



tonira PHARMA LIMITED

**18th
ANNUAL REPORT
2009-10**



18th ANNUAL REPORT 2009-2010

Board of Directors	:	Bhailalbai B. Shah R K P Verma Mahesh Bhatt Rajesh Shah Dev Prakash Yadava J. L. Nagori Harish Kamath	Chairman CEO & Managing Director
Company Secretary	:	Heta Mehta	
Bankers	:	Kotak Mahindra Bank Ltd.	
Auditors	:	Mitesh P. Vora & Company Chartered Accountants Ahmedabad.	
Registered Office	:	23-24, GIDC Estate, Nandesari, Dist. Vadodara Gujarat – 391 340	
Works	:	4722, G.I.D.C. Industrial Estate, Ankleshwar, Dist. Bharuch Gujarat - 393 002, India 23-24, G.I.D.C. Industrial Estate, Nandesari, Dist. Vadodara Gujarat 391 324, India	
Registrar & Share Transfer Agent	:	Link Intime India Private Limited 308, Jaldhara Complex, Opp Manisha Society, Old Padra Road, Vadodara – 390 015. Tel: 0265-3249857, 2250241 Fax: 0265-2250246 (Telefax) Email : alpesh.gandhi@linkintime.co.in;	



NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the Members of Tonira Pharma Limited will be held on Friday, the 6th August, 2010 at 1.30 p.m. at its Registered Office at 23-24, GIDC Estate, Nandesari, Dist. Vadodara – 391 340, Gujarat to transact the following Business:

Ordinary Business :

1. To receive, consider and adopt the Balance Sheet of the Company as at 31st March, 2010 and the Profit & Loss Account for the year ended as of that date together with reports of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. R. K. P. Verma, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Harish Kamath, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Dev Prakash Yadava, who retires by rotation and being eligible, offers himself for re- appointment.
5. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business :

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

“RESOLVED THAT pursuant to the provisions of Sections 94 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from existing Rs.10,25,00,000 (Rupees Ten Crores and Twenty-five Lacs) divided into 1,02,50,000 (One Crore Two Lacs Fifty Thousand) Equity Shares of Rs.10/- (Rupees Ten) each to Rs.12,00,00,000 (Rupees Twelve Crores) divided into 1,20,00,000 (One Crore Twenty Lacs) Equity Shares of Rs.10/- (Rupees Ten) each.

RESOLVED FURTHER THAT pursuant to the provisions Section 16 of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments or bodies as may be necessary, the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following Clause V :

- V. The Authorised Share Capital of the Company is Rs.12,00,00,000 (Rupees Twelve Crores) divided into 1,20,00,000 (One Crore Twenty Lacs) Equity Shares of Rs.10/- (Rupees Ten) each.”

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and action and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate including settling any question that may arise in this regard.”

By order of the Board of Directors,

**Date : 26th May, 2010
Place : Mumbai**

**Heta Mehta
Company Secretary**

NOTES :

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (2) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 29th July, 2010 to Friday, 6th August, 2010 (both days inclusive).
- (3) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business enumerated at Item No.6 is attached herewith.
- (4) The information required to be provided under the Listing Agreement with the Stock Exchanges regarding the Directors retiring by rotation and eligible for re-appointment is furnished in the Annexure.
- (5) Members are requested to:
 - (a) intimate to the Company / their Depository Participant ("DP"), changes, if any, in their registered address at an early date;
 - (b) quote their Registered Folio No. and/or DP Identity and Client Identity number in their correspondence and
 - (c) bring their copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting.
- (6) All documents referred in the Notice will be available for inspection by the members at the Registered Office of the Company during working hours on all working days upto the date of the Annual General Meeting and shall also be placed before the members at the said Annual General Meeting.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956,**Item No.6**

The existing Authorised Capital of the Company is Rs.10,25,00,000 (Rupees Ten Crores and Twenty-five Lacs) divided into 1,02,50,000 (One Crore Two Lacs Fifty Thousand) Equity Shares of Rs.10/- (Rupees Ten) each.

With a view to augment permanent long term capital requirement to fund on going capital expenditure and working capital requirements, your Company may issue further shares at required time. Therefore, your Directors propose to increase Authorised Capital of the Company to Rs.12,00,00,000 (Rupees Twelve Crores) divided into 1,20,00,000 (One Crore Twenty Lacs) Equity Shares of Rs.10/- (Rupees Ten) each.

The proposed increase in the Authorised Capital would also entail consequential alteration of the relevant clause of the Memorandum of Association of the Company in terms of the provisions of the Companies Act, 1956.

The consent of the members is being sought by way of Ordinary Resolution.

None of the Director of the Company is in any way concerned or interested in passing this resolution.

The Board recommend resolution for adoption.

By order of the Board of Directors,

**Date : 26th May, 2010
Place : Mumbai**

**Heta Mehta
Company Secretary**

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

Information pursuant to Clause 49 of the Listing Agreement regarding reappointment of Directors upon retiring by rotation.

Name of the Director	R. K. P. Verma	Harish Kamath	Dev Prakash Yadava
Date of Birth	22.03.1949	01.10.1959	15.11.1945
Date of Appointment	03.05.2008	03.05.2008	03.05.2008
Specialized Expertise	Corporate Management	Corporate Legal and Company Secretarial	Industrial Management
Educational Qualification	<ul style="list-style-type: none"> ▪ B.Sc ▪ M.B.A. ▪ P. G. Diploma in Industrial Relations and Personnel Managment 	<ul style="list-style-type: none"> ▪ B.Com ▪ A.C.S. ▪ LL.B. 	<ul style="list-style-type: none"> ▪ Diploma in Electrical Engineering ▪ Diploma in Operation management ▪ Diploma in business Management with National Diploma in Materials Management
Directorships of other Companies as on 31st March, 2010	Tonira Exports Ltd.	Nil	<ul style="list-style-type: none"> ▪ Sharda Chem International Pvt. Ltd. ▪ Alchymars ICM SM Pvt. Ltd. ▪ Unique Sugar Ltd. ▪ Universal Starch and Allied India Ltd.
Membership of the Committee of Director of other Companies as on 31st March, 2010	Nil	Nil	Nil



DIRECTORS' REPORT

To,
The Shareholders
Tonira Pharma Limited

Your Directors have pleasure in presenting herewith their Eighteenth Annual Report for the year ended 31st March, 2010.

Financial Performance:

Following figures summarize the financial performance of the Company.

(Rs. in Lacs)

Particulars	2009-10	2008-09
Sales and other income (Net of Excise duty & Sales Tax)	3684.02	4165.06
Profit before Foreign Exchange (Gain) / Loss, Financial Cost and Depreciation	632.37	1027.67
Less : Foreign Exchange (Gain) / Loss	(53.46)	159.07
Financial Cost	267.63	354.86
Depreciation and Amortisation	283.79	279.74
Profit / (Loss) before Tax and exceptional item	134.41	234.00
Less : Provision for taxation		
Current	25.00	-
Deferred	32.01	36.88
Fringe benefit	-	2.40
Add: MAT Credit Entitlement	25.00	-
Profit / (Loss) after Tax (before exceptional item)	102.40	194.72
Exceptional Item		
Excise / Custom duty, interest and penalty pertaining to prior period	-	(269.16)
Net Profit / (Loss) after exceptional item	102.40	(74.44)
Adjustments		
Balance of Profit brought forward	537.40	611.84
Amount available for appropriation	639.80	537.40
Your Directors recommend the following appropriations		
Balance carried forward to Balance Sheet	639.80	537.40

Financial Performance and Operations Review:

Your Company had another fairly successful financial year with a net total income of Rs. 3684.02 Lacs as against Rs. 4165.06 Lacs in the previous year. The decrease in the income is mainly on account of discontinuation in sales of few intermediates with low margins.

The operations have resulted in a net profit of Rs.102.40 lacs during the financial year under report as against a net loss of Rs. 74.44 lacs in the previous financial year.

During the financial year under report, manufacturing units of your Company relinquished its Export Oriented Unit (EOU) status.

Subsidiary Company / Consolidated Financial Statement:

M/s. Tonira Exports Ltd. became a subsidiary of the Company during the financial year under report.

In accordance with Accounting Standard AS-21, the audited consolidated financial statements together with the Directors and Auditors Reports and Accounts of the subsidiary company is annexed to this Annual Report alongwith statement pursuant to Section 212 of the Companies Act, 1956.

Dividend:

In order to conserve the resources of the Company, your Board does not recommend payment of any dividend to the Shareholders for the financial year under review.

Directors:

Mr. R.K.P. Verma, Mr. Harish P. Kamath and Mr. Dev Prakash Yadava retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Mr. Nishant Jain resigned as a Director of the Company on 4th September, 2009. The Board places on record its sincere appreciation for services rendered by Mr. Nishant Jain during his tenure as the Director of the Company.

A brief note on Directors retiring by rotation and eligible for re-appointment is furnished in the Annexure to the Notice calling the ensuing Annual General Meeting.

Directors' Responsibility Statement:

In terms of the Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:-

- i. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at end of the financial year March 31, 2010 and of the profit of the Company for the year;
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the Directors have prepared the Annual Accounts on a going concern basis.

Corporate Governance:

As per the requirement of listing agreement with the Bombay Stock Exchange Ltd., your Company has complied with the requirements of Corporate Governance in all material aspects.

A report on Corporate Governance together with a certificate of its compliance from Practicing Company Secretary, forms part of this report as **Annexure-B**.

Fixed Deposits:

During the year under review, the Company has not accepted any fixed deposits.

Auditors, Audit Report and Audited Accounts:

M/s Mitesh P. Vora & Co., Chartered Accountants, retire as Auditors and being eligible, offer themselves for re-appointment.

The Auditors' Report read with the notes to the accounts referred to therein are self-explanatory and therefore, do not call for any further comments.

Employees:

Information under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, forms part of this report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Report and the Accounts is being sent to all shareholders of the Company excluding the aforesaid information. Shareholders interested in obtaining this information may write to the Company Secretary at the Registered Office of the Company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

In accordance with the requirements of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, statement showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the enclosed **Annexure-C**.

Acknowledgements:

Your Directors place on record their appreciation for the continued co-operation and support extended to the Company by the Company's bankers. Your Directors also thank the Trade and Consumers for their patronage of the Company's products. Your Directors also place on record their profound admiration and sincere appreciation of the continued hard work put in by employees at all levels.

For and on behalf of the Board

Date: 26-05-2010
Place: Mumbai

Bhailal B Shah
Chairman

ANNEXURE – A**MANAGEMENT DISCUSSION AND ANALYSIS****Industry Scenario and Developments:**

Indian Pharmaceutical Industry is one of the fast growing sector of the Indian Economy clocking double digit growth consistently over the few years. India is preferred cost effective manufacturing location for pharmaceuticals. Comparatively low cost of Active Pharmaceutical Ingredients (APIs), robust manufacturing capabilities, existence of regulatory approved manufacturing facilities for APIs and formulations and availability of abundant skilled manpower are the main driving factors for healthy growth of Indian pharma industry.

For Indian API manufacturers, opportunities are present in two forms -one export of non patented APIs to regulated market of US, Europe and Japan and another the contract manufacturing of patent-protected APIs for patent/license holders.

Introduction:

Tonira Pharma Limited is a Star Export House company engaged in manufacturing and marketing of Active Pharmaceutical Ingredients (APIs). The Company's manufacturing units situated at Nandesari and Ankleshwar are inspected and approved by PMDA Japan. With the recent US FDA approval of the Nandesari manufacturing unit, the Company will now have access to regulated markets of US for its APIs.

SWOT Analysis**Strengths:**

1. Tonira is a quality producer of APIs and Intermediates for its customers as per their specific requirements.
2. Its Nandesari manufacturing unit is USFDA approved and ISO 9002 certified. Both Nandesari and Ankleshwar manufacturing units are PMDA, Japan accredited.
3. Tonira has a state-of-the-art R & D Center at Nandesari, Dist. Vadodara. The Center is engaged in developing manufacturing process for newer APIs through innovative and cost effective processes.
4. Tonira has capability to provide Contract Research and Manufacturing services to its customers.
5. The Company has also filed few Drug Master Files in CTD format.

Opportunities:

All pharmaceutical companies which have succeeded in achieving manufacturing excellence over the years and have developed cost-effective synthesis routes have scope for partnering with other companies for contract manufacturing and research services i.e. CRAMS. With the state-of the art R&D Center and regulatory compliant manufacturing facilities, the Company is geared up to encash the business opportunities available in this space.

Internal Control and its Adequacy:

For effective inter departmental communications and follow up process, networks for communication have been installed. The system of internal control provides updated accounting records and the necessary financial information essential for running business. The Company has a clearly defined organization structure and delegation authority. Sufficient control is exercised through monthly, quarterly and annual business reviews by the management.

Financials:

The detailed financial analysis of the Company's operations for the year is given in the Directors' Report and therefore the same is not repeated.

Risk and Concerns:

The growing competition, foreign exchange fluctuation, increasing energy and solvent costs are few causes of concern.

Human Resources:

Human Resource being the most significant of the factors contributing to the success of the Company in achieving its objectives, the Company has been following a proactive policy for Human Resource Management. Suitably qualified and trained team has been engaged and continuously developed to facilitate smooth and efficient functioning of all departments. New recruitments have been made to keep pace with increasing requirement of skilled and experienced technical personnel for new projects and expansion. Initiatives to develop a team capable of functioning in ever changing technology have been taken.

The Company has total of 173 Employees as of 31st March, 2010.

Outlook and Future Strategy:

With the new DMFs getting filed and manufacturing facilities approved by PMDA Japan and USFDA, the Company is confident of good growth in exports in the coming year.

The Company is focusing on core business of manufacturing and marketing of APIs and Intermediates. Research and Development has been put on fast track for cost competitiveness and to comply with the requirements of regulatory market. Cost rationalization and management control at all levels are practiced to ensure operational efficiencies in the sphere of manufacturing and marketing.

Armed with strong resource base and a vision to be a leading manufacturer of APIs in selected therapeutic areas, Tonira is poised to unleash its true potentials to meet the challenges and exploit the growth opportunities ahead.

Cautionary Statement:

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, expectations and estimates regarding future performance may be forward looking statements and are based on currently available information and current scenario. The management believes these to be true to the best of its knowledge at the time of preparation of this report. However, these statements are subject to certain future events and uncertainties which could cause actual results to differ materially from those that may be indicated in such statements.

ANNEXURE – B
REPORT ON CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Ltd, the Company submits the report on the matters mentioned in the said Clause and lists the practices followed by the Company.

1. Company's Philosophy on Code of Corporate Governance:

Tonira Pharma Limited's philosophy on Corporate Governance envisages working based on transparency, accountability, consistent value systems, delegation across all facets of its operations leading to sharply focused and operationally efficient growth. The business operations are conducted to benefit its stakeholders.

The Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement entered in to with the Bombay Stock Exchange Limited.

2. Board of Directors:

The present strength of the Board of Directors of the Company consists of seven Directors of which one is Managing Director, two Promoter Nominee Directors and four Non Executive Independent Directors, with independent judgment in the deliberation and decision of the Board. The Chairman of the Board is a non-executive Director. The composition of the Board was in conformity with Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited.

5(five) board meetings were held during the Financial Year 2009-10. The dates on which the said meetings were held are as follows:

22nd May, 2009 31st July, 2009 4th September, 2009 31st October, 2009 27th January, 2010

The last Annual General Meeting of the Company was held on 31st July, 2009.

Details of the names and categories of the Directors, their attendance at Board Meetings and Annual General Meeting, shareholding of each of the Director of the Company are given below:

Name of Director	Category	Meetings attended during 2009-10	Attendance at last AGM (31.07.2009)	Equity shares held in the Company*
Bhailal B. Shah	Chairman, Non Executive Director	5	Yes	10,000
Mahesh Bhatt	Non Executive, Independent Director	5	Yes	0
Rajesh Shah	Non Executive, Independent Director	4	Yes	0
R. K. P Verma	Managing Director	5	Yes	14,300
Harish P. Kamath	Non Executive, Promoter Nominee Director	5	Yes	0
Dev Prakash Yadava	Non Executive, Independent Director	5	No	15,556
Nishant Jain	Non Executive, Independent Director (Resigned w.e.f. 04.09.2009)	—	No	0
J. L. Nagori	Non Executive, Promoter Nominee Director	5	No	0

Notes:

Mr. Nishant Jain resigned as the Director of the Company on 4th September, 2009.

*The above shareholding as at 31st March, 2010 is in respect of shares which are held by Directors as first holder and in which shares they have beneficial interest

Information regarding Directors seeking re-appointment is given in the Annexure to the Notice calling ensuing Annual General Meeting which is annexed to this Report.

None of the director on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49 across all the Companies in which they are Directors. Necessary disclosures regarding Committee position in other public limited companies as at 31st March, 2010 have been made by all the Directors.

None of the director of the Company is director of any other public limited company or member of any committee thereof, except Mr. Bhailal B. Shah who is the Chairman of Tirupati Sarjan Limited and Director of Tirupati Developers Uganda Limited and Toniora Exports Limited and Mr. Rajesh Shah who is a director of Radiant Parenterals Limited and Mr. R.K.P. Verma, who is a Director of Tonira Exports Limited.

None of the Non Executive Directors have any material pecuniary relationship or transactions with the Company. Necessary information as mentioned in Annexure 1A to the Clause 49 of the Listing Agreement has been placed before the Board.

Code of Conduct

The Board of Directors has laid down the Code of Conduct, (copy available on Company's website) applicable to all Board Members and Senior Executives of the Company. All Board Members and Senior Executives have affirmed compliance of the Code of Conduct. A declaration by CEO & Managing Director to this effect is given at the end of this report.

3. Audit Committee:

- Composition, Name of Members and Chairman and Terms of Reference:

The Audit Committee of the Company comprises of Mr. Rajesh Shah (Chairman of the Committee), Mr. Mahesh Bhatt, Mr. Dev Prakash Yadava and Mr. Harish P. Kamath, all being Non Executive Directors. All the members of the committee except Mr. Harish P. Kamath are Independent Directors. All members of the Audit Committee have knowledge on financial matters and the Chairman of the Audit Committee is a Senior Chartered Accountant in practice having accounting and financial management expertise.

The person in charge of Finance Department, Internal Auditor and Statutory Auditor / their representatives, attend the meetings on invitation.

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

The terms of Reference to this Committee, inter-alia, covers all the matters specified under Section 292 (A) of the Companies Act, 1956 and also all the matters listed under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd. such as oversight of the Company's financial reporting process, recommending the appointment/re-appointment of statutory auditors, reviewing with the management annual financial statements, quarterly financial statements and other matters as covered under role of audit committee in clause 49. The Audit Committee has powers, inter-alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company / Company's subsidiary as well as seek outside legal and professional advice.

The Audit committee reviews all the information that is required to be mandatorily reviewed by it under the corporate governance.

- Audit Committee meetings and the attendance during the financial year 2009-10.

There were 4 (Four) meetings of the Audit Committee during the Financial Year 2009-10. The dates on which the said meetings were held are as follows:

22nd May, 2009

31st July, 2009

31st October, 2009

27th January, 2010

The attendance of each member of the Audit Committee in the committee meetings is given below:

Name of the Director	No. of meetings held	No. of meetings attended
Rajesh Shah	4	4
Mahesh Bhatt	4	4
Dev Prakash Yadava	4	4
Harish Kamath	4	4

4. Shareholders'/Investors' Grievance Committee:

The Shareholders'/Investors' Grievance Committee currently comprises of Mr. Dev Prakash Yadava, Mr. Harish P. Kamath and Mr. Mahesh Bhatt. Mr. Dev Prakash Yadava is the Chairman of the committee.

There were 4 (Four) meetings of this Committee during the Financial Year 2009-10. The dates on which the said meetings were held are as follows:

22nd May, 2009 31st July, 2009 31st October, 2009 27th January, 2010

The attendance of each member of the Shareholders'/Investors' Grievance Committee in the committee meetings is given below:

Name of the Director	No. of meetings held	No. of meetings attended
Dev Prakash Yadava	4	4
Harish Kamath	4	4
Nishant Jain *	4	—
Mahesh Bhatt **	4	1

* Mr.Nishant Jain ceased to be the member of the Committee on 04-09-2009.

** Mr. Mahesh Bhatt was appointed as member of the Committee on 30-10-2009.

Mrs. Heta Mehta, Company Secretary is the Compliance Officer of the Company.

This Committee monitors share transfers, transmissions and other shareholders related activities including redressal of investor grievances.

During the year, 6 investors complaints were received and resolved to the satisfaction of Shareholders. No complaint or request for share transfer was pending as of 31st March, 2010 and no request for Dematerialisation of shares was pending for approval as on that date for a period exceeding 21 days.

5. Remuneration Committee:

The Remuneration Committee comprises of two Independent Non-Executive Directors viz. Mr. Rajesh Shah and Mr. Mahesh Bhatt as members with Mr. Harish Kamath, the Non Executive Promoter Nominee Director as the other Member of the Committee. Mr. Rajesh Shah is the Chairman of the Committee.

The Committee recommends / reviews remuneration of the Managing Director and Senior Management Staff of the Company based on their performance and defined assessment criteria. Remuneration Policy of the Company is directed towards rewarding performance. The Remuneration policy is in consonance with the existing Industry practice.

The remuneration paid to Managing Director is recommended by the Remuneration Committee and approved by the Board of Directors in the Board Meeting, subject to the approval by the Shareholders at the Annual General Meeting and such other authorities as may be required.

During the financial year ended on 31st March, 2010, no meeting of the Remuneration Committee was held.

Details of remuneration paid to Managing Director during 2009-10.

The aggregate value of salary and perquisites including Company's contribution to provident fund, gratuity fund etc., for the year ended 31st March, 2010 paid to the Managing Director and his terms and conditions of appointment are as under:

(Rs. in lacs)

Particulars	R.K.P. Verma
Salary	33.60
Perquisites	-
Total	33.60
Tenure	3 years from 03.05.2008
Notice period	The appointment can be terminated by either party giving three months' notice in writing

Sitting fees are being paid to the Directors for attending Meetings @ Rs.4000/- per Board Meeting and @ Rs.2000/- per Committee Meeting.

Sitting fees for attending Board / Committee meetings, details of which are as under:

Particulars	Rajesh Shah	Mahesh Bhatt	Harish Kamath	Dev Prakash Yadava	J.L. Nagori	Bhailal B. Shah
Sitting fee	Rs. 24,000	Rs. 28,000	Rs. 36,000	Rs. 36,000	Rs. 20,000	Rs.16,000

There were no other pecuniary relationship or transactions of the Non Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its directors.

6. General Body Meetings:

Particulars of the last 3 Annual General Meetings held are as under.

Date	Time	Place	Special Resolutions passed at the AGM
17.09.2007	9.30 a.m.	23-24, GIDC Estate, Nandesari-391 340 Dist. Vadodara	1. Maintenance of Register of Members and other share records
14.08.2008	1.30 p.m.	NIA Hall, Nandesari Industries Association, Plot No. 134/1, Opp. Shopping Centre, Nandesari-391340 Dist. Vadodara	1. Appointment of Managing Director.
31.07.2009	1.30 p.m.	NIA Hall, Nandesari Industries Association, Plot No. 134/1, Opp. Shopping Centre, Nandesari-391340 Dist. Vadodara	None

All the resolutions including special resolutions set out in the respective notices calling the AGM were passed by the shareholders. No postal ballots were used for voting at these meetings. There is no proposal to pass any Special Resolution through postal ballot at the ensuing Annual General Meeting.

7. Disclosures:

There was no related party transactions i.e. transactions of the Company of material nature with its promoters, the directors or the management, their relatives etc that may have potential conflict with the interest of the Company at large.

There were no instances of non-compliance and no stricture and penalties have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the Capital Market, during the last three years.

8. Means of communication:

The annual and quarterly results are regularly published by the Company in Financial Express (Gujarati) and Indian Express (English) and submitted to the Bombay Stock Exchange Ltd. as per the requirements of Listing Agreement. Financial Results are supplied through E-Mail and mail to the Shareholders on demand.

The Management Discussion and Analysis (MD&A) is a part of the Annual Report.

Compliance of Mandatory Requirements:

The Company has complied with all mandatory requirements as stipulated in Clause 49 of the listing agreement with the Bombay Stock Exchange Ltd.

Compliance of Non Mandatory Requirements:

The Company has adopted the non-mandatory requirements as regards the provisions relating to the Remuneration Committee. The Quarterly Financial Results are extensively published in newspapers and also sent to the shareholders on request. The Company affirms that no employee has been denied access to the Audit Committee. As regards the other non-mandatory requirements, the Board has taken cognizance of the same and shall consider adopting the same as and when necessary.

9. General Shareholder information:

9.1 Annual General Meeting:

Date and time and Venue Friday, 6th August, 2010 at 1.30 p.m. at Company's Registered Office at 23-24, GIDC Estate Nandesari, Dist. Vadodara – 391 340, Gujarat

9.2 Financial Calendar :

Board Meeting to approve results	Period
For quarter ending June 30, 2010	By end of July, 2010
For quarter ending September 30, 2010	By end of October, 2010
For quarter ending December 31, 2010	By end of January, 2011
Audited Results for the year 2010-11	By end of May, 2011.

9.3 Dividend Payment Date : Not Applicable

9.4 Details of Book Closure : Thursday, 29th July, 2010 to Friday, 6th August, 2010 (Both days inclusive)

9.5 Listing of Equity Shares : The Bombay Stock Exchange Ltd. (BSE)

9.6 Stock Code

Bombay Stock Exchange Scrip Code	: 530155
Trading Symbol Bombay Stock Exchange (Demat Segment)	: TONIRA PHARM
Demat ISIN Number	: INE 844F01012

9.7 Stock Market Data : Monthly High & Low prices and comparison with BSE Sensex

Months	Share Price of Tonira Pharma Limited			BSE Sensex	
	High	Low	Volume	High	Low
April 2009	20.08	13.45	97,696	11,492.10	9,546.29
May 2009	22.15	14.10	1,29,615	14,930.54	11,621.30
June 2009	22.55	18.55	1,43,369	15,600.30	14,016.95
July 2009	26.05	15.15	2,31,087	15,732.81	13,219.99
August 2009	27.35	22.05	1,85,911	16,002.46	14,684.45
September 2009	31.35	24.00	2,47,073	17,142.52	15,356.72
October 2009	32.65	26.60	1,99,863	17,493.17	15,805.20
November 2009	31.55	25.35	1,36,830	17,290.48	15,330.56
December 2009	42.05	30.15	6,95,111	17,530.94	16,577.78
January 2010	41.90	29.50	3,24,511	17,790.33	15,982.08
February 2010	35.10	27.85	1,12,246	16,669.25	15,651.99
March 2010	37.65	26.65	4,27,996	17,793.01	16,438.45

Share Transfer System :

Presently, the share transfers which are received in physical form are processed and the share certificates are returned within a period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. All requests for Dematerialisation of shares are processed and confirmation is given to the respective depositories, i.e. National Securities Depository Ltd (NSDL) and Central Depository Services Limited (CDSL) within 21 days.

9.8 Distribution of Shareholding as on 31st March, 2010.

Nominal value of Shareholdings (in Rs.)	No of shareholders	% of total shareholders	No. of shares	% of total shares
Up to 5000	7,972	83.34	14,11,430	17.77
5001 - 10000	813	8.60	7,12,906	8.97
10001 - 20000	310	3.28	4,97,889	6.27
20001 - 30000	117	1.24	3,08,791	3.89
30001 - 40000	50	0.53	1,81,239	2.28
40001 - 50000	68	0.72	3,27,081	4.11
50001 - 100000	78	0.83	5,89,807	7.42
100001 and above	44	0.47	39,15,057	49.28
Total	9,452	100.00	79,44,200	100.00

The Company has not issued any GDRs /ADRs /Warrants or any convertible instrument.

9.9 Dematerialisation of Shares:

68,57,784 (86.32%) Equity Shares of the Company have been Dematerialized up to 31st March, 2010

9.10 Plant locations:

4722, G.I.D.C. Industrial Estate,
Ankleshwar, Dist. Bharuch

23-24, G.I.D.C. Industrial Estate,
Nandesari, Dist. Vadodara-391340



9.11 Address for Correspondence:

Link Intime India Private Limited, Unit: Tonira Pharma Limited, Opp Manisha Society, Old Padra Road, Vadodara – 391 340. Tel: 0265-3249857, 2250241 Fax: 0265-2250246 (Telefax) Email: alpesh.gandhi@linkintime.co.in	Secretarial Dept. Tonira Pharma Ltd. 23-24, GIDC Industrial Estate Nandesari, Vadodara – 390 015. Phone: 0265- 2840795 Fax No. 0265 – 2840796 Email : secretarial@tonira.com
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Declaration

As provided under Clause 49 of the Listing Agreement entered into by the Company with the Bombay Stock Exchange Ltd., it is hereby declared that all the Board Members and Senior Executives of the Company have affirmed compliance with the Code of Conduct for the year ended 31.03.2010

For Tonira Pharma Ltd.

Date : 26.05.2010
Place : Mumbai

R K P Verma
CEO & Managing Director

Certificate of Practicing Company Secretary

To the members of Tonira Pharma Limited.

We have examined the compliance of conditions of Corporate Governance by Tonira Pharma Limited for the year ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Ltd.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders'/Investors' Grievance Committee.

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

For Jayesh Vyas & Associates
Practicing Company Secretary

Place : Vadodara
Date : 26.05.2010

(Jayesh Vyas)
F C S -5072;C P No.-1790

Certificate

To,
The Board of Directors,
Tonira Pharma Ltd.
Nandesari.

This is to certify that:

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

For Tonira Pharma Ltd.

Date : 26.05.2010
Place : Mumbai

R.K.P. Verma
CEO & Managing Director

AUDITORS' REPORT

To,
The Members of
Tonira Pharma Limited.

We have audited the attached Balance Sheet of **M/s. TONIRA PHARMA LIMITED**, as at **31st March, 2010**, the annexed Profit and Loss Account for the year ended on that date and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatements. 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 principle 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.
2. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said order.
3. Further to our comments in the Annexure referred to above, we report that:
 - A. We have obtained all the information and explanation, which to the best of our 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 the books of the Company;
 - C. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts of the Company;
 - D. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - E. Based on the representations made by the Directors as on 31st March, 2010 and taken on record by the Board of Directors of the Company and the information and explanations given to us, none of the Directors is, as at 31st March, 2010, prima facie disqualified from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Subject to the above, In our opinion and to the best of our information and according to explanations given to us, the said financial statements, read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2010;
- ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **MITESH P. VORA & COMPANY**
(Firm Regn. No. 116071W)
CHARTERED ACCOUNTANTS

C.A. MITESH P. VORA
PARTNER
(M.N. 37530)

PLACE : MUMBAI
DATE : 26th MAY 2010

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2010 OF M/S TONIRA PHARMA LTD.

1. (a) The company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets, However updation w.r.t. the additions to the fixed assets showing full details is required.
(b) As explained to us and on the basis of representations received from the management of the Company, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, which in our opinion, is reasonable, looking to the size of the Company and the nature of its business. According to the information and explanations given to us, discrepancies noticed on such verification were not material compared to the available records.
(c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern.
2. (a) As explained to us, inventories have been physically verified during the year by the management.
(b) The procedures explained to us, which are followed by the management for physical verification of inventories are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the inventory records of the Company, we are of the opinion that, the Company is maintaining proper records of its inventory. Discrepancies noticed on verification between physical stocks and book records were not material.
3. According to the information and explanations given to us, the Company has taken unsecured loans from one party covered under register maintained u/s 301 of the companies act 1956. However the terms at which the loans have been taken are not prejudicial to the interest of the company.
4. During the year company has not granted loans & advances, unsecured loans, to the parties covered under register maintained u/s 301 of the Companies Act, 1956.
5. On the basis of appropriate audit procedure followed by us and in terms of the information and explanations given to us, we are of the opinion that there are generally adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods. During the course of our previous assessment, no major weakness in internal control has come to our notice.
6. On the basis of audit procedures performed by us, and according to the information, explanations and representations given to us, we are of the opinion that there are such transaction in which directors were interested as contemplated under Section 297 and sub-section (6) of Section 299 of the Companies Act, 1956 and required to be entered in the register maintained under Section 301 of the said Act, and same are reasonable having regard to the prevailing market prices at the relevant time.
7. In our opinion and according to the information and explanation given to us, the Company has not invited any deposits from the public for which provision of Section 58-A of the Companies Act, 1956 and its rules are applicable.
8. The Company has Internal audit system, in our opinion it commensurates with its size and nature of its business.
9. As explained through management representation made, all records regarding material, labour etc. as required under Section 209(1)(d) of the Companies Act, 1956 have been maintained by the company, however we have not examined the same during the course of our audit.
10. (a) According to the records of the Company, it has been regular in depositing the undisputed Statutory dues including provident fund, Employees' State Insurance, Income tax, Sales tax, Excise Duty and other Statutory dues with the appropriate authorities.
(b) As explained to us, and on the basis of our examination of the records, there are no disputed statutory dues pending before any authorities; except the following:

**Income Tax Liabilities:**

Asst. Year	Demand(Rs. in lacs)	Remarks
1997-98	4.28	The company has filed an appeal before Hon'ble ITAT, Ahmedabad and the matter is pending before Tribunal.
2002-03	20.63	The matter is pending for disposal before the Hon'ble ITAT, Ahmedabad.
2004-05	32.25	The matter is pending for disposal before the Hon'ble CIT (Appeal) III, Baroda.
2007-08	69.38	Same as above.
Total	126.54	
Less :	(61.38)	The amount represents the amount deposited under protest and refunds adjusted by I.T. Dept. against above demands raised.
Net	65.16	

Excise Liability:

The Department of Central Excise and Customs, Surat (the Department) has raised demand of Rs. 415.28 lacs against the Company towards interest and penalty on past anti-dumping duty and excise liabilities. The said amount of interest and penalty demanded is not payable in accordance with the order passed by the Hon'ble Central Excise and Service Tax Appellate Tribunal (CESTAT). The Department had moved to Hon'ble Gujarat High Court against the said CESTAT order and as per the order of the said Hon'ble High Court, the Company has furnished a Bank Guarantee of Rs.200 lacs to the Department.

11. The Company has neither cash loss nor accumulated losses at the end of the year under report.
12. On the basis of the records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
13. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of share, debentures or any other securities.
14. According to the information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institutions. However the company has given a counter guarantee of Rs. 3000.00 lacs to Ipca Laboratories Ltd. for guarantee given by them for credit facilities availed by the company from Kotak Mahindra Bank.
15. In our opinion, the term loans availed by the company during the year were prima facie, applied for the purpose for which they were obtained, other than temporary deployment pending application.
16. On the overall examination of the financial statements of the company, funds raised on short-term basis have, prima facie not been used during the year for long-term investment.
17. The provisions of Paragraph 4 (xviii) of Companies (Auditors' Report) Order, 2003 are not applicable to the Company, since the Company is a listed Company.
18. The Company has not issued any debentures during the year. Accordingly, the Clause 4 (xix) of Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
19. The Company has not raised any money by public issue during the year.
20. According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed by the Company during the year.

Looking to the nature of activities being carried on, at present, by the Company and also considering the nature of the matters referred to in the various clauses of the Companies (Auditors' Report) Order, 2003, Clauses (iii)(b), (iii)(c), (iii)(d), xiii and xiv of paragraph 4 of the aforesaid Order, are in our opinion, not applicable to the Company.

For **MITESH P. VORA & COMPANY**
(Firm Regn. No. 116071W)
CHARTERED ACCOUNTANTS

C.A. MITESH P. VORA
PARTNER
(M.N. 37530)

PLACE : MUMBAI
DATE : 26th MAY 2010



BALANCE SHEET AS AT 31st MARCH, 2010

PARTICULARS	SCH.	As at 31 st March, 2010		As at 31 st March, 2009	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	79,442,000		79,442,000	
Reserves and Surplus	2	63,979,596	143,421,596	52,484,870	131,926,870
Loan Funds					
Secured Loans	3		212,054,849		166,662,861
Unsecured Loans			100,882,208		103,539,554
Deferred Tax Liability (Net) (Refer Note No.17)			(7,438,168)		(10,639,307)
			<u>448,920,485</u>		<u>391,489,978</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	4	452,365,490		420,680,007	
Less: Depreciation		206,840,122		179,370,483	
		245,525,368		241,309,524	
Construction Work-in-Progress		5,434,563		875,425	
Net Block			250,959,931		242,184,949
Investments	5		1,453,000		357,000
Current Assets, Loans and Advances					
Inventories	6	117,313,759		131,326,145	
Sundry Debtors	7	63,337,125		74,662,419	
Cash and Bank Balances	8	30,680,382		5,519,432	
Loans and Advances	9	65,728,467		50,461,679	
		277,059,733		261,969,675	
Less : Current Liabilities and Provisions					
Current Liabilities	10	77,384,103		112,063,585	
Provisions		3,168,076		2,604,786	
		80,552,179		114,668,371	
Net Current Assets			196,507,554		147,301,304
Miscellaneous Expenditure (To the extent not written off or adjusted)			-		1,646,725
			<u>448,920,485</u>		<u>391,489,978</u>
Notes to the Accounts	16				

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD,

FOR MITESH P. VORA & COMPANY

Chartered Accountants
(Firm Regn. No.116071W)

C.A. MITESH P. VORA
PARTNER
(M.N.37530)

B. B. SHAH
CHAIRMAN

R K P VERMA
MANAGING DIRECTOR

PLACE : MUMBAI
DATE : 26th May, 2010

PLACE : MUMBAI
DATE : 26th May, 2010

HETA MEHTA
COMPANY SECRETARY



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

PARTICULARS	SCH.	2009-2010		2008-2009	
		Rupees	Rupees	Rupees	Rupees
INCOME					
Gross Sales			370,199,003		416,663,528
Less : Excise Duty		1,746,533		3,862,136	
Sales Tax		361,576	2,108,109	637,593	4,499,729
Net Sales			368,090,894		412,163,799
Other Income	11		311,079		4,342,226
			368,401,973		416,506,025
EXPENDITURE					
Material Cost and Inventory Adjustments	12	183,627,034		186,970,437	
Personnel Cost	13	48,694,114		47,601,120	
Manufacturing and Other Expenses	14	72,844,542		79,167,490	
Financial Cost	15	26,762,985		35,485,697	
Depreciation	4	28,378,907		27,974,056	
(Profit)/Loss on Foreign Exchange Translations		(5,346,474)	354,961,108	15,907,126	393,105,926
PROFIT/(LOSS) BEFORE TAXATION			13,440,865		23,400,099
Less : Provision for Taxation					
- Current		2,500,000		-	
- Deferred		3,201,139		3,688,000	
- Fringe Benefit Tax (FBT)		-	5,701,139	240,000	3,928,000
Add : MAT Credit Entitlement			2,500,000		-
PROFIT/(LOSS) AFTER TAXATION before exceptional items			10,239,726		19,472,099
EXCEPTIONAL ITEMS					
Less: Excise Duty & Other duties paid under dispute			-		26,916,080
NET PROFIT/ (LOSS)			10,239,726		(7,443,981)
Balance brought forward		53,739,870		63,059,076	
Less : Transitional charge for Gratuity/ LTA (Net of deferred tax)		-	53,739,870	1,875,225	61,183,851
AMOUNT AVAILABLE FOR APPROPRIATION			63,979,596		53,739,870
Appropriation			-		-
Balance carried forward to balance sheet			63,979,596		53,739,870
			63,979,596		53,739,870
Earning Per Share after tax before exceptional Items			1.29		2.45
Earning Per Share after tax and exceptional Items			1.29		(0.94)
Notes to the Accounts	16				

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD,

FOR MITESH P. VORA & COMPANY

Chartered Accountants
(Firm Regn. No.116071W)

C.A. MITESH P. VORA
PARTNER
(M.N.37530)

PLACE : MUMBAI
DATE : 26th May, 2010

B. B. SHAH
CHAIRMAN

PLACE : MUMBAI
DATE : 26th May, 2010

R K P VERMA
MANAGING DIRECTOR

HETA MEHTA
COMPANY SECRETARY



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

	2009-10		2008-09	
	Rupees	Rupees	Rupees	Rupees
A CASH FLOW FROM OPERATING ACTIVITIES				
1 Net profit before taxation and extraordinary item		13,440,865		23,400,099
Adjustments for :				
Depreciation , amortisation and Impairment	28,378,907		27,974,056	
Loss / (Profit) on Sale of assets	79,703		343,713	
Foreign exchange (gain) / loss	(5,346,474)		15,907,126	
Receipt on surrender of Keyman Insurance Policy	-		(4,342,226)	
Misc. Expenditure Written Off	1,646,726		823,363	
Interest expense	26,762,985	51,521,847	35,958,586	76,664,618
2 Operating profit before working capital changes		64,962,712		100,064,717
Decrease/(Increase) in Receivables	(5,636,976)		(66,972,931)	
Decrease/(Increase) in Inventories	14,012,386		6,602,296	
Increase/(Decrease) in Sundry creditors & Working Capital Loan	(7,323,371)	1,052,039	22,169,540	(38,201,095)
3 Cash generated from operation		66,014,751		61,863,622
Income tax paid (Net)	(4,231,438)		(760,258)	
Gratuity paid to LIC	(254,672)	(4,486,110)	(375,045)	(11,35,303)
4 Net cash from operating activities before extraordinary items		61,528,641		60,728,319
Receipt on Surrender of Keyman Policy	-		4,342,226	
Disputed Excise duty paid	-	-	(26,916,080)	(22,573,854)
Net cash from operating activities		61,528,641		38,154,465
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(37,880,746)		(8,308,928)	
Proceeds from sale of assets	647,155		1,066,000	
Net cash from / (used in) investing activities		(37,233,591)		(7,242,928)
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long-term borrowings		78,319,671		128,432,633
Repayment of Long term Borrowings		(49,594,786)		(133,651,378)
Investment in Subsidiaries		(1,096,000)		-
Interest paid		(26,762,985)		(35,958,586)
Net cash from / (used in) financing activities		865,900		(41,177,331)
Net increase in cash and cash equivalents (A + B + C)		25,160,950		(10,265,794)
Cash and cash equivalents at beginning of year		5,519,432		15,785,226
Cash and cash equivalents at end of year		30,680,382		5,519,432

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR MITESH P. VORA & COMPANY

Chartered Accountants
(Firm Regn. No.116071W)

C.A. MITESH P. VORA
PARTNER
(M.N.37530)

PLACE : MUMBAI
DATE : 26th May, 2010

FOR AND ON BEHALF OF THE BOARD,

B. B. SHAH
CHAIRMAN

PLACE : MUMBAI
DATE : 26th May, 2010

R K P VERMA
MANAGING DIRECTOR

HETA MEHTA
COMPANY SECRETARY

**SCHEDULES TO THE ACCOUNTS****Schedules 1 to 16 forming part of the Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended 31st March, 2010**

PARTICULARS	31.03.2010 Rupees	31.03.2009 Rupees
SCHEDULE 1 : SHARE CAPITAL		
Authorised :		
1,02,50,000 Equity Shares of Rs. 10/- each	<u>102,500,000</u>	<u>102,500,000</u>
Issued, Subscribed & Paid-Up		
79,44,200 Equity Shares of Rs.10/- each	79,442,000	79,442,000
PER BALANCE SHEET	<u>79,442,000</u>	<u>79,442,000</u>
SCHEDULE 2 : RESERVES AND SURPLUS		
Foreign Exchange Hedging reserve	-	(1,255,000)
Profit & Loss Account	63,979,596	53,739,870
PER BALANCE SHEET	<u>63,979,596</u>	<u>52,484,870</u>
SCHEDULE 3 : LOANS		
Secured Loans		
A) From Kotak Mahindra Bank Ltd (Previous Year- From Bank of Baroda)		
I. Working Capital Loan-Cash Credit/ Export Limits	126,983,173	99,372,390
II. Term Loans		
- Rupee Term Loan	64,271,518	5,951,847
- FCNR-B Term Loan	-	60,291,094
- Working Capital Term Loan	20,000,000	-
(All the above loans from Kotak Mahindra Bank are Secured by first and exclusive hypothecation on all existing and future current assets and movable fixed assets of the Company first and exclusive charge by way of equitable mortgage on the immovable properties of the company being plot No. 4722, 4723, 4731 and 4732 at GIDC Ankleshwar and plot No.23 and 24 at GIDC Nandesari. Corporate Guarantee from M/s. Ipca Laboratories Limited.) (Equitable Mortgage is yet to be created in favour of Kotak Mahindra Bank Ltd.) (Previous year the entire limits are from Bank of Baroda, which is discharged and charge satisfied.)		
B) Vehicle Loan		
(Secured By hypothecation of Cars)		
From ICICI Bank Limited	458,993	608,756
From Kotak Mahindra Primus Limited	27,680	31,970
From TML Financial Services Ltd.	313,485	406,804
PER BALANCE SHEET	<u>212,054,849</u>	<u>166,662,861</u>
Unsecured Loan		
Inter Corporate Deposits	100,882,208	103,539,554
PER BALANCE SHEET	<u>100,882,208</u>	<u>103,539,554</u>



SCHEDULE 4 : FIXED ASSETS

Sr. No.	Description of Assets	GROSS BLOCK (Rupees)			DEPRECIATION (Rupees)			NET BLOCK (Rupees)			
		As on 01.04.2009	Additions during the year	Sales, W/off adjustments during the year	As on 31.03.2010	up to 31.03.2009	During the Year	Sales, W/off adjustments during the year	Upto 31.03.2010	As on 31.03.2010	As on 31.03.2009
1.	Leasehold Land	15,414,837	-	-	15,414,837	-	-	-	-	15,414,837	15,414,837
2.	Factory Building	103,018,721	3,734,688	-	106,753,409	18,500,838	3,489,555	-	21,990,393	84,763,016	84,517,883
3.	Plant and Machinery	273,706,519	28,788,034	(505,155)	301,989,398	147,362,333	22,915,420	(54,380)	170,223,373	131,766,025	126,344,186
4.	Office Equipments	2,285,286	96,929	-	2,382,215	633,894	55,718	-	689,612	1,692,603	1,651,392
5.	Furniture and Fixtures	11,540,736	-	-	11,540,736	4,503,805	730,529	-	5,234,334	6,306,402	7,036,931
6.	Vehicle	9,780,372	-	(1,130,970)	8,649,402	4,299,006	835,829	(854,888)	4,279,947	4,369,455	5,481,366
7.	Computer	4,933,536	701,957	-	5,635,493	4,070,607	351,856	-	4,422,463	1,213,030	862,929
Total		420,680,007	33,321,608	(1,636,125)	452,365,490	179,370,483	28,378,907	(909,268)	206,840,122	245,525,368	
	Previous year	414,703,196	8,600,228	2,623,417	420,680,007	152,610,131	27,974,056	1,213,704	179,370,483		241,309,524
8.	Construction work-in-progress and capital advances									5,434,563	875,425
	PER BALANCE SHEET									250,959,931	242,184,949

**SCHEDULE 5 : INVESTMENTS - At Cost
(Trade, Unless otherwise stated)**

	No. of Shares		Face Value	
	31.03.2010	31.03.2009	Rupees	Rupees
Long term Investments				
Unquoted :				
Gujarat Industrial Co-Op Bank Ltd.	140	140	50	7,000
Bharuch Eco Acqua Infrastructure Limited	35,000	35,000	10	350,000
Tonira Exports Ltd	109,600	-	10	-
PER BALANCE SHEET			1,453,000	357,000



SCHEDULES TO THE ACCOUNTS

PARTICULARS	31.03.2010		31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE 6 : INVENTORIES (As taken, valued and certified by Management)				
Stock In Trade				
Raw Materials		55,553,603		56,417,125
Packing Materials		493,905		554,159
Work-in-Progress		40,856,490		45,136,340
Finished Goods		18,571,791		27,989,735
Stores and Spares		1,837,970		1,228,786
PER BALANCE SHEET		117,313,759		131,326,145
SCHEDULE 7 : SUNDRY DEBTORS (Unsecured - considered good)				
Outstanding for more than six months		1,248,917		6,024,402
Other Debts		62,088,208		68,638,017
PER BALANCE SHEET		63,337,125		74,662,419
SCHEDULE 8 : CASH AND BANK BALANCES				
Cash in Hand		222,237		941,376
Margin Money With Banks (Refer Note No.4d)		22,900,050		4,292,200
Balances with Scheduled Banks :				
On Current Accounts	1,131,181		194,904	
On Fixed Deposit Account	6,426,914	7,558,095	90,952	285,856
PER BALANCE SHEET		30,680,382		5,519,432
SCHEDULE 9 : LOANS AND ADVANCES (Unsecured - considered good unless otherwise Stated)				
Advances recoverable in cash or in kind or for value to be received		31,699,416		36,813,426
Deposits		4,613,397		4,469,491
Advance Income Tax (Net of Provision)		7,607,287		5,875,291
MAT Credit Entitlement		2,500,000		-
Advance Excise Duty		19,308,367		3,303,471
PER BALANCE SHEET		65,728,467		50,461,679
SCHEDULE 10 : CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities				
Sundry Creditors:				
- Micro, Small & Medium Enterprises (Refer Note No.6)	-		-	
- Others	35,727,099	35,727,099	64,157,505	64,157,505
Against acceptance of import documents		29,470,719		27,810,391
Other liabilities		11,228,927		17,548,325
Advance from customers		957,358		2,547,364
		77,384,103		112,063,585
Provisions				
Provision for Leave Encashment		1,778,152		975,908
Provision for Gratuity Contribution Payable		1,245,508		1,500,180
Provision for Leave Travel Allowance		144,416		128,698
		3,168,076		2,604,786
PER BALANCE SHEET		80,552,179		114,668,371

**SCHEDULES TO THE ACCOUNTS**

PARTICULARS	2009-2010		2008-2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE 11 : OTHER INCOME				
Profit on sale of Fixed Assets		59,474		-
Dividend Income		1,134		-
Receipt on surrender of Keyman Policy		-	4,342,226	
Other Income		250,471		-
PER PROFIT AND LOSS ACCOUNT		311,079		4,342,226
SCHEDULE 12 : MATERIAL COST AND INVENTORY ADJUSTMENTS				
Raw Materials Consumed				
Opening Stock	56,417,125		36,608,634	
Add : Purchases	145,230,264		171,077,587	
Raw Material Conversion Charges	21,818,533		7,397,261	
	223,465,922		215,083,482	
Less : Closing Stock	55,553,603	167,912,319	56,417,125	158,666,357
Packing Materials Consumed				
Opening Stock	554,159		463,298	
Add : Purchases	1,956,667		2,413,915	
	2,510,826		2,877,213	
Less : Closing Stock	493,905	2,016,921	554,159	2,323,054
Inventory Adjustments :				
Stock at Commencement				
Work - in - Process	45,136,340		92,582,456	
Finished Goods	27,989,735		6,524,645	
	73,126,075		99,107,101	
Stock at Close				
Work - in - Process	40,856,490		45,136,340	
Finished Goods	18,571,791		27,989,735	
	59,428,281	13,697,794	73,126,075	25,981,026
PER PROFIT AND LOSS ACCOUNT		183,627,034		186,970,437
SCHEDULE 13 : PERSONNEL COST				
Payment to and Provision for Salaries, Wages and Bonus		44,251,322		42,578,228
Contribution to Provident Fund and Other Funds		2,518,421		2,375,437
Welfare Expenses		1,924,371		2,647,455
PER PROFIT AND LOSS ACCOUNT		48,694,114		47,601,120

**SCHEDULES TO THE ACCOUNTS**

PARTICULARS	2009-2010		2008-2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE 14 : MANUFACTURING AND OTHER EXPENSES				
Consumable Stores		4,764,286		4,377,924
Laboratory expenses		2,505,586		3,234,788
Power,Fuel,Gas & Water Charges		20,883,331		24,220,706
Repairs :				
- Building	1,599,786		3,574,582	
- Machinery	7,602,600		6,848,359	
- Others	217,256	9,419,642	457,440	10,880,381
Insurance		3,146,312		3,653,348
Rent, Rates & Taxes		3,097,909		1,734,701
Postage and Telephone expenses		1,295,891		1,359,087
Freight and Transportation		7,278,711		9,169,093
Brokerage & Commission		6,733,361		8,913,586
Travelling and Conveyence expenses		1,143,412		999,972
Auditors' Remuneration :				
Audit Fees (Including Tax Audit)	125,000		100,000	
Taxation	-		-	
Accounting and other matters	36,825	161,825	45,762	145,762
Loss on Sale of Assets		139,177		343,713
Excise Duty		287,072		624,012
Miscellaneous Expenses W/Off (Net)		465,144		71
DMF, Patent & Promotional Expenses		1,646,726		2,170,088
Bad Debts W/Off		1,433,470		-
Misellaneous Expenses		8,442,687		7,340,258
PER PROFIT AND LOSS ACCOUNT		72,844,542		79,167,490
SCHEDULE 15 : FINANCIAL COST				
Interest Expenses				
On Fixed Loans	21,641,574		21,225,699	
Others	4,496,491	26,138,065	11,980,817	33,206,516
Less : Interest Income		2,031,119		472,889
TDS Rs. 177792/-(Previous Year Rs. 77553/-)		24,106,946		32,733,627
Bank Charges		2,656,039		2,752,070
PER PROFIT AND LOSS ACCOUNT		26,762,985		35,485,697

SCHEDULE 16 : ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES:**

- A BASIS OF ACCOUNTING:** The Financial Statements are prepared under Historical cost convention on accrual basis and in accordance with the requirements of the Companies Act, 1956.
- B FIXED ASSETS:** Fixed Assets are stated at cost less depreciation. Cost comprises the purchase price or acquisition cost and any other cost attributable for bringing the assets to their present working condition for their intended use.
- C DEPRECIATION:** Depreciation on assets of the company has been provided on straight-line method and as per the rates prescribed in Schedule XIV of the Companies Act, 1956. Pro-rata depreciation has been provided on the assets purchased during the year and for the period it is actually put to use.
- D INVENTORIES:** Finished Goods are valued at cost or net realisable values whichever is lower. Work in process has been valued at material cost, labour cost and all overheads other than selling and distribution overheads. Raw material and other stocks are valued at cost.
- E REVENUE RECOGNITION:**
Sale of goods is recognised on shipment or dispatch to customers and it is inclusive of excise duty but net of returns. Since the company has been approved as a 100% export oriented unit w. e. f. 1-10-99, it is not subject to any excise duty. Effective 01/04/2010 unit will be out of EOU. Necessary formalities for exit from EOU have been made and application is being made for final exit letter from Development Commissioner, Kandla.
- F FOREIGN CURRENCY TRANSACTIONS:**
1. Sales and Purchases during the year are accounted on the basis of actual exchange rates prevalent as on date of transactions and differences arise on realization have been recognized as foreign exchange gains or losses as applicable.
 2. The closing balances of sundry creditors in respect of imported goods purchased and sundry debtors in respect of export sales made during the year, as on the last date of the year, have been stated at the rate of the relevant foreign currency prevailing as on the last date of the year.
 3. In hedging contracts prevailing at the end of year, where there are underlying assets, the effect in foreign exchange fluctuation is given in the profit and loss account and where there are no underlying assets the effect is given in the foreign exchange fluctuation reserve account at mark to market value considering tenure of such contracts. The liability is created in case of loss and vice a versa in terms of AS-30 "i.e. Financial Instruments – recognition and measurement".
- G INVESTMENTS:**
Investments are valued at cost.
- H BORROWING COSTS:**
Borrowings costs are expensed in the year in which it is incurred except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for its intended use in which case it is capitalised.
- I TAXATION:**
Tax expenses comprising of both current tax (Including Fringe Benefit Tax) and deferred tax is included in determining the net results for the year. Deferred tax reflects the effect of temporary timing differences between the assets and liabilities recognised for financial reporting purposes and the amount that are recognised for current tax purposes. As a matter of prudence deferred tax assets are recognised and carried forward only to the extent, there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Current tax (Including Fringe Benefit Tax) is determined based on the provisions of Income Tax Act, 1961.

J PROVISIONS & CONTINGENCIES:

The company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

K The CENVAT credit available is utilised for payment of excise duty and the unutilized CENVAT at the year end is considered as an asset and disclosed accordingly in Balance sheet.

L Service tax credit utilized during the year towards excise liability is accounted in excise duty and unutilised service tax credit at the year end is considered as advance excise duty.

2. AUDITORS' REMUNERATION:

(Rs. in Lacs)

	2009-10	2008-09
Audit Fees	0.95	0.70
Tax Audit Fees	0.30	0.30
Other matters & Out of Pocket Exp.	0.37	0.46

3. MANAGERIAL REMUNERATION:

The Company has been advised that computation of net profits for the purpose of Director's Remuneration under Section 349 of the Companies Act, 1956 need not be enumerated since no commission is agreed to be paid to the Directors. The aggregate of remuneration to Directors is as under.

(Rs. in Lacs)

	2009-10	2008-09
Directors Remuneration		
Executive Directors		
Mr. R K P Verma	33.60	27.50
Mr. Bhailal B. Shah	-	10.80
Mr. J.P.Sanyal	-	0.59
Mr. Virendra B. Shah	-	0.15
Perquisites to Directors	0.22	21.54
Independent Directors		
Mr. Rajesh J. Shah		
- Sitting Fees	0.24	0.34
- Professional Fees for Taxation matter	-	2.12
Mr. Harish P. Kamath		
- Sitting Fees	0.36	0.42
Mr. Dev Prakash Yadava		
- Sitting Fees	0.36	0.42
Mr. Mahesh Bhatt		
- Sitting Fees	0.28	0.34



Mr. J. L. Nagori
- Sitting Fees
Mr. Bhailal B. Shah
- Sitting Fees
Mr. Nishant Jain
- Sitting Fees

0.20	0.12
0.16	-
-	0.28
35.42	64.62

Total:

4. CONTINGENT LIABILITIES:

- Unexpired letter of credit Rs.122.64 lacs (Previous Year Rs. 487.09 lacs)
- Foreign bill purchases / discounted with bank - NIL (Previous Year Rs. 136.01 lacs)
- Income tax – Rs. 65.16 lacs as mentioned below.

Asst. Year	Demand (Rs. In lacs)	Remarks
1997-98	4.28	The company has filed an appeal before Hon'ble ITAT, Ahmedabad and the matter is pending before Tribunal.
2002-03	20.63	The matter is pending for disposal before the Hon'ble ITAT, Ahmedabad.
2004-05	32.25	The matter is pending for disposal before the Hon'ble CIT (Appeal) III, Baroda.
2007-08	69.38	Same as above.
Total	126.54	
Less :	(61.38)	The amount represents the amount deposited under protest and refund adjusted by I.T. Dept. against above demands raised.
Net	65.16	

d) Excise Liabilities:

The Department of Central Excise and Customs, Surat (the Department) has raised demand of Rs. 415.28 lacs against the Company towards interest and penalty on past anti-dumping duty and excise liabilities. The said amount of interest and penalty demanded is not payable in accordance with the order passed by the Hon'ble Central Excise and Service Tax Appellate Tribunal (CESTAT). The Department had moved the Hon'ble Gujarat High Court against the said CESTAT order and as per the order of the said Hon'ble High Court, the Company has furnished a Bank Guarantee of Rs. 200 lacs to the Department. The Bank guarantee is obtained from Corporation Bank, Kandivali against 100% margin in the form of Fixed Deposit Receipt (FDR) and the FDR is endorsed in favour of the Bank for issuing the said Bank guarantee.

- Outstanding Balance of Loans, Advances, Debtors and Creditors are subject to confirmation from parties.
- The Company has not received any information from its suppliers regarding their status under the Micro, Small and Medium enterprise development Act, 2006 and hence no disclosure required under the said Act can be made.
- The Fixed Deposit of Rs. 60,000/- (Previous Year Rs. 60,000/-) with Bank of Baroda, Ankleshwar lodged with Prohibition and Excise Department for License Renewal.

8. PARTICULARS PURSUANT TO PROVISIONS OF PARAGRAPHS 3, 4C AND 4D OF THE COMPANIES ACT, 1956 IN PART II OF SCHEDULE VI OF COMPANIES ACT, 1956.

- (A) CAPACITY CLASS OF GOODS
 LICENSED N.A.
 INSTALLED : The Company is manufacturing Bulk drugs, Drugs Intermediate, Fine Chemicals etc., the installed capacity varies with change in products, product mix even though there may not be increase in Plant and Machineries.

(B) STATEMENT OF PRODUCTION, SALE AND STOCK OF FINISHED GOODS:
 (EXCLUSIVE OF CAPTIVE CONSUMPTION)

(Qty. in kgs.) (Rs. in lacs)

CLASS OF GOODS	YEAR	Op. Stock (Qty.)	Op. Stock (Amt.)	Production (Qty.)	Sales (Qty.)	Sales (Amt.)	Cl. Stock (Qty.)	Cl. Stock (Amt.)
Bulk Drugs & Intermediates	2009-10	11758.66	279.90	75873.61	79715.96	3666.55	7916.31	185.72
	2008-09	1988.76	65.25	117828.69	108058.79	4029.49	11758.66	279.90
Others	2009-10	-	-	-	-	14.36	-	-
	2008-09	-	-	-	-	92.15	-	-
Total	2009-10		279.90			3680.91		185.72
	2008-09		65.25			4121.64		279.90

9. VALUE OF IMPORTS OF RAW MATERIAL AND CAPITAL ITEM ON C.I.F. BASIS:

(Rs. in lacs)

	2009-10	2008-09
Raw Material	546.72	864.85
Capital Item	31.82	-
Total	578.54	864.85

10. EXPENDITURE IN FOREIGN CURRENCY:

(Rs. in lacs)

	2009-10	2008-09
Brokerage and Commission	77.63	33.54
Travelling Expenses	-	1.55
Bank Interest - Working Capital.	-	57.61
Bank Interest - FCNR - Term Loan / PCFC	26.40	48.66
Product Registration Expenses A/c	9.37	-
Legal Expenses	1.26	-
Imported books & subscriptions A/c	0.38	-
Total	115.04	141.36

11. PARTICULARS OF IMPORTED & INDIGENEOUS RAW MATERIALS CONSUMED:

(Rs. in Lacs)

	2009-10		2008-09	
	%	Rs.	%	Rs.
Imported at landed cost	48.78	819.10	42.49	674.07
Indigenous	51.22	860.02	57.51	912.59
TOTAL	100.00	1679.12	100.00	1586.66

12. STATEMENT OF RAW MATERIALS CONSUMPTION:

(Value in Rupees Lacs)

Name of Raw Material	Units	2009-10		2008-09	
		Qty.	Value	Qty.	Value
1:3 Di-Chloro Acetone	Kgs.	18800	82.53	16910	66.09
Guanyl Thiourea (G.T.U.)	Kgs.	25010	67.36	18170	59.39
Sulfamide	Kgs.	19240	115.02	13186	78.13
Z.P.A.(2 Amino – 5 Methyl Pyridine)	Kgs.	3800	69.69	6450	113.62
Isopropyl Alcohol (I.P.A.)	Kgs.	31878	21.90	42629	16.72
Others (None of which individually forms more than 10% of the total consumption.)	Kgs.	-	1322.62	-	1252.71
TOTAL			1679.12		1586.66

13. EMPLOYEES BENEFITS:

Company has taken Group Gratuity Policy of LIC of India. Contribution related to current year has been debited to Profit & Loss Account. The Company in terms of AS-15 (revised) "Employee benefits" has opted for defined contribution plan for payment of gratuity.

Provision for PL encashment has been made based on actuarial valuation.

14. EARNINGS IN FOREIGN EXCHANGE:

(Rs. In Lacs)

	2009-10	2008-09
FOB value of Exports	3507.78	3841.46

15. RELATED PARTY DISCLOSURE:
A. Names of related parties

- (a) Entity having control over the Company : M/s. Ipca Laboratories Ltd.
- (b) Entities where control exist
Subsidiary Company : M/s. Tonira Exports Ltd.
- (c) Company over which Key person is able to exercise significant influence
M/S Titan Laboratories Pvt. Limited.

(d) Directors and their relatives

Mr. B. B. Shah	Mr. Rajesh J. Shah	Mr. R K P Verma
Mr. Mahesh Bhatt	Mr. Harish Kamath	Mr. J. L. Nagori
Mr. Dev Prakash Yadava		

B. Transaction with related parties

The following transactions were carried out with the related companies & enterprises in the ordinary course of the business.

Details relating to parties referred to in point no.15-A (a) (Rs. in lacs)

1	Sales of Material	47.59
2	Purchases of Material	3.86
3	Purchases of Assets	17.66
4	Sales of Assets	5.49
5	Expenses incurred on behalf of related party	0.51
6	Expenses incurred by related party on our behalf	3.06
7	Excise duty, Rent and other expenses	-
8	Interest on ICDs	136.15
9	ICDs repaid during the year (Net)	140.00
10	Advances Settled during the year	21.65
11	Corporate Guarantee received for bank facilities	3000.00
12	Counter Guarantee given for above guarantee	3000.00
Details relating to parties referred to in point no. 15-A (b)		
	Rent paid	0.96
Details relating to parties referred to in point no. 15-A (c)		
	Sale of Material	17.42
Details relating to parties referred to in point no. 15-A (d)		
	Remuneration to director including Perquisites	33.82
	Sitting fees to Independent Directors	1.60

NOTE : Related Party relationships are as identified by the company and relied upon by the Auditors.

16. The entire operations of the Company relate to only one segment viz. pharmaceuticals. As such, there is no separate reportable segment under Accounting Standard – AS 17 on Segment Reporting.

17. TAXES ON INCOME:

(a) The Company has adopted Accounting Standard-22 “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India.

The Deferred tax assets of Rs. 32,01,139 reversed during the year and debited to the Profit and Loss a/c. (Previous Year deferred tax liabilities debited Rs. 36,88,000).

- (b) Break-up of the Deferred Tax Assets and Liabilities in to major components of the respective balances are as under.

(Amount in Rs.)

PARTICULARS	AS ON	AS ON
	31-03-2010	31-03-2009
Depreciation difference	(1,94,55,000)	(1,94,64,551)
Unabsorbed depreciation	1,02,97,000	1,04,99,035
Carried forward business loss	1,56,31,000	1,96,54,465
Unpaid expenses	9,65,168	5,09,911
Deferred D.M.F. & business promotion expenses	-	(5,59,553)
Total	74,38,168	1,06,39,307

18. EARNING PER SHARE:

Particulars	2009-10	2008-09
	(Rs.)	(Rs.)
Profit / (Loss) After Tax before exceptional items	1,02,39,726	1,94,72,099
Less : Exceptional Items	-	2,69,16,080
Profit / (Loss) After Tax and exceptional items	1,02,39,726	(74,43,981)
No. of Shares	79,44,200	79,44,200
Face Value of Share	10	10
Earning per Share after tax before exceptional items	1.29	2.45
Earning per Share after tax and exceptional items	1.29	(0.94)

19. In our opinion provision for impairment of assets is not required as carrying amount of assets do not exceed its recoverable amount.
20. The Company has following hedged foreign exchange risk:

Sr. No	Particulars	31.03.2010 (US\$ in lacs)	31.03.2009 (US\$ in lacs)
1.	Term loan (FCNR-B)	-	12.54
2.	Financial instruments (Forward Contract for Exports)	-	15.00

21. Previous year's figures have been regrouped and rearranged wherever necessary.
22. Notes 1 to 21 of Schedule 16 form an integral part of the Balance Sheet and Profit and Loss Account.

SIGNATURE TO SCHEDULES 1 TO 16

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD,

FOR MITESH P. VORA & COMPANY

Chartered Accountants
(Firm Regn. No.116071W)

C.A. MITESH P. VORA
PARTNER
(M.N.37530)

B. B. SHAH
CHAIRMAN

R K P VERMA
MANAGING DIRECTOR

PLACE : MUMBAI
DATE : 26th May, 2010

PLACE : MUMBAI
DATE : 26th May, 2010

HETA MEHTA
COMPANY SECRETARY

**23. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:-**

Additional information pursuant to part IV of Schedule VI to the Companies Act, 1956.

I. Registration Details

Registration No.	18156	State Code	0 4
Balance Sheet	3 1 0 3 2 0 1 0		
	Date Month Year		

II. Capital Raised during the Year

(Amount in Rs. Thousands)

Public Issue	Right Issue
N I L	N I L
Bonus Issue	Private Placement
N I L	N I L

III. Position of Mobilization and Deployment of Funds (Amt. In Thousand)

Total Liabilities	Total Assets
4 4 8 9 2 0	4 4 8 9 2 0

Sources of Funds

Paid-Up Capital	Reserves & Surplus
7 9 4 4 2	6 3 9 7 9
Secured Loans	Unsecured Loans
2 1 2 0 5 5	1 0 0 8 8 2
Deferred Tax Liability	
(-) 7 4 3 8	

Application of Funds

Net Fixed Assets	Investments
2 5 0 9 6 0	1 4 5 3
Net Current Assets	Misc. Expenditure
1 9 6 5 0 7	N I L
Accumulated Losses	
N I L	

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
3 6 8 4 0 2	3 5 4 9 6 1
Profit Before Tax	Profit After Tax
1 3 4 4 1	1 0 2 4 0
Earning Per Share (in Rs.)	Dividend rate %
1 . 2 9	N I L

V. Generic Names of Three Principal Products (as per monetary terms)

Item Code No.	N. A.
(ITC Code)	
Product	BULK DRUG
Description	
1. FAMOTIDINE	
2. NIFIDEPIN	
3. ZALTOPROFEN	

FOR AND ON BEHALF OF THE BOARD,**B. B. SHAH**
CHAIRMAN**R K P VERMA**
MANAGING DIRECTORPLACE : MUMBAI
DATE : 26th May, 2010**HETA MEHTA**
COMPANY SECRETARY

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

PARTICULARS	NAME OF THE SUBSIDIARY
	TONIRA EXPORTS LIMITED
Financial year/period of the subsidiary companies ended on	31st March, 2010
No. of Equity shares held by Tonira Pharma Limited in the subsidiary as at 31 st March,2010	99,600 Equity shares of Rs. 10/- each fully paid
Extent of interest of Tonira Pharma Limited in the capital of the subsidiary	99.60%
Net aggregate amount of the profits/(losses) of the subsidiaries so far it concerns to the members of Tonira Pharma Limited as it is not dealt with the Company's Accounts for the year ended 31 st March, 2010 of the subsidiaries	(Rs.22,062/-)
Net aggregate amount of the profits/(losses) of the subsidiaries so far as dealt with or provision is made for those losses in the Accounts of Tonira Pharma Limited for the subsidiary's Financial year ended 31 st March,2010	Nil

Information pertaining to Subsidiary Company**(Rupees)**

PARTICULARS	TONIRA EXPORTS LTD.
Capital	10,00,000
Reserves	1,68,123
Total Assets	16,67,040
Total Liabilities	16,67,040
Investments	Nil
Total Income	1,00,414
Profit / (loss) Before Taxation	29,683
Provision for Taxation	51,745
Profit / (loss) After Taxation	(22,062)
Proposed Dividend	Nil

The Company owns 99.60% interest in the above subsidiary.

FOR MITESH P. VORA & COMPANYChartered Accountants
(Firm Regn. No.116071W)**C.A. MITESH P. VORA**
PARTNER
(M.N.37530)PLACE : MUMBAI
DATE : 26th May, 2010**FOR AND ON BEHALF OF THE BOARD,****B. B. SHAH**
CHAIRMANPLACE : MUMBAI
DATE : 26th May, 2010**R K P VERMA**
MANAGING DIRECTOR**HETA MEHTA**
COMPANY SECRETARY

**AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF TONIRA PHARMA LIMITED
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TONIRA PHARMA LIMITED
AND ITS SUBSIDIARY**

We have examined the attached consolidated Balance Sheet as at 31st March 2010 and the Consolidated Profit and Loss Account for the year then ended of Tonira Pharma Limited and its subsidiary.

These financial statements are the responsibility of the management of Tonira Pharma Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principle used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statement of subsidiary. Financial statements of the subsidiary have been audited by other auditors whose report have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditor.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirement of Accounting Standard (AS)-21, "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Tonira Pharma Ltd. and its subsidiary included in the consolidated financial statements.

On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of Tonira Pharma Ltd. and its subsidiary, we are of the opinion that :

- a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Tonira Pharma Limited and its subsidiary as at 31st March 2010; and
- b) the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Tonira Pharma Limited and its subsidiary for the year then ended.

For **MITESH P. VORA & COMPANY**
CHARTERED ACCOUNTANTS
(Firm Regn. No.116071W)

C.A. MITESH P. VORA
PARTNER
(M.N.37530)

PLACE : MUMBAI
DATE : 26th MAY 2010

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010**

	Schedule	31st March, 2010	
		Rupees	Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	79,442,000	
Reserves and Surplus	2	<u>63,024,457</u>	142,466,457
Minority Interest			566
Loan Funds			
Secured Loans	3		212,054,849
Unsecured Loans			100,882,208
Deferred Tax Liability (Net) (Refer Note No.13)			<u>(7,438,168)</u>
			<u>447,965,912</u>
APPLICATION OF FUNDS			
Fixed Assets	4		
Gross Block		454,115,963	
Less: Depreciation		<u>206,976,225</u>	
		247,139,738	
Construction Work-in-Progress		<u>5,434,563</u>	
Net Block			252,574,301
Investments	5		357,000
Current Assets, Loans and Advances			
Inventories	6	117,313,759	
Sundry Debtors		63,337,125	
Cash and Bank Balances	7	30,733,052	
Loans and Advances	8	<u>64,265,204</u>	
		275,649,140	
Less : Current Liabilities and Provision			
Current Liabilities	9	77,446,453	
Provisions		<u>3,168,076</u>	
		80,614,529	
Net Current Assets			<u>195,034,611</u>
			<u>447,965,912</u>
Notes to the Accounts	15		

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD,

FOR MITESH P. VORA & COMPANY

Chartered Accountants
(Firm Regn. No.116071W)C.A. MITESH P. VORA
PARTNER
(M.N.37530)B. B. SHAH
CHAIRMANR K P VERMA
MANAGING DIRECTORPLACE : MUMBAI
DATE : 26th May, 2010PLACE : MUMBAI
DATE : 26th May, 2010HETA MEHTA
COMPANY SECRETARY

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	Schedule	2009-2010	
		Rupees	Rupees
INCOME			
Gross Sales			370,199,003
Less : Excise Duty		1,746,533	
Sales Tax		361,576	2,108,109
Net Sales			368,090,894
Other Income	10		315,493
			<u>368,406,387</u>
EXPENDITURE			
Material Cost and Inventory Adjustments	11	183,627,034	
Personnel Cost	12	48,704,114	
Manufacturing and Other Expenses	13	72,777,078	
Financial Cost	14	26,765,886	
Depreciation	4	28,408,201	
(Profit)/Loss on Foreign Exchange Translations		(5,346,474)	354,935,839
			<u>13,470,548</u>
PROFIT/(LOSS) BEFORE TAXATION			13,470,548
Less : Provision for Taxation			
- Current		2,500,000	
- Deferred		3,252,884	5,752,884
Add : MAT Credit Entitlement			2,500,000
			<u>10,217,664</u>
NET PROFIT/ (LOSS)			10,217,664
Balance brought forward		53,739,870	
Less : Goodwill on acquisition of subsidiary (Refer note no. 8)		(933,077)	52,806,793
			<u>63,024,457</u>
AMOUNT AVAILABLE FOR APPROPRIATION			63,024,457
Appropriation			
Balance carried forward to balance sheet			63,024,457
			<u>63,024,457</u>
Earning Per Share after tax and exceptional Items			1.29
Notes to the Accounts	15		

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD,

FOR MITESH P. VORA & COMPANY

Chartered Accountants
(Firm Regn. No.116071W)C.A. MITESH P. VORA
PARTNER
(M.N.37530)B. B. SHAH
CHAIRMANR K P VERMA
MANAGING DIRECTORPLACE : MUMBAI
DATE : 26th May, 2010PLACE : MUMBAI
DATE : 26th May, 2010HETA MEHTA
COMPANY SECRETARY

**SCHEDULES TO THE CONSOLIDATED ACCOUNTS**

Schedules 1 to 15 forming part of the consolidated Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended 31st March, 2010

	31.03.2010	
	Rupees	Rupees
SCHEDULE 1 : SHARE CAPITAL		
Authorised :		
1,02,50,000 Equity Shares of Rs. 10/- each		<u>102,500,000</u>
Issued, Subscribed & Paid-Up		
79,44,200 Equity Shares of Rs. 10/- each		<u>79,442,000</u>
PER BALANCE SHEET		<u>79,442,000</u>
SCHEDULE 2 : RESERVES AND SURPLUS		
Profit & Loss Account		<u>63,024,457</u>
PER BALANCE SHEET		<u>63,024,457</u>
SCHEDULE 3 : LOANS		
Secured Loans		
A) From Kotak Mahindra Bank Ltd		
I. Working Capital Loan-Cash Credit/ Export Limits		126,983,173
II. Term Loans		
- Rupee Term Loan		64,271,518
- Working Capital Term Loan		20,000,000
(All the above loans from Kotak Mahindra Bank are Secured by first and exclusive hypothecation on all existing and future current assets and movable fixed assets of the Company first and exclusive charge by way of equitable mortgage on the immovable properties of the company being plot No. 4722,4723,4731 and 4732 at GIDC Ankleshwar and plot No.23 and 24 at GIDC Nandesari. Corporate Guarantee from M/s. Ipca Laboratories Limited.) (Equitable Mortgage is yet to be created in favour of Kotak Mahindra Bank Ltd.)		
B) Vehicle Loan		
(Secured By hypothecation of Cars)		
From ICICI Bank Limited		458,993
From Kotak Mahindra Primus Limited		27,680
From TML Financial Services Ltd.		313,485
PER BALANCE SHEET		<u>212,054,849</u>
Unsecured Loan		
Inter Corporate Deposits		<u>100,882,208</u>
PER BALANCE SHEET		<u>100,882,208</u>

SCHEDULE 4 : FIXED ASSETS

(Rupees)

Sr. No.	Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01.04.2009	Additions during the year	Sales,W/off adjustments during the year	As on 31.03.2010	up to 31.03.2009	During the Year	Sales,W/off adjustments during the year	Upto 31.03.2010	As on 31.03.2010	
1.	Leasehold Land	15,414,837	851,861	-	16,266,698	-	-	-	-	16,266,698	
2.	Building	103,018,721	4,633,300	-	107,652,021	18,500,838	3,518,849	106,809	22,126,496	85,525,525	
3.	Plant and Machinery	273,706,519	28,788,034	(505,155)	301,989,398	147,362,333	22,915,420	(54,380)	170,223,373	131,766,025	
4.	Office Equipments	2,285,286	96,929	-	2,382,215	633,894	55,718	-	689,612	1,692,603	
5.	Furniture and Fixtures	11,540,736	-	-	11,540,736	4,503,805	730,529	-	5,234,334	6,306,402	
6.	Vehicle	9,780,372	-	(1,130,970)	8,649,402	4,299,006	835,829	(854,888)	4,279,947	4,369,455	
7.	Computer	4,933,536	701,957	-	5,635,493	4,070,607	351,856	-	4,422,463	1,213,030	
	Total	420,680,007	35,072,081	(1,636,125)	454,115,963	179,370,483	28,408,201	(802,459)	206,976,225	247,139,738	
8.	Construction work-in-progress and capital advances									5,434,563	
	PER BALANCE SHEET									252,574,301	

SCHEDULE 5 : INVESTMENTS - At Cost (Trade, Unless otherwise stated)

Long term Investments	No. of Shares 31.03.2010	Face Value Rupees	31.03.2010 Rupees
Unquoted :			
Gujarat Industrial Co-Op Bank Ltd.	140	50	7,000
Bharuch Eco Acqua Infrastructure Limited	35,000	10	350,000
PER BALANCE SHEET			357,000



tonira PHARMA LIMITED



SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	31.03.2010	
	Rupees	Rupees
SCHEDULE 6 : INVENTORIES (As taken, valued and certified by Management)		
Stock In Trade		
Raw materials		55,553,603
Packing materials		493,905
Work-in-progress		40,856,490
Finished Goods		18,571,791
Stores and Spares		1,837,970
PER BALANCE SHEET		117,313,759
SCHEDULE 7 : CASH AND BANK BALANCES		
Cash in Hand		222,237
Margin Money With Banks (Refer Note No.6 (d))		22,900,050
Balances with Scheduled Banks :		
On Current Accounts	1,183,851	
On Fixed Deposit Account	6,426,914	7,610,765
PER BALANCE SHEET		30,733,052
SCHEDULE 8 : LOANS AND ADVANCES (Unsecured - considered good unless otherwise Stated)		
Advances recoverable in cash or in kind or for value to be received		30,236,153
Deposits		4,613,397
Advance Income Tax (Net of Provision)		7,607,287
MAT Credit Entitlement		2,500,000
Advance Excise Duty		19,308,367
PER BALANCE SHEET		64,265,204
SCHEDULE 9 : CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry creditors:		
- Micro, Small & Medium Enterprises	-	
- Others	65,197,818	65,197,818
Other liabilities		11,291,277
Advance from customers		957,358
		77,446,453
Provisions		
Provision for leave encashment		1,778,152
Provision for Gratuity Contribution Payable		1,245,508
Provision for Leave Travel Allowance		144,416
		3,168,076
PER BALANCE SHEET		80,614,529

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	2009-2010	
	Rupees	Rupees
SCHEDULE 10 : OTHER INCOME		
Profit on sale of Fixed Assets		59,474
Dividend Income		1,134
Other Income		254,885
PER PROFIT AND LOSS ACCOUNT		<u>315,493</u>
SCHEDULE 11 : MATERIAL COST AND INVENTORY ADJUSTMENTS		
Raw Materials Consumed		
Opening Stock	56,417,125	
Add : Purchases	145,230,264	
Raw Material Conversion Charges	21,818,533	
	<u>223,465,922</u>	
Less : Closing Stock	55,553,603	167,912,319
Packing Materials Consumed		
Opening Stock	554,159	
Add : Purchases	1,956,667	
	<u>2,510,826</u>	
Less : Closing Stock	493,905	2,016,921
Inventory adjustments		
Stock at Commencement		
Work - in - Process	45,136,340	
Finished Goods	27,989,735	
	<u>73,126,075</u>	
Stock at Close		
Work - in - Process	40,856,490	
Finished Goods	18,571,791	
	<u>59,428,281</u>	<u>13,697,794</u>
PER PROFIT AND LOSS ACCOUNT		<u>183,627,034</u>
SCHEDULE 12 : PERSONNEL COST		
Payment to and Provision for Salaries, Wages and Bonus		44,261,322
Contribution to Provident Fund and Other Funds		2,518,421
Welfare Expenses		1,924,371
PER PROFIT AND LOSS ACCOUNT		<u>48,704,114</u>

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	2009-2010 Rupees	Rupees
SCHEDULE 13 : MANUFACTURING AND OTHER EXPENSES		
Consumable stores		4,764,286
Laboratory expenses		2,505,586
Power, Fuel, Gas & Water Charges		20,883,331
Repairs :		
- Building	1,599,786	
- Machinery	7,602,600	
- Others	217,256	9,419,642
Insurance		3,146,312
Rent, Rates & Taxes		3,001,909
Postage and telephone expenses		1,295,891
Freight and transportation		7,278,711
Brokerage & Commission		6,733,361
Traveling and conveyance expenses		1,143,492
Auditors Remuneration :		
Audit Fees (Including Tax Audit)	125,000	
Taxation Matters	-	
Accounting and other matters	36,825	161,825
Loss on Sale of Assets		139,177
Excise duty		287,072
Miscellaneous Expenses w/off (Net)		465,144
DMF, Patent & Promotional Expenses		1,646,726
Bad Debts W/Off		1,433,470
Miscellaneous Expenses		8,471,143
PER PROFIT AND LOSS ACCOUNT		<u>72,777,078</u>
 SCHEDULE 14 : FINANCIAL COST		
Interest on Fixed Loans	21,641,574	
Less : Interest Income	(2,031,119)	19,610,455
TDS Rs. 177792		
Bank and financial charges		7,155,431
PER PROFIT AND LOSS ACCOUNT		<u>26,765,886</u>

SCHEDULE 15 : NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS**1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES:**

- A BASIS OF ACCOUNTING:** The financial statements are prepared under historical cost convention on accrual basis and in accordance with the requirements of the Companies Act, 1956.
- B FIXED ASSETS:** Fixed Assets are stated at cost less depreciation. Cost comprises the purchase price or acquisition cost and any other cost attributable for bringing the assets to their present working condition for their intended use.
- C DEPRECIATION:** Depreciation on assets of the company has been provided on straight-line method and as per the rates prescribed in Schedule XIV of the Companies Act, 1956. Pro-rata depreciation has been provided on the assets purchased during the year and for the period it is actually put to use.
- D INVENTORIES:** Finished Goods are valued at cost or net realizable values whichever is lower. Work in process has been valued at material cost, labour cost and all overheads other than selling and distribution overheads. Raw material and other stocks are valued at cost.
- E REVENUE RECOGNITION:**
Sale of goods is recognised on shipment or dispatch to customers and it is inclusive of excise duty but net of returns. Since the company has been approved as a 100% export oriented unit w. e. f. 1-10-99, it is not subject to any excise duty. Effective 01/04/2010 unit will be out of EOU. Necessary formalities for exit from EOU have been made and application is being made for final exit letter from Development Commissioner, Kandla.
- F FOREIGN CURRENCY TRANSACTIONS:**
1. Sales and Purchases during the year are accounted on the basis of actual exchange rates prevalent as on date of transactions and differences arise on realisation have been recognised as foreign exchange gains or losses as applicable.
 2. The closing balances of sundry creditors in respect of imported goods purchased and sundry debtors in respect of export sales made during the year, as on the last date of the year, have been stated at the rate of the relevant foreign currency prevailing as on the last date of the year.
 3. In hedging contracts prevailing at the end of year, where there are underlying assets, the effect in foreign exchange fluctuation is given in the profit and loss account and where there are no underlying assets the effect is given in the foreign exchange fluctuation reserve account at mark to market value considering tenure of such contracts. The liability is created in case of loss and vice a versa in terms of AS-30 " i.e. Financial Instruments – recognition and measurement".
- G INVESTMENTS:**
Investments are valued at cost.
- H BORROWING COSTS:**
Borrowings costs are expensed in the year in which it is incurred except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for its intended use in which case it is capitalised.
- I TAXATION:**
Tax expenses comprising of both current tax (Including Fringe Benefit Tax) and deferred tax is included in determining the net results for the year. Deferred tax reflects the effect of temporary timing differences between the assets and liabilities recognised for financial reporting purposes and the amount that are recognised for current tax purposes. As a matter of prudence deferred tax assets are recognised and carried forward only to the extent, there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Current tax (Including Fringe Benefit Tax) is determined based on the provisions of Income Tax Act, 1961.

**J PROVISIONS & CONTINGENCIES:**

The company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

K. The CENVAT credit available is utilised for payment of excise duty and the unutilised CENVAT at the year end is considered as an asset and disclosed accordingly in balance Sheet.

L Service tax credit utilised during the year towards excise liability is accounted in excise duty and unutilised service tax credit at the year end is considered as advance excise duty.

2. The consolidated financial statements present the consolidated accounts of Tonira Pharma Ltd. with its subsidiary M/s. Tonira Exports Ltd. – holding 99.6%.

3. Remuneration to auditors of the subsidiary is grouped with the Professional Charges.

4. Significant accounting policies and notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the companies. Recognising this purpose, the company has disclosed only such policies and notes from the individual financial statement which fairly presents the needed disclosures. Lack of homogeneity and other similar consideration made it desirable to exclude some of them which in the opinion of the management could be better viewed when referred from the individual financial statement.

5. Sundry debtors are unsecured and considered good.

6. CONTINGENT LIABILITIES:

a) Unexpired letter of credit Rs.122.64 lacs.

b) Foreign bill purchases / discounted with bank - NIL.

c) Income tax – Rs. 65.16 lacs.

Asst. Year	Demand(Rs. In lacs)	Remarks
1997-98	4.28	The company has filed an appeal before Hon'ble ITAT, Ahmedabad and the matter is pending before Tribunal.
2002-03	20.63	The matter is pending for disposal before the Hon'ble ITAT, Ahmedabad.
2004-05	32.25	The matter is pending for disposal before the Hon'ble CIT (Appeal) III, Baroda.
2007-08	69.38	Same as above.
Total	126.54	
Less :	(61.38)	The amount represents the amount deposited under protest and refund adjusted by I.T. Dept. against above demands raised.
Net	65.16	

d) Excise Liabilities:

The Department of Central Excise and Customs, Surat (the Department) has raised demand of Rs. 415.28 lacs against the Company towards interest and penalty on past anti-dumping duty and excise liabilities. The said amount of interest and penalty demanded is not payable in accordance with the order passed by the Hon'ble Central Excise and Service Tax Appellate Tribunal (CESTAT). The Department had moved the Hon'ble Gujarat High Court against the said CESTAT order and as per the order of the said Hon'ble High Court, the Company has furnished a Bank Guarantee of Rs. 200 lacs to the Department. The Bank guarantee is obtained from Corporation Bank, Kandivali against 100% margin in the form of Fixed Deposit Receipt (FDR) and the FDR is endorsed in favour of the Bank for issuing the said Bank guarantee.

7. Outstanding Balance of Loans, Advances, Debtors and Creditors are subject to confirmation from parties.
8. Goodwill representing excess of cost of investment over the share of equity arising on acquisition of subsidiary Tonira Exports Ltd. during the year by Tonira Pharma Ltd. of Rs. 9.33 lacs has been fully charged to brought forward balance of Profit & Loss account in the Consolidated Accounts.
9. The Fixed Deposit of Rs. 60,000/- with Bank of Baroda, Ankleshwar lodged with Prohibition and Excise Department for License Renewal.

10. Employees benefits

Company has taken Group Gratuity Policy of LIC of India. Contribution related to current year has been debited to Profit & Loss Account. The company in terms of AS-15 (revised) "Employee benefits" has opted for defined contribution plan for payment of gratuity.

Provision for PL encashment has been made based on actuarial valuation.

11. Related Party Disclosure**A. Names of related parties**

- (a) **Entity having control over the Company : M/s. Ipca Laboratories Ltd.**
- (b) **Company over which Key person is able to exercise significant influence**

M/s. Titan Laboratories Pvt. Limited.

- (c) **Directors and their relatives**

Mr. B. B. Shah

Mr. Rajesh J. Shah

Mr. R K P Verma

Mr. Mahesh Bhatt

Mr. Harish Kamath

Mr. J. L. Nagori

Mr. Dev Prakash Yadava

B. Transaction with related parties

The following transactions were carried out with the related companies & enterprises in the ordinary course of the business.

(Rs. In lacs)

Details relating to parties referred to in point no.16-A (a)		
1	Sales of Material	47.59
2	Purchases of Material	3.86
3	Purchases of Assets	17.66
4	Sales of Assets	5.49
5	Expenses incurred on behalf of related party	0.51
6	Expenses incurred by related party on our behalf	3.06
7	Excise duty, Rent and other expenses	-
8	Interest on ICDs	136.15
9	ICDs repaid during the year (Net)	140.00
10	Advances Settled during the year	21.65
11	Corporate Guarantee received by Tonira for bank facilities	3000.00
12	Counter Guarantee given by Tonira for above guarantee	3000.00
Details relating to parties referred to in point no. 16-A (b)		
1	Sale of Material	17.42
Details relating to parties referred to in point no. 16-A (c)		
1	Remuneration to director incl. Perquisites	33.82
2	Sitting fees to Independent Directors	1.60

Note : Related Party relationships are as identified by the company and relied upon by the auditors.

12. The entire operations of the Company relate to only one segment viz. pharmaceuticals. As such, there is no separate reportable segment under Accounting Standard – AS 17 on Segment Reporting.

13. Taxes on Income:

(a) The company has adopted Accounting Satandard-22 “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India.

The Deferred tax assets of Rs. 32,01,139 reversed during the year and debited to the Profit and Loss a/c.



- (b) Break-up of the Deferred Tax Assets and Liabilities in to major components of the respective balances are as under.

(Amount in Rs.)

PARTICULARS	AS ON 31-03-2010
Depreciation difference	(1,94,55,000)
Unabsorbed depreciation	1,02,97,000
Carried forward business loss	1,56,31,000
Unpaid expenses	9,65,168
Total	74,38,168

14. Earning Per Share:

Particulars	2009-10 (Rs.)
Profit / (Loss) After Tax before exceptional items	10,217,664
Profit / (Loss) After Tax and exceptional items	10,217,664
No. of Shares	79,44,200
Face Value of Share	10
Earning per Share after tax before exceptional items	1.29
Earning per Share after tax and exceptional items	1.29

15. In our opinion provision for impairment of assets is not required as carrying amount of assets do not exceed its recoverable amount.
16. This being the first year when consolidated financial statements are drawn up in accordance with AS-21 on "Consolidated financial statements", the previous year's figures have not been presented. Similarly, being the first year, consolidated cash flow statement has not been presented.
17. The figures of the subsidiary are appropriately grouped along with the figures of the parent Tonira Pharma Limited.
18. Notes 1 to 17 of Schedules 15 form an integral part of the Balance Sheet and Profit and Loss Account.

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD,

FOR MITESH P. VORA & COMPANY

Chartered Accountants
(Firm Regn. No.116071W)

C.A. MITESH P. VORA
PARTNER
(M.N.37530)

PLACE : MUMBAI
DATE : 26th May, 2010

B. B. SHAH
CHAIRMAN

PLACE : MUMBAI
DATE : 26th May, 2010

R K P VERMA
MANAGING DIRECTOR

HETA MEHTA
COMPANY SECRETARY

DIRECTORS' REPORT

To,
The Shareholders
Tonira Exports Limited

Your Directors have pleasure in presenting herewith their Annual Report for the year ended 31st March, 2010.

Financial Performance :

Following figures summarize the financial performance of the Company.

(Amount in Rs.)

Particulars	2009-10	2008-09
Sales and other income (Net of Excise duty & Sales Tax)	1,00,414	—
Profit before Foreign Exchange Loss, Financial Cost and Depreciation	61,878	(6,04,635)
Less : Financial Cost	2,901	732
Depreciation and Amortisation	29,294	—
Reversal of Deferred tax Assets / Liabilities (Net)	51,745	—
Net Profit / (Loss) after Taxation	(22,062)	(6,05,367)
Loss brought forward	(10,04,634)	(3,99,267)
Loss carried to Balance Sheet	(10,26,696)	(10,04,634)

Dividend :

In view of loss, the Board regrets its inability to recommend payment of Dividend to the Shareholders for the financial year under review.

Directorate :

Upon acquisition of major shareholding by M/s Tonira Pharma Limited on 10-12-2009, the Company has become Subsidiary Company of M/s Tonira Pharma Limited.

Mr. RKP Verma and Mr. Prakash Kothari have been appointed as Additional Director effective from 10-12-2009 whereas Mr. Mahesh Shah, Mr. Monik Shah and Mr. Moulin Shah resigned as Directors on 14-12-2009.

In terms of Section 256 of the Companies Act, 1956, Mr. Bhailal Shah, retire by rotation and being eligible offers himself for re-appointment.

Directors' Responsibility Statement :

In terms of the Section 217 (2AA) of the Companies Act, 1956, the Directors would like to state that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the State of Affairs of the Company at end of the financial year and of the loss of the Company for the year under review.

iii. the Directors have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of this Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities.

iv. the Directors have prepared the Annual Accounts on a going concern basis.

Compliance Certificate :

A compliance certificate under Section 383A of the Companies Act , 1956 received from the Company Secretary in whole time practice is attached herewith.

Fixed Deposits :

During the year under review, the Company has not accepted any fixed deposits.

Auditors, Audit Report and Audited Accounts :

M/s S.M. Kabra & Co., the Statutory Auditors resigned on 15th April, 2010 owing to pre-occupation. In casual vacancy caused thereby, Shareholders, at the Extra Ordinary General Meeting held on 21st April, 2010, appointed M/s G.R. Mantri & Associates, the Chartered Accountants, Mumbai, as Statutory Auditors of the Company, to hold office till the conclusion of ensuing Annual General Meeting. Being eligible, they offer themselves for re-appointment.

The Auditors' Report read with the notes to the accounts referred to therein are self-explanatory and therefore, do not call for any further comments.

Statutory Disclosures :

The Company had no employees covered under Section 217 (2A) of the Companies Act, 1956. Since the Company do not have any manufacturing unit nor is currently doing any business, information under Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable.

Acknowledgements :

Your Directors place on record their appreciation for the continued co-operation and support extended to the Company by all the concerned.

By order of the Board of Directors

Date: 26-05-2010
Place: Mumbai

RKP Verma
Chairman



AUDITORS' REPORT

THE SHARE HOLDERS OF
M/S. TONIRA EXPORTS LIMITED

We have audited the attached Balance Sheet of **M/S. TONIRA EXPORTS LIMITED**, as at **31st March, 2010** and also annexed Profit and Loss Account of the Company for the year ended on that date. 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.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement of the matter specified in paragraphs 4 & 5 of the said order.
3. Further to our comments in the annexure referred to above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief are necessary for the purpose of our audit.
 - b) Proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.

- c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of accounts.
- d) In our opinion, the Profit & Loss Account and Balance sheet comply with the Accounting Standards referred in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the Directors as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as Director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the other 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 :
 - i) in case of the Balance Sheet of the state of affairs of the Company as at **31st March, 2010** and
 - ii) in case of the Profit and Loss Account of the Profit of the Company for the year ended on that date.

for **G.R. MANTRI & ASSOCIATES**
Chartered Accountants
(Firm Regn. No. 106039W)

Place : **Mumbai**
Dated : **26th MAY, 2010**

(**G.R. MANTRI**)
Proprietor
M. No.41586

ANNEXURE

Referred to in paragraph 2 of our report of even date .

- i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of all fixed assets.
- (b) All the assets have been physically verified by the Management at reasonable intervals which in our opinion during the year is reasonable having regard to the size of the company and the nature of its assets.
- (c) The company has not disposed off any fixed assets.
- ii) The company does not have inventory.
- iii) a) According to the information and explanations given to us, the company has taken a interest free loan from a party mentioned in the register maintained under section 301 of the Companies Act, 1956 at terms, which are not prima facie prejudicial to the interest of the company, the maximum amount involved is Rs. 14.63 lacs.
- b) The company has not granted any loan, secured or unsecured to companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- 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 the nature of it's business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and service. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under that section.
- (b) Since the transactions involved is of below Rs. 5 lacs, the provision of para (b) of this Clause is not applicable.
- vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public to which the provisions of sec. 58A and 58AA and other relevant provisions of the Companies Act,1956 and the Companies (Acceptance of Deposits) Rules 1975 are applicable.
- vii) The company has in-house internal audit system and in our opinion it commensurate with the size of the company and the nature of its business.
- viii) As explained to us, maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 has not been prescribed by the Central Government.
- ix) (a) In our opinion and according to the information and explanations given to us the company is not having any statutory dues payable as there are no commercial activities carried out by it during the year.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of sales tax, wealth tax, service tax, custom duty, excise duty and cess were in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- x) The company has accumulated losses at the end of the financial year Rs. 10,26,696 so the accumulated losses are more than 50% of the net worth of the company. It has no cash loss in the financial year under review. In the immediate preceding financial year there was cash loss of Rs. 6,05,367.
- xi) The company has not borrowed any loan from any financial institute.
- xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv) The company is not dealing or trading in shares, securities, debentures and other investments, therefore the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv) According to the information and explanations given to us and the representations made by the management, the company has not given any guarantee for loans taken by others from any bank or financial institutions.
- xvi) On the basis of the records examined by us and relying on the information compiled by the company for co-relating the funds rose to the end use of term loans, we have to state that the company has not taken any loans during the year under review.
- 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 no funds raised on short-term basis have been used for long-term investment.
- xviii) During the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act, as on the date of issue of shares.
- xix) The company has not issued any debentures.
- xx) The company has not raised any money by public issue.
- xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

for **G.R. MANTRI & ASSOCIATES**
Chartered Accountants
(Firm Regn. No. 106039W)

Place : Mumbai
Dated : 26th MAY, 2010

(G.R. MANTRI)
Proprietor
M. No.41586



**BALANCE SHEET
AS AT 31st MARCH, 2010**

PARTICULARS	SCH.	As at		As at	
		31 st March, 2010	31 st March, 2009	31 st March, 2010	31 st March, 2009
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
SHARE HOLDERS FUNDS					
Share Capital	1	1,000,000		1,000,000	
Reserves & Surplus	2	168,123		168,123	
LOAN FUNDS					
Unsecured Loans	3	1,513,263		1,609,263	
Deffered tax liabilities		-		107,493	
		<u>2,681,386</u>		<u>2,884,879</u>	
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	4	1,750,473		1,750,473	
Less: Accumulated Depreciation		136,103	1,614,370	106,809	1,643,664
Deffered tax Asset		-		159,238	
CURRENT ASSETS, LOANS & ADVANCES					
Cash & Bank Balances	5	52,670		35,937	
Loans & Advances	6	-		51,406	
		<u>52,670</u>		<u>87,343</u>	
Less : CURRENT LIABILITIES & PROVISIONS	7	12,350		10,000	
NET CURRENT ASSETS		40,320		77,343	
PROFIT & LOSS ACCCOUNT		1,026,696		1,004,634	
		<u>2,681,386</u>		<u>2,884,879</u>	
Significant Accounting Policies and Notes to the Accounts	11				

As per our Report of even date attached

For G.R. MANTRI & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 106039W)

G.R. MANTRI
Proprietor
Membership No. 041586

Place : Mumbai
Date : 26th MAY, 2010

For and on behalf of the Board

RKP Verma **Bhailal Shah**
Chairman Director

Place : Mumbai
Date : 26th MAY, 2010

**PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31st MARCH, 2010**

PARTICULARS	SCH.	As at		As at	
		31 st March, 2010	31 st March, 2009	31 st March, 2010	31 st March, 2009
		Rupees	Rupees	Rupees	Rupees
INCOME					
Other Income	8	100,414		-	
		<u>100,414</u>		<u>-</u>	
EXPENDITURE					
Administrative & other Exp.	9	38,536		604,635	
Financial Cost	10	2,901		732	
Depreciation		29,294		-	
		<u>70,731</u>		<u>605,367</u>	
NET PROFIT/(LOSS)		29,683		(605,367)	
REVERSAL OF DEFFERED TAX ASSETS / LIABILITIES (NET)					
		51,745		-	
NET LOSS AFTER TAXATION		(22,062)		(605,367)	
LOSS BROUGHT FORWARD		(1,004,634)		(399,267)	
LOSS CARRIED TO BALANCE SHEET		(1,026,696)		(1,004,634)	
EARNING PER SHARE		0.30		(6.05)	
Significant Accounting Policies and Notes to the Accounts	11				

As per our Report of even date attached

For G.R. MANTRI & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 106039W)

G.R. MANTRI
Proprietor
Membership No. 041586

Place : Mumbai
Date : 26th MAY, 2010

For and on behalf of the Board

RKP Verma **Bhailal Shah**
Chairman Director

Place : Mumbai
Date : 26th MAY, 2010

SCHEDULES TO THE ACCOUNTS

Schedules 1 to 11 forming part of the Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended 31st March, 2010

PARTICULARS	31.03.2010 Rupees	31.03.2009 Rupees	PARTICULARS	31.03.2010 Rupees	31.03.2009 Rupees
SCHEDULE 1 : SHARE CAPITAL			SCHEDULE 2 : RESERVES & SURPLUS		
Authorised			General Reserve	168,123	168,123
100000 Equity Shares of Rs. 10/- each (P.Y. 100000 Equity Shares of Rs. 10/- each)	1,000,000	1,000,000	PER BALANCE SHEET	168,123	168,123
Issued And Subscribed & Paid Up.			SCHEDULE 3 : UNSECURED LOAN		
100000 Equity Shares of Rs. 10/- each fully paid up (Out of above, 99,600 shares are held by Tonira Pharma Limited, holding Company)	1,000,000	1,000,000	Unsecured Loans	1,513,263	1,609,263
			PER BALANCE SHEET	1,513,263	1,609,263

SCHEDULE 4 : FIXED ASSETS

(AMOUNT IN RUPEES)

S. NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		AS ON 01.04.2009	ADDITION DURING YEAR	DEDUCTION	AS ON 31.03.2010	AS ON 01.04.2009	FOR THE YEAR	DEDUCTION	AS ON 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
1	LAND	851,861	-	-	851,861	-	-	-	851,861	851,861	
2	BUILDING	898,612	-	-	898,612	106,809	29,294	-	136,103	762,509	791,803
	TOTAL	1,750,473	-	-	1,750,473	106,809	29,294	-	136,103	1,614,370	1,643,664
	PREVIOUS YEAR	1,750,473		-	1,750,473	106,809		-	106,809	1,643,664	

PARTICULARS	31.03.2010 Rupees	31.03.2009 Rupees	PARTICULARS	2009-10 Rupees	2008-09 Rupees
SCHEDULE 5 : CASH & BANK BALANCES			SCHEDULE 8 : OTHER INCOME		
Cash in Hand	-	531	Income from Rent	96,000	-
Balances with Scheduled Bank :			Interest received on I.Tax Refund	4,414	-
In Current Account	52,670	35,406	PER PROFIT AND LOSS ACCOUNT	100,414	-
PER BALANCE SHEET	52,670	35,937	SCHEDULE 9 : ADMINISTRATIVE & OTHERS EXP.		
SCHEDULE 6 : LOANS & ADVANCES			Legal Expenses	600	101,170
(Unsecured - Considered Good)			Local Conveyance	80	8,210
Advances recoverable in cash or in kind or for value to be received	-	-	Annual General Meeting Exps	-	3,545
Deposits	-	51,406	Printing & Stationery	190	1,150
PER BALANCE SHEET	-	51,406	Professional Charges	23,585	173,050
SCHEDULE 7 : CURRENT LIABILITIES & PROVISIONS			Office Expenses	261	3,875
Provisions	12,350	10,000	Salary & Wages	-	279,230
PER BALANCE SHEET	12,350	10,000	Audit Fees	10,000	10,000
			Telephone Expenses	-	4,050
			Travelling Expenses	-	20,000
			Board Meeting Expenses	-	355
			Miscellaneous Expenses	3,820	-
			PER PROFIT AND LOSS ACCOUNT	38,536	604,635
			SCHEDULE 10 : FINANCIAL COST		
			Bank Charges	2,901	732
			PER PROFIT AND LOSS ACCOUNT	2,901	732



SCHEDULE 11: NOTES TO THE ACCOUNTS

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES:

A. BASIS OF ACCOUNTING:

The financial statements are prepared under historical cost convention on accrual basis and in accordance with the requirements of the Companies Act, 1956.

B. FIXED ASSETS:

Fixed Assets are stated at cost less depreciation. Cost comprises the purchase price or acquisition cost and any attributable cost of bringing the assets to working condition for its intended use.

C. DEPRECIATION:

Depreciation on Fixed Assets of the company has been provided on straight-line method and as per rates prescribed in Schedule XIV of the Companies Act, 1956.

2. Depreciation for the current year includes depreciation, Rs. 14, 647 not provided in previous year.
3. Outstanding balances are subject to confirmation of parties.
4. Auditor's remuneration:

	2009-10	2008-09
For Audit Fees	5,000	5,000
For Income Tax Matters	5,000	5,000

5. Provision for taxation has not been made considering the brought forward losses as per books of accounts and the provisions of Income Tax Act, 1961.
6. Related Party Disclosure as required by Accounting Standard - AS 18 issued by the Institute of Chartered Accountants of India.

Relationships :

A. Entities where control exists

Tonira Pharma Limited

B. Key Management Personnel

Mr. R K P Verma Director

Mr. Prakash Kothari Director

Transaction with Related Parties :

(in Rupees)

Entities where control exists	2009-10	2008-09
Rent Income	96,000	NIL
Payables	14,63,263	15,59,263

Disclosures in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year.

	2009-10	2008-09
Rent Income		
Tonira Pharma Limited	96,000	NIL
Payables		
Tonira Pharma Limited	14,63,263	15,59,263

7. Other information pursuant to provisions of paragraph 3 and 4 of Schedule VI of the Companies Act, 1956 are not applicable to the company.
8. Deferred Tax assets /Liabilities recognised in previous year have been reversed as there is no certainty for adjustment against future profits. Deferred tax Asset / Liability is not recognised in current year.
9. The figure for the previous year have been regrouped and rearranged wherever necessary.

As per our Report of even date attached

For G.R. MANTRI & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 106039W)

G.R. MANTRI
Proprietor
Membership No. 041586

Place : Mumbai
Date : 26th MAY, 2010

For and on behalf of the Board

RKP Verma
Chairman

Bhailal Shah
Director

Place : Mumbai
Date : 26th MAY, 2010



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

a) Registration Details:

Registration No. : 25592 State Code : 04
Balance Sheet Date: 31/03/2010

b) Capital rose during the year (Rs. in Thousand)

Public Issue	Right Issue
N.A.	N.A.
Bonus shares	Private Placement
N.A.	N.A.

c) Position of mobilization and deployment of funds (Rs. in Thousand)

Total Liabilities	Total Assets
2681	2681
Sources of funds	
Paid up capital	Reserve & Surplus
1000	168
Secured Loans	Unsecured Loans
NIL	1513
Application of Funds	
Net Fixed Assets	Investments
1614	NIL
Net Current Assets	Misc. Expenditure
40	NIL
Accumulated Losses	
1026	

d) Performance of Company (Rs. in Thousand)

Turnover	Total Expenditure
100	122
Loss before Tax	Loss after Tax
22	22
Earning per Share in Rs.	Divident Rate %
0.30	NIL

e) Generic Name of three principal Products (as per monetary terms)

Item Code No.	N.A.
(ITC Code)	
Product Description	
Item Code No.	N.A.
(ITC Code)	

For and on behalf of the Board

RKP Verma
Chairman

Bhailal Shah
Director

Place : Mumbai
Date : 26th MAY, 2010



Tonira Pharma Ltd.

Regd. Office : 23-24, G.I.D.C. Estate, Nandesari, Dist. Vadodara - 391 340

PROXY FORM

I/We _____

of _____

being member(s) of the Tonira Pharma Ltd. hereby appoint _____

_____ of _____

or failing him / her _____ of _____

or failing him / her _____ of _____

as my/ our proxy to vote for me/us on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held on Friday, the 6th August, 2010 at 1.30 p.m. at its Registered Office at 23-24, GIDC Estate, Nandesari, Dist. Vadodara – 391 340, Gujarat.

Signed this _____ 2010

Folion No./Client ID _____

Signature _____

No. of Shares held _____

Affix
Re.1/-
Revenue
Stamp

PROXY IN ORDER TO BE EFFECTIVE SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.

TERE HERE



Tonira Pharma Ltd.

Regd. Office : 23-24, G.I.D.C. Estate, Nandesari, Dist. Vadodara - 391 340

ATTENDANCE SLIP

Full Name of the Member attending (in block letters) _____

Full Name of the first Joint holder _____
(To be filled if first named joint holder does not attend the meeting)

Name of the Proxy _____
(To be filled if the Proxy Form has been duly deposited with the Company)

I, hereby record my presence at the Eighteenth Annual General Meeting of the Company to be held on Friday, the 6th August, 2010 at 1.30 p.m. at its Registered Office at 23-24, GIDC Estate, Nandesari, Dist. Vadodara – 391 340, Gujarat.

Regd. Folio No. _____

* Member's / Proxy's Signature _____

No. of Shares held _____

* (To be signed at the time of handing over this slip)

Book - Post

Postal
Stamp

To,

If undelivered, please return to :
TONIRA PHARMA LTD.
23-24, GIDC Estate,
Nandesari, Dist. Vadodara,
Gujarat – 391 340