Thus, there is increase in the gross profit in the current year. Due to fluctuation in the dollar rate there was increase in the cost of basic Raw Materials resulting in decrease in the net profit of the Company. Keeping in view the market demands, the Company is in the process of developing new high value drugs by researching in its R & D Lab and the Company is confident that the turnover and profits in the coming years would increase manifold.

- 3. Dividend:** During the financial year 2013-14 your Board of Directors could not recommend any dividend due to absence of distributable profit.
- 4. Directors:** Shri T.M. Gopala Krishnan, Director, retires by rotation and being eligible, offers himself for re-appointment.
- 5. Corporate Governance:** Your Company has complied with the mandatory provisions relating to Corporate Governance as prescribed under Clause 49 of the Listing Agreement with the Stock Exchanges. A separate report detailing such compliance together with the Certificate obtained from the Statutory Auditors in connection therewith is included as part of the Annual Report.
- 6. Directors' Responsibility:** Pursuant to Section 217(2A) of the Companies Act, 1956 the Directors confirm that:
  - In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
  - Appropriate accounting policies have been selected and applied consistently, and have 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 as at March 31, 2014 and of the profit of the company for the said period;
  - Proper and sufficient care has been



- taken 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;
- iv. The Annual Accounts have been prepared on a going concern basis.
7. **Sub-committees of the Board:** The Board has Audit Committee, Remuneration Committee, Investment Committee and Investors' Grievances Committee, the composition and details of which have been given in the Report on the Corporate Governance forming part of the Annual Report
8. **Auditors:** M/s. Laxminiwas & Jain, Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment.
9. **Cost Auditors:** Pursuant to Section 233B of the Companies Act, 1956, the Central Government has prescribed Cost Audit for the Company. Based on recommendations of the Audit Committee and with the approval of the Central Government, M/s N.S.V. KRISHNA RAO & Co., Cost Accountants was appointed as Cost Auditor of the Company for the year 2014-2015
- The cost audit report for the financial year 2013-2014 shall be submitted to the Central Government within the stipulated period.
10. **Personnel:** Employee relations at all levels were cordial during the year. Your Directors place on record their appreciation of the dedicated work put-in by the employees.
11. **Public Deposits:** Your Company has not accepted any Deposits from the public and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet
12. **Compliance Certificate:** A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this Report along with a report on Corporate Governance
13. **Management and Discussion Analysis Report:**
- In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, the Management Discussion and Analysis Report is given in the Annexure, to form part of the Annual Report.
14. **Internal Control System:** Your Company has adequate internal control systems in all important areas of its operations and effectiveness of these systems is periodically reviewed for possible improvement in them
15. During the year under review there are no employees in the Company whose particulars are required to be given pursuant to Section 217(2A) of the Companies Act, 1956.
16. **Acknowledgement:** The Board of Directors are very thankful to the State Bank of Hyderabad and other Government Agencies for their continued help, guidance and assistance in the functioning of the Company.
17. Your Directors express their gratitude to the shareholders for the confidence reposed in the Company.
18. Information on Energy Conservation and Technology Absorption required to be disclosed 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, forming part of the Directors' Report for the year ended 31st March 2014, is enclosed as Annexure to this Report.
- for and on behalf of the Board
- Arihant Baid**  
Managing Director
- T.M. Gopala Krishnan**  
Whole Time Director
- Place: Hyderabad  
Date: 30th May, 2014



**ANNEXURE TO THE DIRECTORS' REPORT**

**Information 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**

**Conservation of Energy:**

Assessment of individual equipment/utilities energy requirement (Electricity/Steam) has been done and standard benchmarks have been established. Awareness among the staff and plant workers has been created to have a constant monitor on usage of energy and to optimize throughout and to avoid wastage and unproductive usage of energy.

**Pollution Control:**

The Company is a member of the Common Effluent Plant of M/s. Pattancheru Envirotech Limited and M/s. Progressive Effluent Treatment Limited, Bollaram. As per the orders of Supreme Court, implementation of the pre-treatment of effluent as per the directions of Central Pollution Control Board is already under strict implementation.

**FORM 'A'**

**Disclosure of particulars with respect to Conservation of Energy  
(to the extent applicable)**

	2013-2014	2012-2013
<b>A. POWER &amp; FUEL CONSUMPTION</b>		
<b>1. ELECTRICITY</b>		
a. Purchased Units (KWH in Lacs)	8.13	5.59
Total amount (Rs. In Lacs)	63.92	42.00
Rate/Unit (Rs./KWH)	7.86	7.51
b. Owned Generation		
Through Diesel Generator Unit (KWH in Lacs)	0.96	2.76
Total Amount (Rs. In Lacs)	15.33	44.00
Units per liter of Diesel Oil	3.50	3.09
Cost/Unit (Rs./KWH)	15.97	15.94
<b>2. COAL</b>		
Quality 'C' Grade in Steam Boiler		
Quantity (Tonnes)	142	137
Total Cost (Rs. in Lacs)	9.52	6.64
Average rate/T (Rs.)	6704	4847
<b>B. CONSUMPTION PER UNIT OF PRODUCTION:</b>		
Electricity & Diesel (KWH)	1.78	1.72
Coal (Kgs.)	0.28	0.28



## FORM 'B'

2013-2014

2012-2013

**RESEARCH & DEVELOPMENT:**

1. Specific areas in which R & D Carried out by the Company	NIL	NIL
2. Benefits derived as a result of the above	NIL	NIL
3. Future Plan of Action	NIL	NIL
4. Expenditure on R & D	NIL	NIL

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

1. Effort, in brief, made towards Technology absorption, adaptation and innovation	N.A.	N.A.
2. Benefits derived as a result of the above efforts	N.A.	N.A.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished	N.A.	N.A.

**C. FOREIGN EXCHANGE EARNINGS & OUTGO:**

Activities relating to exports, initiative taken to increase exports, developments of new export markets for products and services and export plans.

- i. The export turnover consists of \*43% of total turnover for the year 2013-2014 as against \*35% for the previous year.  
\* *Direct Exports*
- ii. Total exports on FOB was Rs.15.43 crores for the year 2013-2014 as against Rs.10.15 crores for the year 2012-2013.
- iii. Your Company expects considerable export revenue for the forthcoming years

1. Earnings in Foreign Currency on F.O.B. basis – Export of Goods	Rs. 154,266,821
2. Value of imports on C.I.F. basis – - Raw materials	Rs. 6,450,567
3. Expenditure in Foreign Currency	
a. Bank Charges	Rs. 245,261
b. Sales Commission	Rs. 6,285,885
c. Travelling Expenses	Rs. 614,690



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**CORPORATE GOVERNANCE REPORT**

The Board of Directors of the Company supports the broad principles of Corporate Governance. Your company has been practicing the principles of good corporate Governance over the years. Given below is a report on Corporate Governance:

**1. Company's Philosophy on code of Governance**

The Company's Philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity. All employees are guided by a code of conduct, which sets forth Company's policies on important issues, including our relationship with our customers, shareholders and Government. The Company makes disclosures of its operations and performance to the public through Annual Report and quarterly financial results. The company has implemented the mandatory requirements of the 'Code of the Governance' as mentioned in Clause 49 of Listing Agreement. This is the corporate governance report of the company.

**2. Composition of Board**

The Board of Directors has a mix of Executive and Non-Executive Directors. Accordingly, the composition of the Board is in conformity with the Listing Agreement.

Attendance of each Director at Board Meetings and Last Annual General Meeting:

The Board met Four times during the Financial Year 2013-2014 on 30.05.2013, 14.08.2013, 15.11.2013, and 13.02.2014. The last Annual General Meeting of the Company was held on September 30, 2013.

Name of Director	No. of Board Meetings held	No. of Board Meetings Present	Attendance at last AGM
Shri Arihant Baid	4	4	Y
Shri T.M. Gopala Krishnan	4	4	Y
Shri U.C. Bhandari	4	4	N
Shri Y. Ravinder Reddy	4	4	Y

**3. Audit Committee**

During the financial year 2013-2014, four Audit Committee Meetings were held on the following dates: 30.05.2013, 14.08.2013, 15.11.2013 and 13.02.2014

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

An Audit Committee was constituted in April, 2002 which consists of two independent Non-Executive Directors. The Members of the Committee are well versed in finance matters, accounts, company law and general business practices.

The Company has complied with the requirements of Clause 49 II A as regards the composition of the Audit Committee.





Name of Director	Designation	Category	No. of Meetings Attended
Shri U.C. Bhandari	Member	Independent Director	4
Shri T.M. Gopala Krishnan	Member	Whole-Time Director	4
Shri Y. Ravinder Reddy	Member	Independent Director	4

The necessary quorum was present at the meetings.

The terms of reference of the Audit Committee include those specified under Clause 49 of the Listing Agreement as well as under Section 292 A of the Companies Act, 1956, such as:

- a. To hold periodic discussions with the Statutory Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors.
- b. To review compliance with internal control systems;
- c. To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
- d. To investigate into any matter in relation to items specified in Section 292 A of the Companies Act, 1956 or as may be referred to it by the Board and for this purpose, to seek any relevant information contained in the records of the Company and also seek external professional advice, if necessary;
- e. To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report.

#### 4. Remuneration Committee

Remuneration Committee reviews and makes recommendations on annual salaries, performance linked bonus, perquisites and other employment conditions for executive Directors. The Committee takes into consideration remuneration practices followed by leading companies as well as information provided by reputed consultants while determining the overall remuneration package. The annual variable commission in the form of "Performance Linked Bonus" to executive Directors, non-promoter executive Directors, are linked to the performance of the Company in general and the individual performance of the executive Directors for the relevant year measured against specific Key Results Areas, which are aligned to the Company's objectives. Non-executive Directors are paid remuneration by way of Sitting Fees. The Remuneration Committee met one time during the year.



The Members of the Committee are:

Name of Director	Relationship with other Directors	Business Relationship with Company	Salary & Perquisites
Shri U.C. Bhandari	None	Independent Director	Nil
Shri Y. Ravinder Reddy	None	Independent Director	Nil
Shri T.M. Gopala Krishnan (w.e.f. May 18, 2012)	None	Whole-Time Director	Rs.10,80,000 p.a.

#### 5. Investors' Grievance Committee

The Board constituted an Investors' Grievance Committee in April, 2002. The Composition of the Committee is:

1. Shri Arihant Baid — Member
4. Sri U.C. Bhandari — Member
5. Sri Y. Ravinder Reddy — Member (Chairman w.e.f. May 18, 2012)
6. Sri T.M. Gopala Krishnan — Member

The committee meets at frequent intervals to consider, inter alia, share transfers, shareholders complaints etc.

#### 6. Compliance Officer

Shri KVLN Bhaswanth, Chief Operating Officer has been designated as Compliance Officer. During the year 2013-2014 there are no complaints from the Investors.

All valid share transfers received during the year 2013-2014 have been acted upon by the company and there were no pending share transfers as on March 31, 2014.

#### 7. General Body Meetings

Location and time where last three Annual General Meetings were held are given below:

Financial Year	Date/ Time	Location of the Meeting
2010-11	30.09.2011 / 11.00 a.m.	Registered Office
2011-12	29.09.2012 / 11.30 a.m.	Registered Office
2012-13	30.09.2013 / 11.30 a.m.	Registered Office

Details of Special Resolutions passed in the above said Annual General Meetings are given below:

At the 28th AGM held on 30th September, 2013, no Special Resolution was passed.

At the 27th AGM held on 29th September, 2012, two Special Resolutions have been passed for appointment of Mr. Arihant Baid, as a Managing Director of the Company for a period of Three years, with effect from 18th May, 2012 on such remuneration comprising a salary performance linked bonus, and perquisites, as may be determined by Board from time to



time and appointment of Mr. Tiruvarur Muralidharan Gopala Krishnan, as a Wholetime Director of the Company for a period of Three years, with effect from 18th May, 2012 on such remuneration comprising a salary performance linked bonus, and perquisites, as may be determined by board from time to time

No Special Resolutions were passed at the 26th Annual General Meeting.

Details of Special Resolutions passed at the previous AGM through Postal Ballot

No Resolution was passed through Postal Ballot at the last (28th) Annual General Meeting.

Subsidiary Companies:

The Company does not have any subsidiaries

#### 8. Disclosures

a. Disclosures on materially significant related party transactions i.e, transaction of the company of Material nature, with its promoters, the Directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the company at large.

The company had related party transactions, which did not have any potential conflict with the interest of the company at large.

b. Details on non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

The company has complied with all requirements of regulatory on capital market and no penalty/ strictures imposed on the company during the last three years.

#### 9. Means of Communication

The quarterly, half-yearly and full year results are published in newspapers.

#### 10. General shareholder information

##### A. Annual General Meeting

Date and Time	:	30th September, 2014 at 11.30 a.m.
Venue	:	Registered Office of the Company at Survey No.133, Bollaram Jinnaram Mandal, Medak District – 502 325 (Telangana)
Demat ISIN No. for NSDL and CDSL for Equity Shares	:	INE509C01018

B. Financial Year : 1 April 2013 to 31 March 2014

C. Date of Book Closure : 26th September 2014 to 30th September 2014  
(both days inclusive)

D. Dividend Payment : No dividend is recommended

**E. Listing on Stock Exchanges with Stock Code**

S.No.	Name of the Stock Exchange	Stock Code	Address
1.	The Hyderabad Stock Exchange Ltd.	PRUDPH#	6-3-654, Adj. to Erramanjil Bus Stop, Somajiguda, Hyderabad – 500 082.
2.	The Bombay Stock Exchange Ltd.	531739	Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 001.
3.	The Calcutta Stock Exchange Association Ltd.	26178	7, Lyons Range Kolkata – 700 001.
4.	The Ahmedabad Stock Exchange Ltd.		Kamadhenu Complex Opp. Sahajanand College Ahmedabad – 380 015.

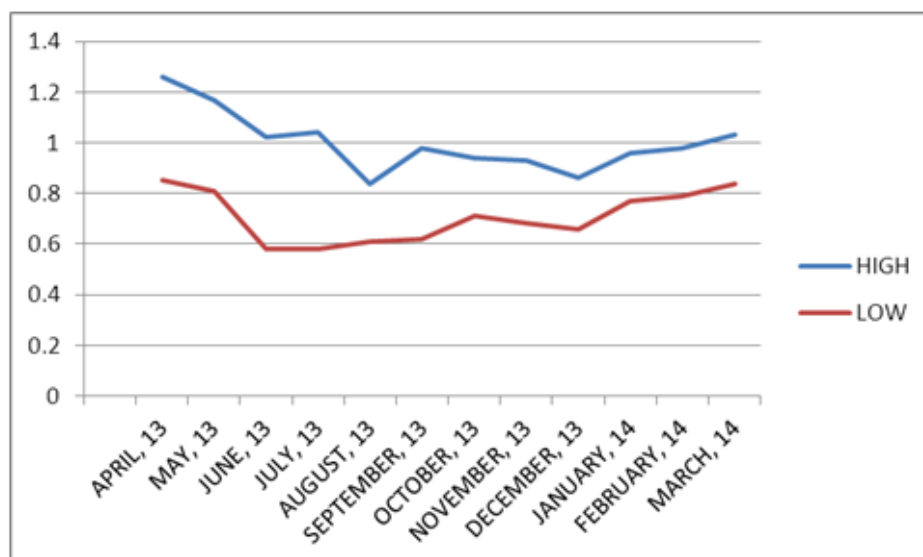
Note: 1. The Listing fee for the year has been paid to The Stock Exchange, Mumbai.

**F Market Price Data on Bombay Stock Exchange Ltd.: High/Low during each month of the Financial Year April 2013 to March 2014.**

Period	Amount in Rs.	
	The Bombay Stock Exchange Ltd. High	Low
April 2013	1.26	0.85
May 2013	1.17	0.81
June 2013	1.02	0.58
July 2013	1.04	0.58
August 2013	0.84	0.61
September 2013	0.98	0.62
October 2013	0.94	0.71
November 2013	0.93	0.68
December 2013	0.86	0.66
January 2014	0.69	0.77
February 2014	0.98	0.79
March 2014	1.03	0.84

The Company has not issued any GDRs/ADRs/Warrants or any other Convertible Instruments.

G. GENNEX Shares' Price movements during the year 2013-14 as compared with SENSEX as depicted below:



H. Registrar & Share transfer Agent : R&D Infotech Pvt. Ltd.,  
1st Floor, 7A, Beltala Road  
Naresh Mitra Sarani, Kolkata – 700 026

I. Transfer system

Share transfers in physical form are registered and a letter is sent giving the option to hold the securities in dematerialized form or physical form within a period of 30 days from the date of receipt by the Registrars of the Company in case the documents are complete in all respects.

J. Distribution of Shareholding as on 31st March, 2014

Shareholding of Nominal value of		Shareholders		Share Amount	
Rs.	Rs.	Number	% of Total	(in Rs.)	% to Total
Upto	5000	912	16.24	206,000	0.16
5001	- 10000	2,886	51.40	2,851,999	2.25
10001	- 20000	479	8.53	881,684	0.70
20001	- 30000	220	3.92	611,803	0.49
30001	- 40000	115	2.05	437,412	0.35
40001	- 50000	301	5.36	1,486,070	1.17
50001	- 100000	343	6.11	2,962,879	2.34
100001	and above	359	6.39	117,065,153	92.54
Total		5,615	100.00	126,503,000	100.00

**K. Shareholding Pattern as on 31st March, 2014**

Category	No. of shares held	Percentage of shareholding
<b>1 Promoters' Holding</b>		
1. Indian Promoters		
- Individual	48,200	0.04
- Bodies Corporate	3,54,88,500	28.05
2. Persons acting in concert	—	—
Sub-Total	3,55,36,700	28.09
<b>2. Non-Promoters' Holding</b>		
Institutional Investors: Mutual Funds and UTI, Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Government Institutions, FIIs)	—	—
Sub-Total	—	—
<b>3 Others</b>		
a. Private Corporate Bodies	5,05,01,626	39.92
b. Indian Public	4,04,64,674	31.99
c. NRIs/OCBs	—	—
d. Any other	—	—
Sub-Total	9,09,66,300	71.91
Grand Total	12,65,03,000	100.00

**L. Dematerialization of shares and liquidity**

The shares of the company are compulsorily traded in Dematerialized form and are available for trading under both the depositories in India, NSDL (National Securities Depository Services Limited) and CDSL (Central Depository Services (India) Limited).

24441570 total Equity Shares which consists of 98.37% of total Equity Capital is held in Dematerialized form with NSDL and CDSL as on 31st March, 2014.

**M. Compliance Officer** : Sri KVLN Bhaswanth  
Chief Operating Officer  
Gennex Laboratories Limited  
'AKASH GANGA' 3rd Floor,  
Plot No.144, Srinagar Colony,  
Hyderabad – 500 073

**N. Plant Location** : Sy.No. 133, IDA Bollaram  
Jinnaram Mandal  
Medak District - 502 325  
Telangana (India)

**O. Address for Correspondence** : Gennex Laboratories Limited  
"AKASH GANGA", 3rd Floor  
Plot No. 144, Srinagar Colony  
Hyderabad - 500 073.

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.



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**Certificate by Asst.Vice-President (Accts. & Admn.)**

I, Laxmipat Baid, Asst. Vice-President (Accts.& Admn.) of Gennex Laboratories Limited certify that:

- a. I have reviewed the financial statements and the cash flow statements for the year and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls and I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors and the Audit Committee
  - i. Significant changes in internal controls during the year, if any.
  - ii. That there are no significant changes in accounting policies during the year.
  - iii. That there have been no instances of significant fraud of which I have become aware, involving the management or an employee having a significant role in the Company's internal control system.

**Laxmipat Baid**  
Asst. Vice President (A&A)

Place: Hyderabad  
Date: 30th May, 2014



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**Auditors' Certificate to the members of Gennex Laboratories Limited  
on Compliance of the conditions of corporate governance  
for the year ended 31st March, 2014 under clause 49  
of the Listing Agreement with the Stock Exchanges**

We have examined the compliance of the conditions of Corporate Governance by Gennex Laboratories Limited for the year ended 31st March, 2014 as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges (hereinafter referred to as Clause 49).

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 implementation thereof, adopted by the company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression on opinion of the financial statements 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 the management, we certify that the Company has by 31st March 2014, complied in all material respects with the conditions of Corporate Governance as stipulated in clause 49 except appointment of Company Secretary.

As required by the Guidance note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that, the Company have certified that as on 31st March, 2014 there were no investor grievances remaining pending for a period exceeding one month, and as explained to us by the management, the Company have reported to the Shareholders/Investors' Grievances Committee regularly on the status of such grievances.

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 management has conducted the affairs of the Company.

For **Laxminiwas & Jain**  
Chartered Accountants  
Firm Regn. No. 001859S

**Sharada G Patil**  
Partner  
Membership No. 015332

Place : Hyderabad  
Date : 30th May, 2014





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## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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Management's Discussion and Analysis Report on the Business of the Company as applicable and to the extent relevant is given below:

### Overview & Operations of the Company

Gennex Laboratories Limited is in the business of Manufacturing of Bulk Drugs, Intermediates and Biotech Products. The Company is having a professionally managed team at every stage of its operations.

### Strengths

Multipurpose and Multi product production facilities having ISO 9001:2008 and TUV Certificate 44 100 124194-E3, further the Company has obtained ISO 14001 and OSHAS 18000 Certification.

- The Management depth and ability to manage client relationships.
- Enhanced presence in the international market.

### Opportunities & Threats

Large number of Pharmaceutical companies losing their drug patents, thereby increasing the scope of outsourcing to countries that offer a low cost manufacturing base.

The Pharma sector is expected to witness further consolidation by way of mergers and acquisitions this augurs for growth of the Industry. This would result in better price realization and growth.

The Indian Pharma Industry will have to meet the following challenges:

- i. Multinational Companies are setting up large plants in India.
- ii. Competition in the global market that offer low manufacturing base.

- iii. Uncertainties on account of global socio economic environment.

### Outlook for the Company

Your Company is on the verge of completion of the expansion plans undertaken. Your Company has planned its business strategy taking the ground realities into account. The Company has introduced new products which are very competitive and beneficial to the Company.

### Risks and concerns

Any Government policy intervention or any change in the Pharma sector benefits and unforeseen adverse market conditions are issues of concern and may put pressure on the performance of the Company.

### Internal control system and their adequacy

The Company has Internal Control System which is adequate and commensurate with the size of the Company.

### Cautionary Statement

Statement in this "Management Analysis Report" be considered to be forward looking statements with in the meaning of applicable securities laws or regulations. Actual result could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, increased installed capacity, price bulk drugs and its availability, cyclical demands and pricing in the Company's market, changes in Government regulations, tax regimes, besides other factors such as litigations and labour negotiations.



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**INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
Gennex Laboratories Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of GENNEX LABORATORIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, The Statement of Profit and Loss and the Cash Flow Statement for the year then ended on that date annexed thereto in which are incorporated the returns of Kolkata Branch audited by Branch Auditor, M/s. Sibsankar & Associates, Chartered Accountants, Membership No. 052745 and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 15th September 2013 of Ministry of Corporate Affairs in respect of section 133 of Companies Act, 2013.. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit

to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified audit opinion.

**Basis for Qualified Opinion:**

The balances of advances, Deposits, Unsecured loans, Other liabilities, Trade Receivables and Trade Payables are subject to confirmations as indicated in Note No. 33.3. The impact of the same is unascertained.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matters described in the Basis for Qualified opinion paragraph, the financial statements give the information required by the Act 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 March 31, 2014;



- b. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Emphasis of matter**

- We draw attention to Note No. 33.4 to the financial statement which describes pending registration formalities for land acquired. Our opinion is not Qualified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) order, 2003 ("the order") issued by the Central Government of India in terms of Sub-Section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper Books of Accounts, as required by law, have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit & Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Act read with the General Circular 15/2013 dated 15th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013.
- e. On the basis of written representations received from the Directors, as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in the terms of clause (g) of sub-section (1) of section 274 of the Act.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

**For Laxminiwas & Jain**  
Chartered Accountants  
Firm Regn. No. 001859S

**Sharada G Patil**  
Partner

Membership No. 015332

Place : Hyderabad

Date: 30th May, 2014



**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

[Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date]

1. a. According to the information and explanations furnished to us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. According to the information and explanations furnished to us, all the assets have not been physically verified by the Management during the year but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on verification.
- c. According to the information and explanations furnished to us, the Company has not disposed off substantial part of fixed assets during the year which could affect the going concern status of the concern.
2. a. According to the information and explanations furnished to us, the Inventory of the Company has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- b. In our opinion and according to information and explanations furnished to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. According to the information and explanations furnished to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material.
3. According to the information and explanations furnished to us, the Company during the year has not granted / Taken any loan to/ from the parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of property, shares, and other securities and fixed assets and with regard to sale of property, shares and other securities and services. The same needs to be further strengthened.
5. a. According to the information and explanations furnished to us, the particulars of contracts or arrangements referred to in Sec. 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
- b. In our opinion and according to the information and explanations given to us, there are no transaction made in pursuance of contracts or agreements entered in the register maintained under Sec. 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of each party.
6. In our opinion and according to the information and explanations given to us during the year the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provision of the Companies Act, 1956.
7. In our opinion, The Company has Internal Audit System commensurate with the nature and size of its business. However In our opinion the same needs to be further strengthened.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. a. According to the information and explanations given to us and the records of the Company examined by us, the company is generally regular in depositing with appropriate authorities undisputed Statutory



- dues including Provident Fund, Investors Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material Statutory dues applicable to it except as stated otherwise in the report.
- b. According to information and explanations given to us, there are no undisputed amount payable in respect of Wealth Tax, Customs Duty, Excise Duty, Cess were in arrears as at 31.03.2014 for a period of more than six months from the date they became payable except for Income Tax amounting to Rs.0.86 Lacs.
- c. According to the information and explanations given to us, there are no dues of Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which are not deposited on account of dispute except Income Tax of Rs.56.67 Lacs, (under the Income Tax Act, 1961) and Sales Tax of Rs.14.57 Lacs for which appeal/Petition are pending before Appellate Authorities.
10. In our opinion, the company has no accumulated losses as at 31.03.2014 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the information and explanations given to us, the company has not defaulted in repayment of dues to Financial Institutions and Banks as at the Balance Sheet date. The Company has not issued any debentures.
12. In our opinion and according to the information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
13. In our opinion, the company is not a Chit Fund or Nidhi / Mutual Benefit Fund / Society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. According to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from Banks or Financial Institutions during the year.
16. According to the information and explanations given to us, the company has applied the Term Loan for the purpose for which Loan was obtained.
17. According to the information and explanations given to us, and on the overall examination of the Balance Sheet of the Company, we report that no funds raised on a Short-term basis have been used for Long Term Investments.
18. According to the information and explanations given to us, during the year the Company has not made preferential allotment of Shares to parties and Companies, covered in the Register maintained under Section 301 of the Companies Act, 1956, hence Para 4(xviii) of the Order is not applicable.
19. According to the information and explanations given to us, the company has not issued any debentures. Therefore, the provisions of clause 4(xix) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
20. According to the information and explanation given to us, the Company has not raised any money by way of Public Issue during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
21. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our Audit.

**For Laxminiwas & Jain**  
Chartered Accountants  
Firm Regn. No. 001859S

**Sharada G Patil**  
Partner  
Membership No. 015332

Hyderabad  
30th May, 2014

**BALANCE SHEET AS AT 31ST MARCH, 2014**

	Note No.	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
a. Share Capital	2	126,503,000	126,503,000
b. Reserves and Surplus	3	127,363,380	125,301,166
		<u>253,866,380</u>	<u>251,804,166</u>
<b>2 Non-Current Liabilities</b>			
a. Long-term borrowings	4		
- Secured		3,128,750	936,258
- Unsecured		2,287,059	2,668,025
b. Deferred Tax liabilities (net)	5	12,699,745	11,860,249
c. Long-term provisions	6	674,000	524,000
		<u>18,789,554</u>	<u>15,988,532</u>
<b>3 Current Liabilities</b>			
a. Short-term borrowings	7		
- Secured		26,032,335	20,209,017
- Unsecured		380,966	322,090
b. Trade payables	8	76,573,342	58,979,251
c. Other current liabilities	9	17,148,109	13,875,736
d. Short-term provisions	10	3,100,000	2,300,000
		<u>123,234,752</u>	<u>95,686,094</u>
<b>TOTAL</b>		<u>395,890,686</u>	<u>363,478,792</u>
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
a. Fixed Assets	11		
i. Tangible Assets		161,067,670	159,702,416
ii. Intangible Assets		—	—
		<u>161,067,670</u>	<u>159,702,416</u>
b. Non-Current investments	12	70,100,000	70,100,000
c. Other non-current assets	13	1,508,273	9,709,195
		<u>71,608,273</u>	<u>79,809,195</u>
<b>2 Current Assets</b>			
a. Inventories	14	18,815,447	19,339,910
b. Trade receivables	15	48,457,123	40,129,175
c. Cash and Cash equivalents	16	3,683,407	3,337,946
d. Short-term loans and advances	17	92,057,583	59,817,517
e. Other current assets	18	201,183	1,342,633
		<u>163,214,743</u>	<u>123,967,181</u>
<b>TOTAL (1+2)</b>		<u>395,890,686</u>	<u>363,478,792</u>

Significant Accounting Policies and Notes on Financial Statement 1 to 33

Per our report attached  
For **Laxminiwas & Jain**  
Chartered Accountants  
Firm Regn. No. 001859S  
**Sharada G Patil**  
Partner  
Membership No. 015332  
Place: Hyderabad  
Date : 30th May, 2014

For and on behalf of the Board  
**Arihant Baid**  
Managing Director

**T.M. Gopala Krishnan**  
Whole Time Director


**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014**

	Note No.	Year Ended 31st March, 2014 Rs.	Year Ended 31st March, 2013 Rs.
<b>INCOME</b>			
I Revenue from Operations	19	349,894,928	299,247,728
II Other Income	20	2,115,274	404,558
III Total Revenue (I + II)		<u>352,010,202</u>	<u>299,652,286</u>
<b>IV Expenses:</b>			
Raw Material Consumed	21	223,795,638	187,244,816
Purchase of Stock-in-trade		7,762,204	14,577,540
Change in Inventories	22	(374,574)	7,144,891
Manufacturing Expenses	23	37,696,289	31,524,453
Employee Benefits Expenses	24	30,719,278	22,880,012
Other Expenses	25	34,041,444	20,603,698
Total Expenses		<u>333,640,279</u>	<u>283,975,410</u>
V Profit before Interest, Depreciation & Tax		<u>18,369,923</u>	<u>15,676,876</u>
VI Finance Cost	26	3,202,699	2,815,591
VII Depreciation Expense	11	8,198,815	7,961,614
VIII Exceptional Items	27	(11,785)	168,589
IX Profit before Tax		<u>6,980,194</u>	<u>4,731,082</u>
<b>X Tax Expense</b>			
Tax for earlier year		978,484	—
Current Tax		(3,100,000)	(2,300,000)
Deferred Tax		(839,496)	1,526,117
XI Net Profit after Tax		<u>2,062,214</u>	<u>3,957,199</u>
<b>XII Earning Per Share (having a face value of Rs. 1 each)</b>			
- Basic and Diluted		0.016	0.031

Significant Accounting Policies and Notes on Financial Statement 1 to 33

Per our report attached

For **Laxminiwas & Jain**  
Chartered Accountants  
Firm Regn. No. 001859S

**Sharada G Patil**  
Partner  
Membership No. 015332

Place: Hyderabad  
Date : 30th May, 2014

For and on behalf of the Board

**Arihant Baid**  
Managing Director

**T.M. Gopala Krishnan**  
Whole Time Director



## Gennex Laboratories Limited

	31.03.2014 (Rs. in Lacs)	31.03.2013 (Rs. in Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items:	69.80	47.31
Adjustment for:		
Depreciation	81.99	79.62
Finance Charges	32.03	28.16
Loss on Fixed Assets	-0.12	1.69
Interest Received	-5.15	-2.98
<b>Operating Profit before Working Capital Changes</b>	<b>178.55</b>	<b>153.80</b>
Adjustment for:		
Trade and Other Receivables	-312.26	-450.51
Inventories	5.24	24.79
Trade Payables	210.16	125.59
<b>Cash generated from operations</b>	<b>81.70</b>	<b>-146.33</b>
Adjustments for:		
Interest/Other Income Received	0.00	0.00
Prior Period Adjustments	-9.78	0.00
Income-tax	-23.00	-27.00
<b>Net Cash from Operating Activities</b>	<b>48.92</b>	<b>-173.33</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-96.62	-59.49
Purchase of Investments	0.00	0.00
Sale of Assets	1.09	0.21
Interest/Other Income received	5.15	2.98
<b>Net Cash used in Investing Activities</b>	<b>-90.38</b>	<b>-56.30</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Bank borrowings	80.16	54.54
Finance Charges	-32.03	-28.16
Issue of Equity Shares/Warrants	0.00	0.00
Increase/(Decrease) in Unsecured Loans	-3.22	-3.26
<b>Net Cash from Financing Activities</b>	<b>44.91</b>	<b>23.12</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT(A+B+C)</b>	<b>3.45</b>	<b>-206.51</b>
<b>Cash and Cash Equivalents as on 01.04.2013</b>	<b>33.38</b>	<b>239.89</b>
<b>Cash and Cash Equivalents as on 31.03.2014</b>	<b>36.83</b>	<b>33.38</b>

Per our report attached  
For **Laxminiwas & Jain**  
Chartered Accountants  
Firm Regn. No. 001859S  
**Sharada G Patil**  
Partner  
Membership No. 015332  
Place: Hyderabad  
Date : 30th May, 2014

For and on behalf of the Board  
**Arihant Baid**  
Managing Director

**T.M. Gopala Krishnan**  
Whole Time Director





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**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES:**

NOTE 1 : Significant Accounting Policies

**1 ACCOUNTING POLICIES:**

**a. BASIS OF ACCOUNTING:**

Financial Statement are prepared under historical cost convention and in accordance with the normally accepted accounting standards.

**b. FIXED ASSETS:**

Fixed Assets are valued at the original cost of acquisition net of Modvat including taxes, freight and other incidental expenses relating to acquisition and installation.

**c. DEPRECIATION:**

Depreciation provided at the rate prescribed under Schedule XIV of the Companies Act, 1956 on Straight line method on pro - rata basis.

**d. INVESTMENTS:**

Investments are valued at Cost. Provision for diminution in the value of Long Term Investments is made only if, such a decline is other than temporary in the opinion of the Management.

**e. REVENUE RECOGNITION:**

All the Items of Income and expenditure are accounted on accrual basis except as stated otherwise.

**f. FOREIGN EXCHANGE TRANSACTIONS:**

Foreign Currency Transactions are recorded at the exchange rates prevailing on the date of transaction.

Monetary items (Assets & Liabilities) denominated in foreign currency are translated into rupees at the Exchange rates prevailing on the Balance Sheet date. Exchange Differences in translation of foreign currency assets and liabilities and realised gains and losses on foreign exchange translations are recognised in the Profit and Loss A/c

**g. VALUATION OF INVENTORIES:**

i. Stores & Spares are valued at cost or at net realisable value, whichever is lower.

Cost is arrived at Weighted Average basis.

ii. Raw Material, Semi finished goods, finished goods are valued at cost or market value whichever is lower. Cost is arrived at FIFO method.

iii. Obsolescence and Damaged materials are valued at realisable value.



**h. CENTRAL EXCISE:**

Central Excise account is treated as current account by making adjustment of the debit & credit given to/taken from the department including relief.

**i. EMPLOYEE BENEFITS:**

a. Provident Fund is administered through Regional Provident Fund Commissioner. The contribution to the Provident Fund is charged against revenue.

b. Gratuity Liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected unit credit method. The company has created an approved gratuity fund, which has taken a group gratuity cum insurance policy with Life Insurance Corporation of India (LIC) for future payment of gratuity to the employees. The company accounts for gratuity liability of its employees on the basis of Actuarial valuation carried out at the year end by LIC.

c. Leave Encashment is accounted for on accrual basis.

**j. SEGMENT REPORTING:**

Segments are identified having regard to the dominant source and nature of risks and returns and the internal organisation and management structure. Revenues, Expenses and assets which relates to the enterprise as a whole and are not attributable to segments are included under "Unallocable Corporate Expenses/Revenues"

**k. TAXES ON INCOME:**

Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**l. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent Liabilities are not recognized but are disclosed, while Contingent Assets are neither recognized nor disclosed, in the financial statements.



	<b>As at 31st March, 2014 Rs.</b>	<b>As at 31st March, 2013 Rs.</b>
<b>2 SHARE CAPITAL</b>		
<b>AUTHORISED CAPITAL</b>		
<b>Equity Shares</b>		
160,000,000 Equity Shares of Rs.1/- each		
( Previous Year 160,000,000 Equity Shares of Rs.1/- each)	160,000,000	160,000,000
Total	<u>160,000,000</u>	<u>160,000,000</u>
<b>2.1 ISSUED, SUBSCRIBED &amp; PAID-UP</b>		
<b>Equity Shares</b>		
126,503,000 Equity Shares of Rs.1/- each		
(Previous Year 126,503,000 Equity Shares of Rs.1/- each)	126,503,000	126,503,000
Total	<u>126,503,000</u>	<u>126,503,000</u>
2.2.1 All Equity Shares issued by the company carry equal voting and participatory rights.		
2.2.2 The details of share holders holding more that 5% shares:		
	<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
	<b>% Held</b>	<b>% Held</b>
Premier Fiscal Services (P) Ltd (Pledge with Bank of India)	25,000,000 19.76	25,000,000 19.76
VAB Ventures Ltd.	9,787,560 7.74	9,787,560 7.74
Overskud Multi Asset Management P. Ltd.	8,100,000 6.40	— —
2.2.3 <b>The reconciliation of the no of shares outstanding is set out below:</b>		
Equity Shares at the beginning of the year	126,503,000	126,503,000
Equity Shares at the end of the year	126,503,000	126,503,000
	<b>As at 31st March, 2014 Rs.</b>	<b>As at 31st March, 2013 Rs.</b>
<b>3 RESERVES AND SURPLUS</b>		
Share Premium	60,000,000	60,000,000
Investment Subsidy	2,000,000	2,000,000
General Reserve	7,222,892	7,222,892
Capital Reserve (Forfeit of warrant)	7,250,000	7,250,000
Balance in Profit & Loss		
Balance at the beginning of the year	44,828,274	44,871,075
Add: Profit for the year	2,062,214	3,957,199
Balance at the Closing of the year	50,890,488	48,828,274
Total	<u>127,363,380</u>	<u>125,301,166</u>

**Gennex Laboratories Limited**

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
<b>4 LONG TERM BORROWINGS</b>		
<b>4.1 Loan - Secured</b> (Secured against the hypothecated assets procured out of Loan)		
Tata Capital Financial Services Ltd.	—	532,459
Magma Fincorp Ltd.	—	403,799
ICICI Bank	3,128,750	—
Total	<u>3,128,750</u>	<u>936,258</u>
<b>4.2 Unsecured</b>		
Sales Tax Deferment	2,287,059	2,668,025
Total	<u>2,287,059</u>	<u>2,668,025</u>
4.3 Sales Tax deferment availed till the current account period is due for repayment after 12 months from Balance sheet as under:		
Year of Repayment		
2014-15	—	380,966
2015-16	689,517	689,517
2016-17	425,358	425,358
2017-18	171,099	171,099
2018-19	174,207	174,207
2019-20	277,545	277,545
2020-21	394,431	394,431
2021-22	154,902	154,902
Total	<u>2,287,059</u>	<u>2,668,025</u>
<b>5 DEFERRED TAX (LIABILITY)/ASSETS</b>		
a. Diff. between Book & Tax Depreciation (Liability)	13,782,231	12,746,163
b. Others	(1,082,486)	(885,914)
Total	<u>12,699,745</u>	<u>11,860,249</u>
Net Deferred Tax Liability/(Assets)	<u>12,699,745</u>	<u>11,860,249</u>
<b>6 LONG TERM PROVISIONS</b>		
Provision for leave encashment	674,000	524,000
Total	<u>674,000</u>	<u>524,000</u>



	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
<b>7 SHORT TERM BORROWINGS</b>		
a. <b>Secured</b>		
From Banks - Secured		
State Bank of Hyderabad	24,187,119	19,051,461
(The due to State Bank of Hyderabad - Secured by means of Hypothecation of Stocks of Raw Material, Semi Finished & Finished Goods, Stores & Spare parts and Book-debts and First Charge on the Fixed Assets of the Company and personal guarantee of One Director)		
<b>Loan - Secured</b> (Secured against the hypothecated assets procured out of Loan)		
Tata Capital Financial Services Ltd.	581,911	747,848
Magma Fincorp Ltd.	392,055	409,708
ICICI Bank	871,250	—
Total	<u>26,032,335</u>	<u>20,209,017</u>
b. <b>Unsecured</b>		
Sales Tax Deferment	380,966	322,090
Total	<u>380,966</u>	<u>322,090</u>
<b>8 TRADE PAYABLES</b>		
Trade Payable	76,573,342	58,979,251
Total	<u>76,573,342</u>	<u>58,979,251</u>
8.1 Dues to Micro, Small and Medium enterprises has been determined to be Rs.Nil to the extent such parties have been identified on the basis of information available with the company.		
<b>9 OTHER CURRENT LIABILITIES</b>		
Creditors for Capital Goods	1,801,245	420,669
Advances from Customers	264,232	256,732
Other Liabilities	15,082,632	13,198,335
Total	<u>17,148,109</u>	<u>13,875,736</u>
9.1 Other liabilities consist of PF, ESI, TDS and TCS payable etc.		
<b>10 SHORT-TERM PROVISIONS</b>		
Provision for Current Tax (Net of Advance Tax)	3,100,000	2,300,000
Total	<u>3,100,000</u>	<u>2,300,000</u>



**NOTE 11  
FIXED ASSETS**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as on 01-04-2013 Rs.	Additions during the year Rs.	Sale or adjust- ment Rs.	Total as on 31-03-2014 Rs.	Ason 01-04-2013 Rs.	Adjus- ments Rs.	For the year 2013-14 Rs.	Total Upto 31-03-2014 Rs.	Ason 31-03-2014 Rs.	Ason 31-03-2013 Rs.
Land	84,181,540	—	—	84,181,540	—	—	—	—	84,181,540	84,181,540
Building	16,978,278	—	—	16,978,278	5,550,933	—	539,560	6,090,493	10,887,785	11,427,345
Plant & Machinery	118,269,522	4,251,497	532,700	121,988,319	66,082,999	455,085	6,307,757	71,955,721	50,082,598	52,186,523
Furniture & Fixtures	23,500,969	280,149	—	23,781,118	16,123,242	—	756,883	16,880,125	6,880,993	7,377,727
Motor Vehicles	7,529,028	5,150,088	—	12,679,116	2,999,747	—	594,616	3,594,363	9,084,754	4,529,281
Total	250,459,337	9,661,734	532,700	259,588,371	90,756,921	455,085	8,198,815	98,520,701	161,067,670	159,702,416
Previous Year	244,857,712	5,949,324	347,639	250,459,337	82,953,417	158,110	7,961,614	90,756,921	159,702,416	



	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
<b>12 NON CURRENT INVESTMENTS</b>		
<b>Unquoted</b>		
1000 Equity Shares of Rs.100/- each fully paid up in Progressive Effluent Treatment Limited	100,000	100,000
5500000 Equity Shares of Rs.10/- each fully paid up in Deccan Remedies Limited	70,000,000	70,000,000
Total	<u>70,100,000</u>	<u>70,100,000</u>
<b>13 OTHER NON CURRENT ASSETS</b>		
Loans,Advances to Related Parties		8,200,952
Security Deposit	1,489,147	1,489,147
Prepaid Expenses	19,126	19,096
Total	<u>1,508,273</u>	<u>9,709,195</u>
<b>14 INVENTORIES (As valued and certified by Management)</b>		
Stores & Spares	956,302	628,254
Packing Material	225,261	292,529
Coal & Diesel	115,204	161,079
Raw Materials	10,044,497	11,158,439
Finished Goods	1,662,912	5,472,705
Work-in-process	5,811,271	1,626,904
Total	<u>18,815,447</u>	<u>19,339,910</u>
<b>15 TRADE RECEIVABLES</b>		
Unsecured and Considered Good		
Outstanding for more than 6 months	496,930	2,358,547
Others	47,960,193	37,770,628
Total	<u>48,457,123</u>	<u>40,129,175</u>
<b>16 CASH AND CASH EQUIVALENTS</b>		
a. Cash on hand	324,669	22,013
b. Cheques on hand	—	—
c. Balances with Banks		
i. In Current Accounts	226,886	292,215
ii. In Deposit Accounts (Margin Money against LCs/BG)	3,131,852	3,023,718
Total	<u>3,683,407</u>	<u>3,337,946</u>

**Gennex Laboratories Limited**

	<b>As at 31st March, 2014 Rs.</b>	<b>As at 31st March, 2013 Rs.</b>
<b>17 SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured, Considered good, recoverable in cash or in kind for value to be received)		
a. Loans and advances to related parties Unsecured, considered good	—	13,522,130
b. Loans and advances to employees Unsecured, considered good	7,084,364	4,078,995
c. Prepaid Expenses Unsecured, considered good	450,438	677,201
d. Balances with Government Authorities Unsecured, considered good		
i. CENVAT credit receivable	4,166,411	3,592,160
ii. Balances with Central Excise Deptt	1,358	14,612
iii. VAT credit receivable	4,281,186	3,029,354
iv. Advance Licence Fee receivable	32,000	32,000
v. Service Tax	1,147,014	554,980
e. Advances to Contractors, Suppliers Unsecured, considered good	49,506,750	29,502,085
f. Advances recoverable cash or in kind	25,388,062	4,814,000
Total	<u>92,057,583</u>	<u>59,817,517</u>
<b>18 OTHER CURRENT ASSETS</b>		
Advance Income Tax/TDS	51,481	1,205,722
Accrued Interest	149,702	136,911
Total	<u>201,183</u>	<u>1,342,633</u>





	<b>Year ended 31st March, 2014 Rs.</b>	Year ended 31st March, 2013 Rs.
19 Revenue from Operation		
Sale of Products	360,833,192	309,179,348
Other Operating Revenues	364,012	200,596
	<u>361,197,204</u>	<u>309,379,944</u>
Less: Excise Duty	11,302,276	10,132,216
Net Revenue from Operation	<u>349,894,928</u>	<u>299,247,728</u>
20 Other Income		
Interest Income (TDS Rs.30,111; Previous Year Rs.76,505)	514,732	297,690
Insurance Claim Received	61,491	5,443
Exchange Rate Fluctuation	1,287,655	101,425
Profit on Fixed Assets Sold	251,386	—
Total	<u>2,115,274</u>	<u>404,558</u>
21 Raw Material Consumed		
Opening Stocks	11,158,439	6,483,621
Add: Purchases	222,681,696	191,919,634
Total	<u>233,840,135</u>	<u>198,403,255</u>
Less: Closing Stocks	10,044,497	11,158,439
Consumption	<u>223,795,638</u>	<u>187,244,816</u>
22 Changes in Inventories (other than RM)		
Opening Stocks		
Work in Progress	1,626,904	733,871
Finished Goods	5,472,705	13,510,629
Total	<u>7,099,609</u>	<u>14,244,500</u>
Closing Stocks		
Work in Progress	5,811,271	1,626,904
Finished Goods	1,662,912	5,472,705
Total	<u>7,474,183</u>	<u>7,099,609</u>
Changes in Stock	<u>(374,574)</u>	<u>7,144,891</u>
23 Manufacturing Expenses		
Stores, Spares & Others	7,505,523	5,596,205
Packing Material	7,034,203	5,766,424
Power & Fuels	18,576,898	17,992,754
Repairs & Maintenance - Buildings	732,805	789,648
Repairs & Maintenance - Plant & Machinery	1,280,630	1,123,173
Repairs & Maintenance - Others	414,116	242,949
Job Work Charges	2,152,114	13,300
Total	<u>37,696,289</u>	<u>31,524,453</u>

**Gennex Laboratories Limited**

	Year ended 31st March, 2014 Rs.	Year ended 31st March, 2013 Rs.
<b>23.1 Stores and Spares Consumption</b>		
Opening Stocks	628,254	571,875
Add: Purchases	7,833,571	5,652,584
Less: Closing Stocks	956,302	628,254
Total	<u>7,505,523</u>	<u>5,596,205</u>
<b>23.2 Packing Material Consumption</b>		
Opening Stocks	292,529	378,731
Add: Purchases	6,966,935	5,680,222
Less: Closing Stocks	225,261	292,529
Total	<u>7,034,203</u>	<u>5,766,424</u>
<b>24 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	27,550,704	20,507,175
Contributions to Provident and other funds	1,471,097	1,050,569
Gratuity	438,395	437,622
Staff Welfare expenses	1,259,082	884,646
Total	<u>30,719,278</u>	<u>22,880,012</u>
<b>25 OTHER EXPENSES</b>		
Pollution Expenses	1,732,273	1,190,932
Consultancy & Legal Expenses	3,163,869	2,295,248
Rent & Facilities	1,523,961	1,297,282
Electricity Charges	649,499	480,250
Security Charges	526,061	411,969
Printing & Stationery	516,403	413,683
Communication Expenses	942,123	791,390
Insurance	585,474	504,470
Travelling & Conveyance Exp.	6,330,726	2,786,690
Selling Expenses	8,431,775	4,507,624
Carriage Outwards	5,359,074	3,883,925
Auditors' Remuneration	177,381	68,220
Vehicle Maintenance	307,146	205,003
Sales Tax	11,350	9,067
Miscellaneous Expenses	1,701,060	1,755,903
Sundry Balances Written Off (Net)	2,083,269	2,042
Total	<u>34,041,444</u>	<u>20,603,698</u>



	<b>Year ended 31st March, 2014 Rs.</b>	Year ended 31st March, 2013 Rs.
<b>26 FINANCE COST</b>		
Interest on Working Capital	1,915,789	1,566,863
Interest on Term Loan	177,033	343,841
Bank Charges	1,109,877	904,887
Total	<u>3,202,699</u>	<u>2,815,591</u>
<b>27 EXCEPTIONAL ITEMS</b>		
Loss on Fixed Assets	(11,785)	168,589
<b>28 EARNING PER SHARE</b>		
Net Profit the basic EPS	2,062,214	3,957,199
Weighted Average No. of Shares	126,503,000	126,503,000
Annualized Basic Earning per share	0.02	0.03
<b>29 AUDITORS REMUNERATION</b>		
i. Audit Fees	84,270	49,590
ii. Tax Audit Fees	28,090	16,530
iii. Certification & Other	62,921	—
iv. Audit Fees - Branch	2,100	2,100
Total	<u>177,381</u>	<u>68,220</u>
<b>30 CONTINGENT LIABILITY</b>		
i. Income-tax where appeals/petitions are pending with Various Authorities	*56.67	*56.16
ii. Sales Tax where Appeal is pending	*14.57	*14.57
iii. Claim against the Company not acknowledged as debts	—	*3.23
*Company is hopeful of complete relief, hence no provision is made.		
<b>31 Additional information pursuant to paragraphs 5 (viii) of part II of Schedule VI to the Companies Act, 1956 are as follows:</b>		
A. C.I.F. value of imports by the Company (Excluding imported items purchased locally)		
Raw Materials	6,450,567	9,948,564
B. Expenditure in foreign currency during the year:		
a. Foreign Travel Expenses	614,690	301,332
b. Sales Commission	6,285,885	2,600,423
c. Bank Charges	245,261	135,468
C. Details of consumption of imported and indigenous items		
	<b>Year ended 31st March, 2014 Rs.</b>	Year ended 31st March, 2014 %
Imported		
Raw Material	6,351,190	3%
	(9,929,584)	5%
Indigenous		
Raw material	217,444,448	97%
	(177,315,232)	95%
Stores, Spares Parts & Components	7,505,523	100%
	(5,596,205)	100%
Total	<u>231,301,161</u>	
	<u>(192,841,021)</u>	
Note: Figures/percentages in brackets relates to the previous year.		

**D. Segment Details**

The Company is engaged in manufacture of Bulk Drugs & Intermediates which in the context of Accounting Standard- 17 issued by the Institute of Chartered Accountants of India is considered as a single segment.

The geographic segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately:

Geographic Segment	Revenues for the	Segment Assets
	Year ended 31st March, 2014	As at 31st March, 2014
Dubai	44.79	29.57
	(16.23)	—
Germany	118.44	0.95
	(118.01)	5.60
Netherland	271.65	—
	(280.61)	(108.38)
Iran	521.12	66.60
	(209.38)	—
Peru	166.45	18.93
	(123.25)	(5.11)
Colombia	210.86	—
	(24.76)	—
Export Others	344.19	25.99
	(289.41)	(40.74)
India	1821.45	342.53
	(1930.83)	(241.46)

Note: Figures in brackets relates to the previous year.

Particulars	Year ended 31st March, 2014 Rs.	Year ended 31st March, 2013 Rs.
E. Earning in Foreign Currency on F.O.B. basis		
Export of Goods	154,266,821	101,589,842

**32 RELATED PARTY TRANSACTIONS (Accounting Standard-18)**

Name & Relationship	Nature of Transaction	Amount (Rs.)
1 Mr. Arihant Baid Managing Director	Remuneration	2,400,000
	Falma Laboratories Pvt. Ltd., (in which Mr. Arihant Baid is Director)	NIL

**33 EMPLOYEES BENEFITS:**

33.1 Company has obtain Group Gratuity Scheme with LIC and contributing the same. The assumption taken are discount rate @ 8% and salary escalation @ 4 % etc.

**33.2 Defined Contribution Plan:**

Contribution to defined contribution plan, recognized as expenses for the year are as under:

Employer's Contribution to Provident/Pension Fund - Rs. 762420/-

The Company contributes applicable rates of salary of all eligible employees towards Provident Fund managed by the Central Government.



Leave Encashment:

The Company has provided a sum of Rs. 674000/- towards Leave encashment based on actuarial valuation.

- 33.3 Balance in Advances, Deposits, Unsecured loans, other Liabilities, Trade Receivables, Trade Payables and advances against suppliers are subject to confirmation by respective parties.
- 33.4 Fixed Assets includes land for which Registration formalities are yet to completed.
- 33.5 The Company's Lease Agreement in respect of Building at Srinagar Colony. The Lease Rentals payable are charged as "Lease Rental Charges" under "Other Expenses" in Note No. 25. This leasing arrangement is upto May 31, 2014 and are renewable for future period with mutual consent. However, the same is yet to be renewed. Future lease rental payable are as under:

(Rupees in Lakhs)

Particulars	as at March 31, 2014*
Payables:	
Not later than one year	1.82

\* The above figures are given without discounting at present value

- 33.6 Investment includes Rs.70,000,000 in Shares of Deccan Remedies Limited for the Company's expansion plans.
- 33.7 There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.
- 33.8 In accordance with the Accounting Standards (AS-28) on "Impairment of Assets" the management during the year carried out exercise of identifying the assets that may have been impaired in respect of each cash generating unit. On the basis of this review carried out by the management there was no impairment loss on the fixed assets during the year ended 31st March, 2014.
- 33.9 Investment Subsidy received from Andhra Pradesh Government is shown under Reserve and Surplus.

Per our report attached

For and on behalf of the Board

**For Laxminiwas & Jain**  
Chartered Accountants  
Firm Regn. No. 001859S

**Arihant Baid**  
Managing Director

**Sharada G Patil**  
Partner  
**Membership No. 015332**

**T.M. Gopala Krishnan**  
Whole Time Director

Place: Hyderabad  
Date : 30th May, 2014



**GENNEX LABORATORIES LIMITED**

Regd. Office: Sy. No. 133, Jinnaram Mandal, Medak Dist., A.P 502 325

Corporate Office: "AKASH GANGA", 3rd Floor, Plot No. 144, Srinagar Colony, Hyderabad - 500 073.

**PROXY FORM**

I/We ..... of .....

being a member/members of GENNEX LABORATORIES LTD. hereby appoint ..... of ..... failing him ..... of ..... as my/our Proxy to attend and vote for me/us on my/our behalf at the 29th Annual General Meeting of the company to be held on Tuesday, the 30th September, 2014 at 11.30 A.M. at the Registered Office of the Company at Sy.No.133., Bollaram, Jinnaram Mandal, Medak Dist – 502 325 (Telangana).

Signed this ..... day of ..... 2014.

Signature(s) of the Shareholder(s) .....

Folio No. ....

No. of Shares .....

Distinctive Nos.....

Affix Re.1  
Revenue  
Stamp

- Note: 1. This form must be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting.  
2. A PROXY NEED NOT BE A MEMBER.

**GENNEX LABORATORIES LIMITED**

Regd. Office: Sy. No. 133, Jinnaram Mandal, Medak Dist., A.P 502 325

Corporate Office: "AKASH GANGA", 3rd Floor, Plot No. 144, Srinagar Colony, Hyderabad - 500 073.

**ADMISSION SLIP**

Regd. Folio No. .... No. of Shares .....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the 29th Annual General Meeting of the Company to be held on Tuesday, the 30th September, 2014 at 11.30 A.M. at the Registered Office of the Company at Sy.No.133., Bollaram, Jinnaram Mandal, Medak District – 502 325 (Telangana).

Name of the Proxy (if any) in block letters .....

Signature of the Member/Proxy .....

Note: Please fill this Admission Slip and hand it over at the entrance. Shareholders who come to attend the meeting are requested to bring the copies of the Annual Report also with them.



**Gennex Laboratories Limited**

CIN: L24230TG1990PLC011168

Registered Office: Sy. No. 133, Bollaram, Jinnaram Mandal, Medak District-502325, Telangana.

Corporate Office: 'Akash Ganga', 3rd Floor, Plot # 144, Srinagar Colony, Hyderabad-500 073.

Phone: 08458-279516, 279406; Fax: 08458-279516

e-mail: investorrelations@gennexlab.com ; Website : www.gennexlab.com

**BALLOT FORM**

(In lieu of e-voting)

1. Name and Registered Address of the Sole/first named Shareholder :
2. Name(s) of the Joint Shareholder(s), if any :
3. Registered Folio No./DP ID No./Client ID No.\* :  
(\*Applicable to investors holding shares in dematerialized form)
4. Number of Equity Shares held :

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of 29th Annual General Meeting of the Company to be held on September 30, 2014 by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (v) mark at the appropriate box below :

Item No.	Description	No. of Equity Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
<b>Ordinary Business</b>				
1	Adoption of Financial Statements for the year ended March 31, 2014			
2	Re-appointment of Shri T M Gopala Krishnan, Director retiring by rotation			
3	Appointment of Auditors			
<b>Special Business</b>				
4	Appointment of Shri Y. Ravinder Reddy as an Independent Director of the Company			
5	Appointment of Ms. Sadhana Bhansali as an Independent Director of the Company			
6	Payment of Remuneration to the Cost Auditor			
7	Appointment of Branch Auditors			
8	Increase in Borrowing powers of the Company			
9	Creation of Charge on Movable and Immovable properties of the Company both present and future			
10	Resolved not to fill for the time being the vacancy caused by the retirement of Shri U.C. Bhandari, Director, who retires by rotation at the AGM and does not seek re-appointment.			

Place :

Date :

\_\_\_\_\_  
Signature of Shareholder

Note: Kindly read the instructions printed overleaf before filling the form. Valid Ballot Forms received by the Scrutinizer by 6.00 p.m. on September 25, 2014 shall only be considered.

**ELECTRONIC VOTING PARTICULARS**

Users who wish to opt for e-voting may use the following login credentials.

EVEN (E-VOTING EVENT NO.)	USER ID	PASSWORD
100910	_____	_____

Please follow steps for e-voting procedure as given in the instructions for e-voting.

### INSTRUCTIONS FOR E-VOTING

Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 29th Annual General Meeting to be held on Tuesday, September 30, 2014 at 11:30 a.m. . The Company has engaged the services of M/s. National Securities Depository Limited (NSDL) to provide the E-Voting facility.

The E-Voting facility is available at the link <https://www.evoting.nsdl.com>

The E-voting Event Number and period of e-voting are set out below:

E-voting Event Number (EVEN)	Commencement of e-voting	End of e-voting
100910	September 23, 2014 at 9:00 a.m.	September 25, 2014 at 6:00 p.m.

Please read the instructions provided below before exercising your vote.

These Instructions form an integral part of the notice for the 29th Annual General meeting to be held on Tuesday, September 30, 2014.

Members are requested to follow the below instructions to cast their vote through e-voting:

1. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>
2. Click on Shareholder-Login.
3. If you are already registered with NSDL for E-voting, then you can use your existing User ID and Password for Login.
4. If you are logging in for the first time, please enter the User ID and Password.
5. If you are logging in for the first time, Password Change Menu appears on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of the two. Please take utmost care to keep your password confidential.
6. Home page of "e-voting" opens. Click on e-voting > Active Voting Cycles.
7. Select the EVEN (E-Voting Event Number) of Gennex Laboratories Limited i.e. 100910. Once you enter the number, the Cast Vote page will open. Now you are ready for e-voting.
8. Cast your vote by selecting appropriate option and click "Submit" and also click "Confirm" when prompted. Kindly note that vote once cast cannot be modified.
9. Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are required to send scanned copy (PDF/JPG format) of the relevant board resolution / authority letter, etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email at [rbhattad@gmail.com](mailto:rbhattad@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
10. Once the vote on a resolution is cast by the shareholder he/she shall not be allowed to change it subsequently.
11. In case of any queries you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the "Downloads" section of <https://www.evoting.nsdl.com> or contact NSDL by email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).



### **General Instructions**

- i. The e-voting period commences on September 23, 2014 (09:00 a.m. IST) and ends on September 25, 2014 (6:00 p.m. IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 22, 2014, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 22, 2014, and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- iii. Mr. Ramesh Kumar Bhattad, Chartered Accountant (Membership No. 200304), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- iv. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, B. Ramesh Kumar , Scrutinizer, Akash Ganga Plt no. 144 Sri Nagar Colony Hyderabad. 500073, Telangana not later than Thursday, September 25, 2014 (6.00 p.m. IST).
- v. Members have the option to request for physical copy of the Ballot Form by sending an e-mail to investorrelations@prudentialssugar.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Thursday, September 25, 2014 (6.00 p.m. IST).
- vi. Ballot Form received after this date will be treated as invalid. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid
- vii. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor of or against, if any; forthwith to the Chairman of the Company.
- viii. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.gennexlab.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Bombay Stock Exchange Limited .

By Order of the Board of Directors

**Arihant Baid**  
Managing Director

Place:Hyderabad  
Date :August 14, 2014

*If undelivered, please return to:*  
**GENNEX LABORATORIES LIMITED**  
“AKASH GANGA”, 3rd Floor, Plot No. 144,  
Srinagar Colony, Hyderabad - 500 073.  
Telangana, INDIA.