

**SOCRUS BIOSCIENCES LTD**  
**(Formerly Known as Tanu Healthcare Ltd.)**

**21st ANNUAL REPORT**  
**2010-2011**

**REG OFF;- 30-16-A, PMGP COLONY**  
**MAHAKALI CAVE ROAD, ANDHERI (E), MUMBAI -400093**

**AUDITORS REPORT**

**To**

**THE MEMBERS & SHAREHOLDERS.**

**M/S SOCRUS BIO SCIENCES LIMITED**

We have audited the attached Balance Sheet of M/s SOCRUS BIO SCIENCES LIMITED (Formerly Known As Tanu Health Care Limited) as on 31<sup>st</sup> March, 2011 and Profit & Loss A/c for the year ended on that date annexed there to. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

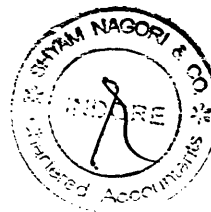
We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 issued by the Central Government of India in terms of section 227 (4a) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

01. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
02. In our opinion proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books.
03. The Balance Sheet and Profit & Loss Account dealt by this report are in agreement with the books of account.
04. In our opinion, the Profit & Loss Account and the Balance Sheet Comply with the accounting Standard referred to in section 211 (3c) of the Companies Act, 1956.

(Contd. ....)



05. On the basis of written representation received from directors, as on 31<sup>st</sup> March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as directors in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
06. In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet and Profit & Loss account read together with notes thereon give the information required by the Companies Act 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- 1) In the case of Balance Sheet, of the state of affairs of the company as on 31st March, 2011.
  - 2) In the case of Profit & Loss Account, of the loss for the year ended on that date.
  - 3) In case of Cash Flow Statement, of the cash flows for the year ended on that date

PLACE-INDORE

10<sup>th</sup> 5<sup>th</sup> September 2011

FOR: SHYAM NAGORI & COMPANY  
CHARTERED ACCOUNTANTS

FRN-004573C

  
(SHYAM NAGORI)

PROPRIETOR

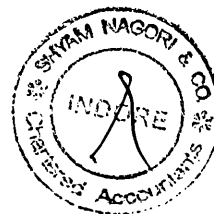
M. NO. 073609



## ANNEXURE TO THE AUDITORS REPORT

Referred to in paragraph (1) of our report of even date attached

- (I) (a) In our opinion and according to information and explanations given to us. The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) According to the information and explanations given to us the fixed assets of the company have been physically verified by the Management at reasonable intervals during the year and no material discrepancies are stated to have been noticed on such verification as compared to Books of Account.
- (c) In our opinion and according to information and explanations given to us, no fixed assets have been disposed off during the year, which could affect the going concern status of the Company.
- (II) (a) According to the information and explanations given to us. Physical verification of inventory has been conducted at reasonable intervals by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to information and explanation given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion, the company has maintained proper records of inventory and according to information and explanations given to us no material discrepancies were noticed on physical verification conducted by the management.
- (III) (a) In our opinion and according to information and explanations given to us, the Company has granted loans to one party covered in the Register maintained under section 301 of the Companies Act 1956, the maximum amount involved during the year was Rs. 805000/- and year end balance is Rs. 805000/-
- (b) The rate of Interest and other terms and conditions of loans given by the company, to the extent of interest free loans are not prejudicial to the interest of the company.
- (c) The parties are regular in repaying principal as stipulated and have been regular in payment of interest, if any.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the companies act, 1956.
- (e) The company has not taken unsecured loans covered in the register maintained under section 301 of the Companies Act 1956, hence point (f) and (g) is not applicable to the Company.
- (IV) 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 nature of its business for the purchase of inventory and fixed assets and for the sale of goods services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (V) (a) According to the information and explanations given to us, we are of the opinion that the transaction that needs to be entered into the register maintained under section 301 of the companies Act. 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts of arrangements entered in the register maintained under section 301 of the Companies Act. 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (VI) According to the information and explanations given to us, the company has not accepted deposits during the year and consequently the provisions of Section 58 A and 58 AA of the Companies Act and the Rules framed there under are not applicable.
- (VII) We are of the opinion that the company has an internal audit system commensurate with the size company and nature of its business.
- (VIII) In our opinion and according to information and explanations given to us, the maintains of the cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act. 1956. for the activities of the company.

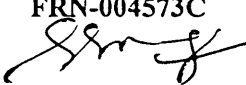


- (a) According to the information and explanation given to us, the company is regular in depositing with appropriate authorities undisputed statutory Dues including provident fund employees' state insurance, income tax, wealth tax, sales tax, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed statutory dues were in arrears as at 31.03.2011 for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, there were no pending dues which have not been deposited on account of any dispute in respect of sales tax / income tax / custom duty / wealth tax / excise duty / cess as at 31 st March 2011.
- (X) The company does not have accumulated losses as at 31<sup>st</sup> March 2011. The company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (XI) In our opinion according to the information and explanations given to us, the company does not have any outstanding dues to financial institutions, banks or debentureholders.
- (XII) According to the information and explanations 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, hence the maintenance of adequate documents and records is not applicable.
- (XIII) In our opinion and according to the information and explanations provided to us, the nature of activities of the company does not attract any special statute applicable to chit fund and a Nidhi / Mutual Benefit fund / Society.
- (XIV) According to information and explanation given to us, the company has maintained proper records for dealing in shares & debentures and timely entries have been made therein, all shares, debentures and other securities have been held by the company in its own name.
- (XV) According to the information and explanations given to us, the company has not given any guarantee for loans taken by other, from Bank of Financial institution.
- (XVI) The Company has not accepted any term loans during the year.
- (XVII) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short - term basis have been used for long - term investment No long - term funds have been used to finance short - term assets except permanent working capital.
- (XVIII) In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment of shares during the financial year to parties and companies covered in Register maintained under section 301 of the Act.
- (XIX) The Company has not issued any debentures, hence the provisions of clause 4 (xix) are not Applicable to the company.
- (XX) During the financial year, company has not raised any money by public issues.
- (XXI) In our opinion and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

PLACE - INDORE

DATE - 5th September 2011

For: SHYAM NAGORI & COMPANY  
CHARTERED ACCOUNTANTS

FRN-004573C  
  
(SHYAMNAGORI)  
PROPRIETOR  
M. No. 073609

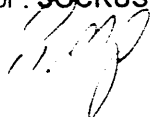


**SOCRUS BIO SCIENCES LTD.**  
**BALANCE SHEET AS ON 31ST MARCH, 2011**

	<u>Schedule</u> <u>No.</u>	<u>Amount in Rs.</u> <u>As At 31.03.11</u>	<u>Amount in Rs.</u> <u>As At 31.03.10</u>
<b><u>SOURCE OF FUNDS</u></b>			
<b><u>I. SHARE HOLDER FUNDS</u></b>			
Share Capital	1	320,027,000	146,527,000
Reserves and Surplus	2	35,471,329	(26,337,363)
<b>Total</b>		<b>355,498,329</b>	<b>120,189,617</b>
<b><u>APPLICATION OF FUNDS</u></b>			
A. Fixed Assets	3		
Gross Block		194,456,626	16,156,626
Less:- Depreciation		10,388,715	9,739,004
<b>Net Block</b>		<b>184,067,911</b>	<b>6,417,622</b>
Goodwill on Merger / Amalgamation		43,182,359	-
<b><u>CURRENT ASSETS, LOAN &amp; ADVANCES</u></b>			
A. Inventories	4	21,050,770	38,629,737
B. Sundry Debtors	5	53,368,204	17,362,160
C. Cash & Bank Balance	6	1,165,582	882,988
D. Loans and Advance & Deposite	7	32,990,814	41,133,171
E. Sundry Deposit		89,431	89,431
		<b>108,664,801</b>	<b>98,097,487</b>
Less:- Current Liabilities & Provision	8	395,602	184,384
<b>Net Current Assets</b>		<b>108,269,199</b>	<b>97,913,103</b>
Deferred Tax Assts	9	19,634,777	15,858,892
Miscellaneous Expenses to the extent not written off		344,083	-
<b>TOTAL</b>		<b>355,498,329</b>	<b>120,189,617</b>

PLACE: INDORE  
DATE : 05.09.2011

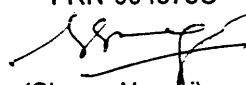
Significant Accounting Policies & notes to Accounts  
For and on behalf of the Board of Director  
For : **SOCRUS BIO SCIENCES LIMITED.**

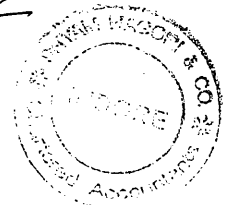
  
Rajiv Agnihotri  
Director

  
Madhvi Agnihotri  
Director

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For Shyam Nagori & Company  
Chartered Accountants  
FRN-004573C

  
(Shyam Nagori)  
Proprietor  
M.NO. 073609



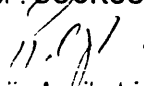
**SOCRUS BIO SCIENCES LTD.**  
**Profit & Loss A/c as on 31.03.2011**


	Schedule No.	Amount in Rs. As At 31.03.11	Amount in Rs. As At 31.03.10
<b><u>INCOME</u></b>			
Finance & Investment Division		-	18,255,594
Biotech Agro Sales		220,790,000	35,706,816
<b>TOTAL GROSS SALES</b>		<b>220,790,000</b>	<b>53,962,410</b>
<b>Other Income</b>	10	1,375,500	765,001
Increase / Decrease in Stock	11	(17,578,967)	(23,630,280)
		<b>204,586,533</b>	<b>31,097,131</b>
<b><u>EXPENDITURE</u></b>			
A. Biotech Purchases		159,896,643	29,467,820
B. Administrative Selling & other expenses	12	1,590,276	943,648
C. Depreciation	3	649,711	733,615
		<b>162,136,630</b>	<b>31,145,083</b>
Profit before Taxation & Extraordinary Items		42,449,903	(47,952)
Less: Profit from Biotechnology		60,893,357	6,238,996
Profit before Taxation		(18,443,454)	(6,286,948)
Less: Provision for Taxation		-	-
Profit After Taxation		(18,443,454)	(6,286,948)
Add : Profit from Biotechnology		60,893,357	6,238,996
		42,449,903	(47,952)
Less: extra ordinary Item & Prior Period Items		-	-
Profit/loss after Taxation		42,449,903	(47,952)
Deferred tax Assets (Liability)		3,775,885	1,467,486
Balance Carried to Balance Sheet		146,225,788	1,419,534
Basic & Deluited Earning Per Shares		1.44	0.10
Singificant Accounting Policies & notes to Accounts	13		

PLACE: INDORE  
DATE : 05.09.2011

For and on behalf of the Board of Director

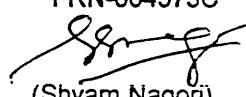
For : **SOCRUS BIO SCIENCES LIMITED**

  
Rajiv Aghihotri  
Director

  
Madhvi Aghihotri  
Director

For Shyam Nagori & Company  
Chartered Accountants

FRN-004573C

  
(Shyam Nagori)  
Proprietor  
M.NO. 073609



**SOCRUS BIO SCIENCES LTD.**

**Amount In Rs.**  
**As At 31.03.11**

**Amount in Rs.**  
**As At 31.03.10**

**SCHEDULE 1 - SHARE CAPITAL**

**AUTHORISED**

3,20,10,000 Equity Share of Rs.10/-each  
(Previous Year 3,20,00,000 equity share of Rs. 10/ each)

320,100,000

32,000,000

320,100,000

32,000,000

**ISSUED - SUBSCRIBED & PAID UP**

3,20,02,700 Equity Share of Rs. 10/- each fully paid up  
(Previously 1,46,52,700 Equity Share of Rs. 10/- each)

320,027,000

146,527,000

320,027,000

146,527,000

**SCHEDULE 2 - RESERVE & SURPLUS**

Opening Balance

(26,337,383)

(27,756,917)

Profit and Loss Account for the year

46,225,788

1,419,534

Reserves upon merger / amalgamation from BCPL

15,582,924

**TOTAL**

35,471,329

(26,337,383)

**SCHEDULE 4**

**INVENTORIES**

(as taken, valued & Certified by Management)

Shares

21,050,770

38,629,737

**TOTAL**

21,050,770

38,629,737

**SCHEDULE 5**

**SUNDRY DEBTORS**

(Unsecured, Considered Good)

Due for more than Six months

2,485,680

2,812,160

Others

50,882,524

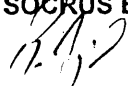
14,550,000

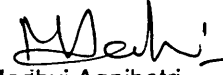
**TOTAL**

53,368,204

17,362,160

For: **SOCRUS BIO SCIENCES LIMITED**

  
Rajiv Agnihotri  
Director

  
Madhvi Agnihotri  
Director





**SOCRUS BIO SCIENCES LTD.**

**Amount In Rs.**  
**As At 31.03.11**

**Amount In Rs.**  
**As At 31.03.10**

**SCHEDULE 6**

**CASH & BANK BALANCE**

Cash in hand	1,150,813	844,914
Balance with Scheduled Banks in Current Accounts	14,709	38,074
<b>TOTAL</b>	<b>1,165,582</b>	<b>882,988</b>

**SCHEDULE 7**

**LOAN AND ADVANCES**

Loan & Advances recoverable in Cash or in kind or for value to be received	28,662,732	36,805,089
TDS	4,328,082	4,328,082
<b>TOTAL</b>	<b>32,990,814</b>	<b>41,133,171</b>

**SCHEDULE 8**

**CURRENT LIABILITIES & PROVISIONS**

**I) Current Liabilities**

Sundry Creditors for goods	186,800	58,343
Sundry Creditors for expenses	178,802	94,332
Sundry Provisions	30,000	31,709
<b>TOTAL</b>	<b>395,602</b>	<b>184,384</b>

**SCHEDULE 09**

**DEFERRED TAX ASSETS**

Opening Balance	15,858,892	14,391,406
Adjustment for Deferred Tax during the year	3,775,885	1,467,486
<b>TOTAL</b>	<b>19,634,777</b>	<b>15,858,892</b>

**SCHEDULE 10**

**OTHER INCOME**

Interest on Loan	-	171,254
Vat Refund F.Y.2005-06	-	199,359
Discount & Misc Income	1,375,500	394,388
<b>TOTAL</b>	<b>1,375,500</b>	<b>765,001</b>

For: **SOCRUS BIO SCIENCES LIMITED**

*Rajiv Agnihotri*  
Rajiv Agnihotri  
Director

*Madhvi Agnihotri*  
Madhvi Agnihotri  
Director



**SOCRUS BIO SCIENCES LTD.**

**Amount in Rs.**  
**As At 31.03.11**

**Amount in Rs.**  
**As At 31.03.10**

**SCHEDULE 11**

**INCREASE/DECREASE IN STOCK**

Closing Stock	21,050,770	38,629,737
Less: Opening Stock	38,629,737	62,260,017
<b>TOTAL</b>	<b>(17,578,967)</b>	<b>(23,630,280)</b>

**SCHEDULE 12**

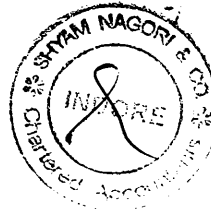
**ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES**

Advertisement Expenses	28,660	18,645
Directors Remuneration	35,500	35,500
Bank Charges	7,774	4,030
Depository Charges-CDSL/NSDL	54,000	42,000
Electricity Charges	26,540	12,636
Listing Fees	42,500	31,500
Miscellaneous Expenses	109,230	5,087
Payment to Employees	1,025,000	619,000
Printing & Stationery	38,770	34,560
Rent, Rates & Taxes	35,436	25,560
Share Transfer Charges & demat Charges	54,660	24,705
Telephone Charges	13,546	10,040
Travelling & Conveyance	38,660	18,385
Legal & Professional Fees	80,000	62,000
<b>TOTAL</b>	<b>1,590,276</b>	<b>943,648</b>

For : **SOCRUS BIO SCIENCES LIMITED**

  
Rajiv Agnihotri  
Director

  
Madhvi Agnihotri  
Director



**SOCRUS BIO SCIENCES LTD.**

**SCHEDULE - 3 FIXED ASSETS:**

Sr. No.	Description	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at 01-Apr-10	Addition	Sales / Deduction	31-Mar-11	Up to 31-Mar-10	For the year	31-Mar-11	31-Mar-11	31-Mar-10
1	Land	-	4,900,000		4,900,000	-	-	-	4,900,000	-
2	Building	5,947,371			5,947,371	1,472,805	1,569,747	4,377,624	4,474,566	
3	Plant & Machinery	2,733,473			2,733,473	1,940,751	2,070,591	662,882	792,722	
4	Electrical Equipment	3,678,128			3,678,128	2,730,788	2,990,832	687,296	947,340	
5	Furniture & Fixture	3,535,639			3,535,639	3,380,832	3,535,639	-	154,807	
6	Computer	91,950			91,950	91,950	91,950	-	-	
7	Air Conditioner	170,065			170,065	121,878	129,956	40,109	48,187	
8	Agricultural Land (Merger)*	-	173,400,000		173,400,000	-	-	173,400,000	-	
	Total	16,156,626	178,300,000		194,456,626	9,739,004	10,388,715	184,067,911	6,417,622	
	Previous Year	16,156,626	-		16,156,626	9,012,156	9,739,004	6,417,622	7,144,470	

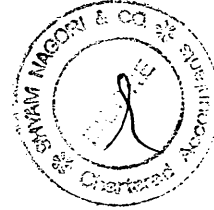
\*Note: The land is under possession of the company from the appointed date of merger. Pursuant to merger the adjudication process with regards to stamp duty is under progress.

For and on behalf of the Board of Director

For : SOCRUS BIO SCIENCES LIMITED

Rajiv Agrimotri  
Director

Madhvi Agnihotri  
Director




**SOCRUS BIO SCIENCES LTD.**  
**Formerly known as Tanu Healthcare Ltd.**

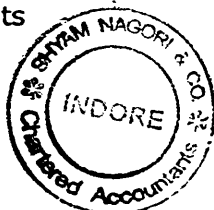
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011**  
**(PREPARED PURSUANT TO LISTING AGREEMENT)**

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
<b><u>A. CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Net profit before tax & extraordinary items	42449903.00	-47952.00
Add: Non cash expenses		
Depreciation	649711.00	733615.00
Less: Items considered in other activities		
Dividend recd	0.00	0.00
<b>Operating profit before working capital changes</b>	<b>43099614.00</b>	<b>685663.00</b>
Adjustment for:		
(Increase)/Decrease in current assets	-10284720.00	130313.00
Increase/(Decrease) in current Liabilities	211218.00	-85252.00
<b>Cash generated from operation</b>	<b>33026112.00</b>	<b>730724.00</b>
Less: Income Tax paid	0.00	-64081.00
Fringe benefit tax paid	0.00	0.00
<b>Net cash flow from operating activities</b>	<b>33026112.00</b>	<b>666643.00</b>
<b><u>B. CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
(Increase)/decrease in fixed assets	-178300000.00	0.00
Goodwill (Intangible Assets)	-43182359.00	0.00
Perliminary Exp.	-344083.00	0.00
<b>Net cash flow from Investing activities</b>	<b>-221826442.00</b>	<b>0.00</b>
<b><u>C. CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Increase/(decrease) in share capital	173500000.00	0.00
Reserve surplus Increase	15582924.00	0.00
Loans Received/ (Repaid)	0.00	0.00
Proposed Dividend	0.00	0.00
<b>Net cash flow from financing activities</b>	<b>189082924.00</b>	<b>0.00</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalent</b>	<b>282594.00</b>	<b>666643.00</b>
Cash & Cash Equivalents at the beginning of the year	<b>882988.00</b>	<b>216345.00</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>1165582.00</b>	<b>882988.00</b>

As per our report of even date attached.

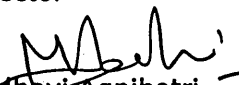
For: SHYAM NAGORI & CO.  
Chartered Accountants

  
SHYAM NAGORI  
Proprietor  
M. No. 073609



For & on behalf of Board

  
Rajeev Agnihotri  
Director

  
Madhavi Agnihotri  
Director

**SOCRUS BIOSCIENCES LTD**

**Balance Sheet Abstract and Company's General Business Profile**

1. Registration details

Registration n

State Code

Balance Sheet Dat          
D D M M Y Y Y Y

2. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

Right Issue

Bonus Issue

Private Placement

3. Position of mobilisation and deployment of funds (Amount in Rs. Thousand)

Total Liabilities

Total Assets

Sources of Funds  
 Paid - Up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds  
 Net Fixed Asses

Investments

Net Current Assets

Misc. Expenditure

Deferred Tax Assets

Accumulated Losses

4. Performance of Company (Amount in Rs. Thousand)

Turnover (Gross Revenue)

Total Expenditure

(+) Profit/ Loss Before Tax

(+/-) Profit/ Loss After Tax

(Please tick appropriate box + for profit, - for loss)

Earning Per Share in

Dividend rate %

As per our Report on even date

Attached

For and on behalf of the Board of Director

For: SHYAM NAGORI & COMPANY

For: SOCRUS BIO SCIENCES LIMITED

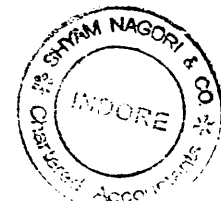
Chartered Accountants

FRN-004573C

Rajiv Agnihotri  
 Director

Madhvi Agnihotri  
 Director

(SHYAM NAGORI)  
 Proprietor  
 M.No.073609



**SOCRUS BIO SCIENCES LIMITED****(Formerly Known as Tanu Healthcare Limited)****FOR THE YEAR ENDED ON 31/03/2011****SIGNIFICANT ACCOUNTING POLICIES:****1. A. METHOD OF ACCOUNTING**

The Financial statements are prepared under the historical cost conventions using the accrual method of accounting unless otherwise hereinafter. Accounting policies not referred otherwise are consistent with the normally accepted accounting principles.

**B. REVENUE RECOGNITION**

All Income and Expenditure are accounted for on accrual basis. Dividend income is recognised as and when received.

**2. FIXED ASSETS AND DEPRECIATION**

I. All fixed assets are stated of cost of acquisition or construction less accumulated depreciation (except free hold land). Cost includes cost of acquisition and installation/construction, other direct expenses and allocated preoperative expenses, Depreciation of fixed assets has been provided on straight/line method in the manner specified in schedule XIV to the companies Act 1956.

II. Depreciation on fixed assets added/disposed off during the year is provided on pro rata basis.

**BORROWING COST**

Borrowing costs attributable to the acquisition and construction of qualifying assets are capitalized as part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are charged to profit & Loss a/c.

**4. INVESTMENT**

Investments held by company are long term nature, which carries at cost. Provision against diminution in value of investments has been made in case diminution is considered as other than temporary as per the criteria laid down by the board of director, after considering that such investment are if strategic in nature, however unquoted share are valued at cost only.

**4. VALUATION OF INVENTORIES**

A. Trading goods are Valued at cost or net realizable value whichever is lower.

B. Finished goods are valued at cost. or net realizable value whichever is lower

C. Unquoted shares are valued at Cost.

D. Quoted shares are valued at cost or net realizable value whichever is less.

Cost for the above purpose is ascertained on FIFO method.

**5. TAXES ON INCOME**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the income tax act, 1961. Deferred tax is recognized on timing differences. Being the difference between taxable income & accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets are recognized and carried forward only there is a reasonable/virtual certainty of realization.

**6. RETIREMENT BENEFITS**

Gratuity shall be accounted for as and when the company statutorily become liable.

For Socrus Bio Sciences Ltd.



Director

For Socrus Bio Sciences Ltd.

Director

## FOREIGN EXCHANGE TRANSACTIONS

Foreign currency transactions are recorded at the exchange rate prevalent as on the date of the transaction. Any exchange gains or losses arising out of the subsequent fluctuations are accounted for in the profit & loss account except those relating to acquisition of fixed assets, which are adjusted to the cost of the assets.

## 8. USE OF ESTIMATES

The presentation of financial statements in conformity with the generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Although these estimates are based upon managements best knowledge of current events and actions, actual results could differ from these estimates.

9. In the absence of any information provided to us about the status of company, we are unable to report an amount outstanding and due for more than 30 days in excess of Rs. 1.00 lacs to Small Scale Undertaking as desired vide notification dated 22.02.1999 in the gazette of India by the department of company law affairs Ministry of law Justice and company affairs, Govt of India.

## NOTES TO THE ACCOUNTS

### 01. CONTINGENT LIABILITIES :

A. The contingent liabilities may exist in respect of pending assessment with income tax, sales tax, excise duty etc, where the amounts are not ascertainable.

B. The Company has not provided a liability of Rs. 1940050 on account of penalty u/s 271 E of the IT act 1961, for the A.Y. 2001-02 and the company is preferring a appeal in ITAT(APPEAL) for waiver of same.

C. An appeal preferred by the company for A.Y. 2001-02 against addition of Rs.113.38 lacs by assessing officer has been decided in favour of the company,, however the department has gone to Tribunal for the same.

02. The Company has not provided for Gratuity and leave encashment to employees on accrual basis, which is not in conformity with AS-15 issued by ICAI. However, in the opinion of management the amount involved in negligible and has no impact on profit & loss account.

03. Earnings on foreign exchange – NIL.

04. Value of Import on C.I.F. Basis – NIL.

05. Value of foreign currency loan at year end Rs. NIL.

06. Figures of previous year have been regrouped, recasted and rearranged wherever necessary to make them comparable.

07. In the opinion of Board, the current assets, loans and advances are approximately of the value stated in the Balance sheet if realised in the ordinary course of business.

08. Stock has been valued, verified & Certified by the Management.

09. Amount is rounded up to nearest of rupees.

10. CONFIRMATION OF BALANCES The accounts of sundry debtors, creditors and other parties are as per books of the concern. These balances are subject to confirmation from respective parties.

11. In cases where the vouchers and / or supporting are not available it has been accepted as per the information and explanations given to us by the management and as per the books of accounts maintained by the company that the expenses have been incurred wholly & exclusively for the purpose of business or for creation of the assets as the case may be.

12. Provision for taxation for the year under consideration has been made as per the provision of income tax Act, 1961.

For Socrus Bio Sciences Ltd.



Director

For Socrus Bio Sciences Ltd.

Director

13. **EARNING PER SHARE (EPS)** The earning per share computed as per the requirement under Accounting Standard 20 on earning per share issued by The Institute of Chartered Accountant of India, is as under:
- |  |                |
|--|----------------|
| Net profit/Loss after Tax as per P & L account   | : Rs. 46225788 |
| Weighted average No. of Equity Share outstanding | : 32002700     |
| Basic and diluted earning per share              | : Rs. 1.44     |

14. **RELATED PARTY DISCLOSURE**  
Related party disclosure as required by Accounting Standard 18 "Related Party Disclosure" are given below:-

1. Name of Related Party and its relationship

- a) Associated Companies  
Socrus Pharmaceutical Ltd.  
Socrus Infotech Ltd.  
Charu Lifecare Private Ltd.  
Harsh Life care Private Ltd.  
Lush Pharma  
Amit Global Corporation

b) Key Management Personnel

- |                  |          |
|------------------|----------|
| Rajiv Agnihotri  | Director |
| Madhvi Agnihotri | Director |
| Ashwin Trivedi   | Director |
| Premraj Aiwa     | Director |

NOTE: Related party relationship is identified by the Management and relied upon by the auditors.

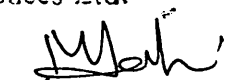
2. Transaction carried out with related parties referred above in ordinary course of business.

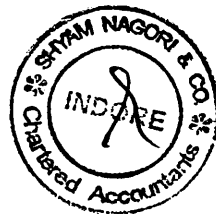
Particulars	Key Management Personnel	Other
Remuneration	Nil (Nil)	Nil
Loans & Advances	Nil	Nil

For Socrus Bio Sciences Ltd.

  
Director

For Socrus Bio Sciences Ltd.

  
Director





15. DEFERRED TAX

The deferred tax liability (asset) has been provided as explained in para H above to comply with Accounting Standard 22 on Accounting for Taxes on Income, issued by The Institute of Chartered Accountant of India.

	<u>31.03.2011</u>	<u>31.03.2010</u>
1. Deferred tax liability on account of Depreciation	785244	910964
2. Deferred tax asset on account of: Business losses and unabsorbed depreciation as per I. T.act.	20358273	16708103
Long Term Capital Loss	61748	61,748/-
TOTAL Deferred tax assets	20420021	16769856
Deferred Tax Assets(Net)	19634777	15858892

16. SEGMENT REPORTING

1. Primary segment Information

Business Segment	Pharma Division		Finance Division		Biotech Agro division		Other Income		Total	
	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011
Segment Revenue	0	0	182.56	0	357.07	2207.9	7.65	13.76	547.28	2221.66
External Sales										
Segment Results PBIT	0	0	-53.75	-175.79	62.39	608.93	7.65	13.76	16.29	446.90
Less: other unallocable exp.									16.77	22.4
Profit(loss) before tax & EOI									-0.48	424.49
Extra Ordinary item									0	0
Provision									0	0
Current Tax									14.67	37.76
-Deferred Tax/Liab									0	0
-FBT									14.19	462.25
Profit(loss) after tax										

In the management opinion it is not feasible to classify companies assets & liabilities among different segment.

2. Secondary Segment Information

The Company operates only in the Indian Market & agriculture products so there are no reportat geographical segments.

For Socrus Bio Sciences Ltd.

Director

For Socrus Bio Sciences Ltd.

Director



During the year, as on 07.05.2010, the company Blue Cross Generic Private Ltd was amalgamated with Socrus Bioscience Ltd vide petition no 12 of 2009. All assets and liabilities are taken over by our company and necessary shares have been issued.

18. Goodwill arises in the books of accounts due to amalgamation of company and company has paid goodwill for the difference between fair market value and cost price of fixed assets.
19. There is change in method of valuation of finished goods, but there is no impact on profit & loss a/c.
20. Balance Sheet Abstract & Companies general business profile as required by Part IV Schedule VI to the companies Act, 1956 is enclosed in ANNEXURE-' B '
- 21 Additional information pursuant to the provisions of paragraphs 4,4b of Part II of schedule VI of the companies Act, 1956.

A. Auditors Remuneration	<u>2010-11</u>	<u>2009-10</u>
a. Audit Fees	Rs. 20000	20000
Tax Audit Fees	Rs. 15500	15500
	-----	-----
Total	Rs. 35500	35500
	-----	-----

Excludes service tax

B. Quantitative details are not made available to us.

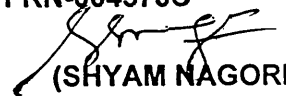
As per our report of even date annexed

FOR & ON BEHALF OF BOARD

  
DIRECTOR

  
DIRECTOR

FOR:SHYAM NAGORI & CO.  
CHARTERED ACCOUNTANTS  
FRN-004573C

  
(SHYAM NAGORI)  
PROPRIETOR  
M.NO. 073609



Place: Indore

Date: 05/09/2011