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## SEVENTEENTH ANNUAL GENERAL MEETING

Day : Friday  
Date : September 30, 2011  
Time : 10.00 a.m.  
Venue : Garden Court, Veera Desai Road,  
Andheri [West], Mumbai - 400 053

## BOARD OF DIRECTORS

<b>Mr. Purnandu Jain</b>	- Chairman and Managing Director
<b>Mr. Girraj Vijayvargiya</b>	- Wholetime Executive Director
<b>Mr. Dileep Shinde</b>	- Non Executive Director - Independent
<b>Dr. Clifton Zimmermann</b>	- Non Executive Director - Independent [Resigned w.e.f. June 27, 2011]
<b>Mr. Ramesh Batham</b>	- Non Executive Director - Independent [Appointed as an additional Director w.e.f. October 14, 2011]

## COMPANY SECRETARY

**Mr. S. C. Rane**

## AUDITORS

**M. G. Vashi & Co.**  
Chartered Accountants

## BANKERS

Axis Bank Limited	Punjab and Sind Bank
Barclays Bank PLC	State Bank of India
Cental Bank of India	State Bank of Patiala
Corporation Bank	Syndicate Bank
ICICI Bank Limited	The Saraswat Co-op. Bank Ltd.
IDBI Bank Limited	The Shamrao Vithal Co-op Bank Ltd.
Indian Overseas Bank	The South Indian Bank Ltd.
Oriental Bank of Commerce	Union Bank of India
Punjab National Bank	UCO Bank

## REGISTERED OFFICE

C-306, Crystal Plaza, Andheri Link Road,  
Andheri [West], Mumbai - 400 053  
Tel : +91-22-40682300  
Fax : +91-22-40682323  
Email : srane@ankurdrugs.com

## MANUFACTURING UNITS

### **Daman Unit**

Plot No. 3 & 4, Survey No. 168,  
Dabhel Industrial Co-operative Society Ltd.,  
Village Dabhel - 396 210  
Nani Daman, Daman

### **Himachal Unit I**

Village Manakpur,  
P.O. Lodhimajra,  
Tehsil - Nalagarh - 174 101  
District : Solan, H P

### **Himachal Unit II**

Village Makhnu Majra,  
P.O. Baddi,  
Tehsil - Nalagarh - 173 205  
District : Solan, H P

## REGISTRAR & SHARE TRANSFER AGENT

Ajel Infotech Limited  
106, Oshiwara Link Plaza Commercial Complex,  
2<sup>nd</sup> Floor, New Link Road, Oshiwara,  
Jogeshwari [West], Mumbai - 400 102  
Tel : +91-22-26303348, 26303342, Fax : +91-22-26349264  
Email : choksh@vsnl.com ; Website : www.ajel.in

# CHAIRMAN'S MESSAGE

Dear Shareowners,

*"The joy of visualizing a bright future is not without challenges"*

The year gone by was indeed full of challenges. Challenges from all sides in a heap, Challenge to complete the expansion project within the regulatory time deadline; challenge to fund the project; challenge of execution ; challenge of co-ordinating several/various activities for survival, streamlining and growth. Your Company had to re-strategise its planned activities in tune with demands of time, money, efforts and manpower to complete and start the project to avail the various tax benefits available at Baddi. And I have great satisfaction to state that indeed we have met the deadline. We have consciously taken a big hit on the profits by way of increased depreciation and interest outflow. In view of the above circumstances the board has not been able to declare dividends.

The entire gamut of exercise was undertaken because we visualize a bright future for the company. Short term aberrations do not deter the ambitious. We take it as a challenge to overcome them and become victorious. We are on our path towards it and once again very bright future lies ahead of us.

Our future focus is to scale up our activities taking advantage of the knowledge, the experience, dedicated manpower and infrastructure that we have built and established. The management strongly believes that *"BEING COMMITTED, NOTHING IS DIFFICULT"*.

The newly set up production facilities at Baddi have been validated by major leading international pharma companies. The Company has large numbers of orders in hand, which is lined up to be executed during the year.

The CDR EG has approved the restructuring package of the Company and constraints of working capital have been addressed to a large extent to regain growth momentum.

Ankur today is one of the leading company in the area of Contract Manufacturing of pharmaceutical formulations of various dosage forms to leading national and multinational pharma companies.

For the current year 2011-12, the monsoon is better in major parts of India, but the monstrous rising inflation is expected to cast a dark cloud on the horizon of growth.

Before I conclude, let me assure you of our commitment to create value for our stakeholders. I take this opportunity to thank the board for their constant guidance and support and Ankur employees for their commitment and contribution. We value the confidence that you have reposed in Ankur and sincerely look forward to your continued support and encouragement.

Warm regards,

**Purnandu Jain**

Chairman and Managing Director

Saturday; September 03, 2011

## NOTICE TO MEMBERS

**NOTICE** is hereby given that the seventeenth Annual General Meeting of the Members of ANKUR DRUGS AND PHARMA LIMITED will be held on Friday September 30, 2011 at 10:00 am at Garden Court, Veera Desai Road, Andheri [West], Mumbai 400 053, to transact the following business :

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2011 and Profit and Loss Account of the Company for the year ended on that date with the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Dileep Shinde, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass with or without modification[s], the following Resolution as an Ordinary Resolution :

**"RESOLVED THAT** pursuant to the provisions of Section 224 and all other applicable provisions, if any, of the Companies Act, 1956, M/s. M. G. Vashi & Co., Chartered Accountants, having Firm Registration No. 128577W registered with ICAI, retiring Auditors, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration as may be mutually agreed between the Board of the Directors of the Company and the Auditors, in addition to re- imbursement of service tax and out of pocket expenses incurred by them for carrying out the Audit."

### **SPECIAL BUSINESS :**

4. To consider and if thought fit, to pass with or without modification[s], the following resolution as an Ordinary Resolution :  
**"RESOLVED THAT** Mr. Ramesh Batham, who was appointed as an Additional Director of the company effective October 14, 2010 by the Board of Directors ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing under section 257 of the Act proposing his candidature for the office of the director, be and is hereby appointed as a director of the company, liable to retire by rotation."
5. To consider and if thought fit, to pass with or without modification[s], the following resolution as an Ordinary Resolution :  
**"RESOLVED THAT** the Consent of the Company be and is hereby accorded to the Board of Directors pursuant to Section 293[1][d] of the Companies Act, 1956 to borrow monies from time to time, either by way of rupee loans or by way of foreign currency loans or by way of issue of debentures or by issue of any other instruments and either from Company's Bankers or from any other Bank/Financial Institution or from any other Lending Institution or Bodies Corporate or other persons, on such terms and conditions and covenants stipulated and as may be considered appropriate by the Board of Directors, not exceeding in the aggregate at any point of time ₹ 1500 crores [Rupees One Thousand and Five Hundred Crores] notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company [apart from temporary loans obtained from the Company's Bankers in the ordinary course of business] exceeds the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes."  
**"FURTHER RESOLVED THAT** for the purpose of giving effect to the resolution, the Board of Directors of the Company be and is hereby authorized to finalize and execute all documents/deeds/agreements etc. as may be required, to take all necessary steps and to do all acts, matters and things, as it may in its absolute discretion deem necessary, expedient, proper and desirable."
6. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :  
**"RESOLVED THAT** in accordance with the provision of section 81[1A] and other applicable provisions, if any, of the Companies Act, 1956 [including any amendment or re-enactment thereof] ['Companies Act'], if any, and subject to such approvals, permission, consents and sanctions as may be necessary from the Government of India [GOI], the Reserve Bank of India [RBI], the Foreign Investment Promotion Board [FIPB], under the provisions of the Foreign Exchange Management Act, 1999 [FEMA], the Foreign Management [Transfer or issue of security by a person resident outside India] Regulations, 2000, The Issue of Foreign Currency Convertible Bonds and Ordinary Shares [through Depository Receipt Mechanism] Scheme, 1993, the SEBI [Issue of Capital and Disclosure Requirements] Regulations, 2009 and subject to the necessary approvals, consents, permissions and / or sanctions of the Ministry of Finance [Department of Economic Affairs] and Ministry of Industry [Foreign Investment Promotion Board / Secretariat for Industrial Assistance] and all other ministries / departments of the GOI, RBI and the Securities And Exchange Board Of India [SEBI] and/ or any other competent authorities and the enabling provision of the Memorandum and Articles of Association of the company, the Listing Agreement entered into by the company with the Stock Exchanges where the company's shares are listed and in

accordance with the regulations and guidelines issued by the GOI, RBI, SEBI and any competent authorities and clarification issued thereon from time to time and subject to all other necessary approvals, permission, consents and sanctions of concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions, and which may be agreed to by the Board Of Directors of the company [hereinafter referred to as the "Board" which term shall include any committee thereof], consent of the company be and is hereby accorded to the Board, in its absolute discretion, to create, offer, issue and allot in one or more tranches whether rupee denominated or denominated in foreign currency, in the course of domestic/international offerings representing equity shares, equity shares through Global Depository Receipts [GDRS], American Depository Receipts [ADRS], debentures or bonds whether partly/optionally/fully convertible and/or securities linked to equity shares and/or non-convertible debentures or any other security permissible by Indian law including foreign currency convertible bonds and / or any other financial instrument [OFIS] convertible into or linked to equity shares or with/without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the equity shares or otherwise, in registered or bearer form, secured or unsecured such that the total amount raised through the aforesaid securities [as detailed below] shall not exceed Indian rupee equivalent ₹ 1,040 million, of incremental funds for the company inclusive of such premium as may be from time to time decide [hereinafter referred to as "securities", which shall include the specified securities as detailed below] to any person including qualified institutional buyers, foreign/ resident investor whether domestic/foreign institution, promoters, employees of the company, non-resident Indians, Indian public companies, corporate bodies [whether incorporated in India or abroad], trusts, Mutual funds, banks, insurance companies, pension funds, individuals or otherwise, [collectively called the ["investors"] through public issue[s]], right issue, preferential issue and/or private placement[s], qualified institutional placements or a combination thereof at such time or times, at such price or prices, at a discount or premium to the market price or prices in such manner and on such terms and conditions including premium, security, rate of interest, tenure etc., as may be decided by and deemed appropriate by the Board, subject to applicable law, in its absolute discretion including the discretion to determine the categories of investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors at the time of such issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary in consultation with the lead managers, as the Board in its absolute discretion may deem fit and appropriate."

**"RESOLVED FURTHER THAT** pursuant to the provisions of section 81[1A] and other applicable provisions, if any, of the Companies Act, the provisions of chapter viii of the Securities And Exchange Board Of India [Issue Of Capital And Disclosure Requirements] Regulations, 2009 ["SEBI ICDR Regulations"] and the provision of the Foreign Exchange Management Act, 2000 [FEMA], Foreign Exchange Management [Transfer or Issue of Security by a Person Resident Outside India] Regulations, 2000, the Memorandum and Articles of Association of the company, listing agreements with each of the stock exchanges where the company's equity shares are listed, the Board of Directors may at their absolute discretion, in terms of the preceding resolution, issue, offer and allot in one or more tranches redeemable non convertible debentures[NCDs] [secured or otherwise] with attached warrants, with a right exercisable by the warrants holder to exchange with equity shares of the company at a later date [hereinafter referred to as 'warrant'], also any other securities in accordance with applicable law, whether convertible into or exchangeable with equity shares at a later date or not [herein after referred to as "specified securities"] for an amount not exceeding Indian ₹ 1,040 million, of incremental fund for the company to qualified institutional buyers [QIBs] pursuant to a qualified institutional placement [QIP], as provided under SEBI ICDR regulations and such issues and allotment to be made on such terms and condition as may be decided by the Board at the time of issue or allotment of the specified securities."

**"RESOLVED FURTHER THAT** in the event that securities convertible into equity shares are issued under SEBI ICDR regulations, the relevant date for the purpose of pricing of the securities, shall be the date of the meeting in which the Board [which expression includes any committee thereof constituted or to be constituted] decides to open the issue of the specified securities subsequent to the receipt of the shareholders' approvals in the terms of section 81[1A] and other applicable provisions, if any, of the Companies Act 1956 and other applicable laws, regulations and guidelines in relation to the proposed issue of specified securities through a qualified institutional placement in accordance with the SEBI ICDR regulations as mentioned above."

**"RESOLVED FURTHER THAT** in the event that non convertible debentures with or without warrants with a right exercisable by the warrant holder to exchange with equity shares of the company are issued, the relevant date for determining the price of the equity shares of the company, if any, to be issued upon exchange of the warrants, shall be the date of the meeting in which the Board [which expression includes any committee thereof constituted or to be constituted] decides to open the proposed issue of the NCDs in accordance with the SEBI ICDR regulations."

**"RESOLVED FURTHER THAT** pursuant to the provisions of and further to the existing consents under section 293[1][a] and other applicable provisions of the Companies Act, 1956 consent of the members be and is hereby granted to the Board to create the security, if necessary, for all or any of the securities to be issued by the creation of the mortgage and/ or charge on all or any of the company's immovable/movable assets, both present and future, in such form and manner and on such terms as may be deemed fit and appropriate by the Board."

**“RESOLVED FURTHER THAT** the equity shares as may required to be issued and allotted upon exchange with the warrants shall rank pari passu inter-se with the then existing equity shares of the company, in all respect or if permitted by applicable law as may be otherwise determined by the Board of directors.”

**“RESOLVED FURTHER THAT** such of the securities to be issued as are not subscribed may be disposed off by the Board in such manner and/or on such terms and conditions, including offering or placing them with QIBs, as the Board may deem fit and proper, in its sole and absolute discretion.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board whenever required in consultation with the merchant banker[s] and / or other advisor[s] be and is hereby authorized to determine the form, terms and timing of the issue[s], including the selection of QIBs to whom the securities are to be offered, issued and allotted and matters related thereto, as the Board may decide, in its sole and absolute discretion.”

**“RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practice and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional equity shares or variation of the conversion price of the securities during the duration of the securities and the Board be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such of the securities that are not subscribed.”

**“RESOLVED FURTHER THAT :**

[i] the securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the company; and

[ii] The underlying equity shares, if any, shall rank pari passu with the then existing equity shares of the company.”

**“RESOLVED FURTHER THAT** the issue of equity shares underlying the securities to the holders of the securities shall inter alia, be subject to the following terms and conditions :

[i] in the event of the company making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the equity shares, the number of shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus and the premium, if any, stand reduced pro-rata.

[ii] in the event of the company making a right offer by issue of equity shares prior to the allotment of the equity shares, the entitlement to the equity shares shall stand increased in the same proportion as that of the rights offer and such additional equity shares shall be offered to the holders of the securities at the same price at which the same are offered to the then existing shareholders; and

[iii] In the event of any merger, amalgamation, takeover or any other re-organization or split or consolidation of the equity shares or re-classification into other securities, the number of shares, the price and the time period as aforesaid shall be suitably adjusted.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to appoint lead managers, underwriters, guarantors, depositories, custodians, registrars, bankers, lawyers, advisors and all such agencies as may be involved or concerned in such offering or securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangement, agreement, memorandum, documents etc., with agencies and also seek the listing of such securities on one or more national and international stock exchange[s] and the equity shares to be issued on conversion of the securities as set forth in the aforesaid resolution, if any on the stock exchange[s], authorizing any director[s] or any officer[s] of the company to sign for and on behalf of the company, the offer document[s], agreement[s], arrangement[s], application[s], authority letter[s], or any other related paper[s]/ document[s] and give any undertaking[s], affidavit[s], certificate[s], declaration[s] as he may in his absolute discretion deem fit including the authority to amend or modify the aforesaid document[s].”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any securities or as may be necessary in accordance with the terms of the offering and all such equity shares shall rank pari passu with the then existing equity shares of the company in all respect, except the right as to dividend which shall be as provided under the terms of the issue and in the offering documents.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized to determine the form and term of the issue[s], including the class of investors to whom the securities are to be allotted, number of securities to be allotted in each tranche, issue price, face value, premium amount on issue / conversion of securities / exercise of warrants / redemption of securities, rate of interest, redemption period, listings on one or more stock exchanges in India and appoint lead managers, and other agencies as the Board in its absolute discretion deems fit and to make and accept any modifications in the

proposal as may be required by the Authorities involved in such issues in India and to settle question or difficulties that may arise in regard to the issue[s].”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to form a committee or delegate all or any of its powers to any committee of directors, person and/or employee of the company individually or as a committee of such persons/employee, on such terms & conditions as it may deem fit and revoke and substitute such delegation as permitted by the regulatory authorities, the companies act and the other applicable provision, to give effect to the aforesaid resolution and is authorized to take such steps and to do all such acts, deeds, matters and things and accept any alteration or modification[s] as they may deem fit and proper and give such directors as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of equity shares including but not limited to :

- a] Approving the offer document and filing the same with any authority or persons as may be required;
- b] Taking decision to open the issue, decide bid opening and closing date;
- c] Approving the issue price, the number of equity shares to be allotted, the basis of allocation and allotment of equity shares;
- d] Arranging the delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue or equity shares by the company;
- e] Opening separate special account[s] with a scheduled bank to receive monies in respect of the issue of the securities;
- f] Making applications for listing of the securities of the company on one or more stock exchange | [s] and to the execute and to deliver or arrange the delivery of the listing agreement[s] or equivalent documentation to the concerned stock exchanges[s];
- g] Finalisation of the allotment of securities on the basis of the bids received;
- h] Finalisation of an arrangement for the submission of the placement document[s] and any amendments/supplements thereto, with any government and regulatory authorities, institutions or bodies as may be required;
- i] Approval of the preliminary and final placement document [ including amending, varying or modifying the same, as may be considered desirable or expedient] as finalized in consultation with the lead managers/ underwriters / advisors in accordance with applicable laws, rules, regulations and guidelines;
- j] Finalisation of the basis of allotment in the event or over-subscription;
- k] Acceptance and appropriation of the proceeds of the issue of the securities;
- l] Authorisation of the maintenance of the proceeds of the issue or the securities;
- m] Authorisation of any director or directors of the company or other officer or officers of the company, including by the grant of power of attorneys, to do such acts, deeds and things as authorized person in its absolute discretion as may deem necessary or desirable in connection with the issue and allotment of the securities;
- n] Seeking if required, the consent of the company's lenders, parties with whom the company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India, and any other consents that may be required in connection with the issue and allotment of the securities;
- o] Seeking the listing of the securities on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- p] Giving or authorising the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time; and
- q] Deciding the pricing terms of the securities, and all other related matters.”

7. To consider and if thought fit, to pass, with or without modification[s], the following resolution as a Special Resolution :

**“RESOLVED THAT** pursuant to the provisions of Section 31 of the Companies Act, 1956 read with the Section 53 of the Companies Act, 1956 in consonance with Section 2, 4, 5 and 81 of the Information Technology Act, 2000 and the Circular No. 17/2011 and 18/2011 issued by the Ministry of Corporate Affairs and other provisions of Sections, Rules, Regulations issued by any Statutory Authority, thereof, the Article No. 191 of the Articles of Association of the Company, be and is hereby altered to insert the following clause [a] after the existing Article 191 in the Articles of Association :

“191[a] Where the Circulars, Notifications, Rules issued by the Ministry of Corporate Affairs and the provisions of the Companies Act, 1956 read with the Information Technology Act, 2000 provide for the company to issue and serve notices, including copies of the Balance Sheet, Auditors Report, Notice and Directors Report under Section 219 and any other document through the electronic mode, subject to the terms and conditions as specified by the Ministry of Corporate Affairs or any Statutory Authority in this regard, the Company shall have the option of sending the documents/ notices by e-mail by giving the members the advance opportunity to register their e-mail address and the changes therein with the company from time to time.”

**“FURTHER RESOLVED THAT**, the Board of Directors, be and are hereby authorized to make the necessary alterations in the Articles of Association, and set up such facility and mechanism for registering the email address with the Company and/or with the Registrar & Transfer Agent, as may be necessary, for the purpose of compliance with the relevant circulars and notifications issued by the Ministry of Corporate Affair, in this regard and to delegate this authority to such other person or persons as may be deemed necessary for the successful implementation of the electronic mode of service of documents and to ensure the necessary compliance.”

8. To consider and if thought fit, to pass with or without modification[s], the following resolution as a Special Resolution :

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with the limits and conditions under clause C of Section II of Part II of Schedule XIII to the said Act, and subject to the approval of the Central Government and any other sanctions as may be necessary in law, approval of members of the Company be and is hereby accorded for continuation of Mr. Purnandu Jain as the Chairman and Managing Director on the same terms and conditions of remuneration and perquisites as had been approved by the shareholders in the Annual General Meeting held on September 27, 2008 and to partially modify the earlier resolution passed for approval of the terms and conditions of remuneration and perquisites as set out in the agreement entered into between the Company on one hand and Mr. Purnandu Jain on the Other, for applicability of clause C of Section II of Part II of Schedule XIII, with the discretion to the Board to alter and vary the terms and conditions of the aforesaid appointment and remuneration payable to the said Managing Director from time to time as it may deem fit.

**“FURTHER RESOLVED THAT** so long as the loss or inadequacy of profit in the Company exist, the remuneration payable to Mr. Purnandu Jain shall be governed by clause C of Section II of Part II of Schedule XIII of The Companies Act, 1956 and on such terms and conditions which the Central Government may on an application direct thereof.”

**“FURTHER RESOLVED THAT** in the event of any statutory amendment or modification or relaxation by the Central Government of Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit or ceiling and the aforesaid agreement entered into between the Company and Mr. Purnandu Jain be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company in General Meeting.”

9. To consider and if thought fit, to pass with or without modification[s], the following resolution as a Special Resolution :

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with the limits and conditions under clause C of Section II of Part II of Schedule XIII to the said Act, and subject to the approval of the Central Government and any other sanctions as may be necessary in law, approval of members of the Company be and is hereby accorded for continuation of Mr. Girraj Vijayvargiya as the Whole Time Director on the same terms and conditions of remuneration and perquisites as had been approved by the shareholders in the Annual General Meeting held on September 27, 2008 and to partially modify the earlier resolution passed for approval of the terms and conditions of remuneration and perquisites as set out in the agreement entered into between the Company on one hand and Mr. Girraj Vijayvargiya on the Other, for applicability of clause C of Section II of Part II of Schedule XIII, with the discretion to the Board to alter and vary the terms and conditions of the aforesaid appointment and remuneration payable to the said Wholetime Director from time to time as it may deem fit.

**“FURTHER RESOLVED THAT** so long as the loss or inadequacy of profit in the Company exist, the remuneration payable to Mr. Girraj Vijayvargiya shall be governed by clause C of Section II of Part II of Schedule XIII of The Companies Act, 1956 and on such terms and conditions which the Central Government may on an application direct thereof.”

**“FURTHER RESOLVED THAT** in the event of any statutory amendment or modification or relaxation by the Central Government of Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit or ceiling and the aforesaid agreement entered into between the Company and Mr. Girraj Vijayvargiya be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company in General Meeting.”

**Registered Office :**  
**C-306, Crystal Plaza, Andheri Link Road,**  
**Andheri [West], Mumbai - 400 053.**

**Date : September 03, 2011**

**For Ankur Drugs and Pharma Ltd**  
By Order of the Board of Directors

**S. C. Rane**  
Company Secretary

## NOTES :

- [a] The Relative Explanatory Statements pursuant to Section 173[2] of the Companies Act, 1956, in respect of the business under Item No. 4 to 9 set out above and the relevant details in respect of Item No[s]. 2, 4, 8 and 9 as set out above pursuant to Clause 49 of the Listing Agreement with the Stock Exchange[s] are annexed hereto.
- [b] A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED AND SIGNED NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.
- [c] The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, September 23, 2011 to Friday, September 30, 2011 [both days inclusive] for the purpose of the Annual General Meeting.
- [d] Members/Proxies should bring the enclosed Attendance Slips duly filled in, for attending the Meeting along with the Annual Report.
- [e] Corporate Members intending to send their authorised representative/s to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative/s to attend and vote at the meeting.
- [f] Members seeking any information or clarification on the annual accounts, are requested to send their queries at the Registered Office of the Company at least Seven days prior to the date of the Meeting so that the required information is made available at the Meeting.
- [g] Members are requested to intimate changes, if any in their registered address
- [i] to their depository participants [DPs] in respect of shares held in Demat form; and
  - [ii] to the Company's Registrar and Transfer Agent, namely, Ajel Infotech Limited Unit : Ankur Drugs And Pharma Limited, 106, Oshiwara Link Plaza Commercial Complex, 2nd Floor, New Link Road, Oshiwara, Jogeshwari [West], Mumbai 400 102 in respect of shares held in physical form, quoting their folio numbers.
- As per SEBI's directive, w.e.f. June 26, 2000 all investors can offer delivery of company shares in dematerialised form only. 1,88,07,762 number of shares [97.24%] have been dematerialised as at March 31, 2011.
- Members are requested to take steps to dematerialise their shares held in physical form to have easy liquidity. The Company's ISIN is **INE238D01012**.
- As per SEBI Circular No. MRD/DOP/CIR-05 / 2009 dated May 20, 2009, it is mandatory to quote PAN No. for transfer of shares in physical form. Therefore the transferee[s] is required to submit self attested PAN CARD copy to the Registrar and Share Transfer Agent of the Company for registration of transfer of shares.
- [h] Brief resume and other particulars of Mr. Dileep Shinde, Mr. Ramesh Batham, Mr. Purnandu Jain and Mr. Girraj Vijayvargiya as required under para IV of Clause 49 of the Listing Agreement is annexed to the notice.

**Registered Office :**  
**C-306, Crystal Plaza, Andheri Link Road,**  
**Andheri [West], Mumbai - 400 053.**

**Date : September 03, 2011**

**For Ankur Drugs and Pharma Ltd**  
By Order of the Board of Directors

**S. C. Rane**  
Company Secretary

## **ANNEXURE TO NOTICE**

**As required by section 173[2] of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to business mentioned under Item no 4 to 9 of the accompanying notice dated September 03, 2011.**

### **Item No. 4**

Mr. Ramesh Batham was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on October 14, 2010. According to the provisions of Section 260 of the Companies Act, 1956 the said Director holds office up to the ensuing Annual General Meeting. Consent of the members at the general meeting is required for appointment of a Director liable to retire by rotation. Further a notice has been received from a member of the company pursuant to Section 257 proposing at the ensuing Annual General Meeting the candidature of Mr. Ramesh Batham for appointment as a Director on the Board of the company, liable to retire by rotation.

None of the other Directors of the Company is in anyway, concerned or interested in the proposed resolution.

Your Directors recommend the resolution for your approval.

### **Item No. 5**

Section 293[1][d] of the Companies Act, 1956 requires the consent of the shareholders in General Meeting for authorizing the Board of Directors to borrow money from time to time, for the purposes of the Company, where money to be borrowed together with the money already borrowed by the Company [apart from temporary loans/facilities obtained from the Company's Bankers in the ordinary course of Business] will exceed the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes.

The Company is in the process of raising finances through the issue of Non Convertible Debentures, for an amount not exceeding ₹ 100 Crores [Rupees One Hundred Crores]. The Board of Directors propose the said resolution as an enabling resolution in order to provide and approve this increase in the Borrowing Powers.

The members at the Sixteenth Annual General Meeting of the Company held on September 30, 2010 had authorised the Board of Directors to borrow money up to a sum of ₹ 1,250 crores. [Rupees One Thousand Two Hundred Fifty Crores]. Keeping in view the capital expenditure requirements and extensive growth plans of the Company, the existing borrowing powers of the Board needs to be enhanced. Therefore approval of the members is sought enabling the Board of Directors to borrow amount upto ₹ 1,500 Crores [Rupees One Thousand and Five Hundred Crores]

None of the Directors of the Company is in anyway, concerned or interested in the proposed resolution.

Your Directors recommend the resolution for your approval.

### **Item No. 6**

In order to finance its long term growth plans, the Company proposes to raise resources by issue of redeemable non convertible debentures [NCDs] [secured or otherwise] with attached warrants not exceeding ₹ 1,040 million, in one or more tranches, at such price or prices and at such time as may be considered appropriate by the Board of Directors of the Company, to various permissible categories of investors/lenders in the domestic/international market as set out in the Resolution of the Notice.

The detailed term of issue including the issue price of the Securities shall be in term of the SEBI [Issue of Capital and Disclosure Requirements] Regulations, 2009 and will be decided by the Board of Director or the Committee thereof in consultation with the Merchant Bankers and other Advisors and/or other intermediaries as may be appointed by the Board or Committee thereof. The proposed resolution is to enable the Board of Directors to facilitate mobilization of adequate resources to meet the growing needs of the Company by way of issuance of securities in the manner stated in the resolution.

The relevant date for the determination of the price of the equity shares on warrants to be issued shall be the date of the meeting in which the Board or the Committee decides to open the issue.

In as much as the proposed resolution may result in an issue of equity shares [whether upon conversion or otherwise] of the Company otherwise than to the Members of the Company or result in issue of securities for which the consent of shareholders is required, consent of the Shareholders is being sought pursuant to Section 81[1A] of the Companies Act, 1956 and other applicable provisions for the proposed issue of securities to the Qualified Institutional Investors as detailed in the Resolution.

The proposed issue of securities is in the interests of the Company and your Directors recommend the resolution set-out in the Notice as Special Resolution, for approval of the Members.

The Directors of the Company may be deemed to be concerned or interested in the Resolution to the extent of Securities that may be subscribed by the Banks / Institutions / Other Lenders of the companies in which they are Directors or Members.

## Item No. 7

The Ministry of Corporate Affairs [MCA] has recently adopted a green initiative in corporate governance. Pursuant to the provisions of Sections 2, 4, 5 and 81 of the Information Technology Act, 2000 along with the discontinuation of the "Certificate of Posting" by the Department of Posts, the MCA has vide its Circular No. 17/2011 and 18/2011 permitted all companies to issue notices/ serve documents to its Members in the electronic mode on the e-mail addresses of the Members, as registered with the company.

The MCA states the following conditions to be fulfilled by the Company, in order to validate the service of notice/ documents in the electronic mode :

- Grant of advance opportunity to members to register and change their e-mail id with the company from time to time;
- Complete display of documents on company website and the advertisement of such to be issued in Advertisement;
- In case any member has not registered his email Id, procedure specified under section 53 is to be followed for sending documents;
- Physical copies to be made available to members insisting for the same.

Ensuring good Corporate Governance and as a Environment friendly measure, your company has decided to initiate the procedure for issuing Reports/ Notices and servicing of other documents to its Members through electronic mode.

Members are requested to follow the procedure stated in the "Green Initiative in Corporate Governance Save paper" stated at the end of the Annual Report circulated to them and send the same to the Company/ Registrar and Transfer Agent for the purpose of availing this facility.

None of the Directors of the Company is in anyway, concerned or interested in the proposed resolution.

The said resolution is recommended by the Board for the approval of the members as a Special resolution.

## Item No 8.

Mr. Purnandu Jain is a graduate from commerce faculty and a Chartered Accountant. He is associated with the Company since October 15, 1996. Under his visionary leadership the Company has made excellent all-round progress in terms of business growth, scalability of operations and profitability. He is appointed as the Chairman and Managing Director of the Company from August 23, 2003.

Approval of the members of the Company is required at the ensuing Annual General Meeting for continuation of Mr. Purnandu Jain as Chairman and Managing Director of the Company on the same terms and Conditions as had been approved by the Shareholders in the Annual General meeting held on September 27, 2008 and to partially modify the terms and conditions for payment of remuneration and perquisites etc. for applicability of clause C of Section II of Part II of Schedule XIII to the Companies Act, 1956.

The Company vide its Balance Sheet as on March 31, 2011 has incurred a net loss of ₹ 6,880.80 Lacs. The terms and conditions of remuneration which the Shareholders had approved on September 27, 2008 are outside the limit specified in Section I of Part II of Schedule XIII and are falling within the ambit of clause C of Section II of Part II of Schedule XIII and hence for applicability of Clause C of Section II of Part II of Schedule XIII the above resolution is proposed.

Since the resolution attracts clause C of Section II of Part II of Schedule XIII the Company shall be making application to the Central Government for seeking its approval.

The terms and conditions of appointment and remuneration as approved by the Shareholders earlier are as follows:

- a] ₹ 12,00,000 p.m. consolidated [in the scale of ₹ 12,00,000 - 14,00,000 - 16,00,000 - 18,00,000 - 20,00,000]
- b] Contribution to Provident Fund as per the Company's rules.
- c] Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
- d] One month Leave encashment for each completed year of service to the extent of unavailed leave.
- e] Car with driver for official as well as personal use.
- f] Mobile phone for official and personal use.
- g] Telephone at residence for official and personal use.

The terms and conditions of appointment and remuneration as set out in the agreement , may be altered and varied from time to time, by the Board of Directors of the Company, at its discretion, so as not to exceed any statutory modification or re-enactment thereof, for the time being in force or any amendments made thereto.

This may be regarded as an abstract of the agreement entered into between the Company and Mr. Purnandu Jain, Chairman and Managing Director of the Company pursuant to Section 302 of the Companies Act, 1956. The Agreement is available for inspection by the members at the registered office of the Company during all working days, except holidays, between 11.00 a.m. to 4.00 p.m. up to the date of Annual General Meeting.

The information as required under part [C][iv] of Section II in Part II of Schedule XIII of the Companies Act, 1956 is annexed separately.

None of the directors except Mr. Purnandu Jain is concerned or interested in the above resolution relating to his appointment as

Chairman and Managing Director.

The said resolution is recommended by the Board for the approval of the members as a Special resolution.

**Item No 9.**

Mr. Girraj Vijayvargiya is a graduate from commerce faculty and a Chartered Accountant. He is associated with the Company since December 16, 2002. Mr. Girraj Vijayvargiya is actively involved in the pharmaceutical markets, business strategy and in development functions of the Company. He is appointed as the Whole Time Director of the Company from April 02, 2006.

Approval of the members of the Company is required at the ensuing Annual General Meeting for continuation of Mr. Girraj Vijayvargiya as Whole Time Director of the Company on the same terms and conditions as had been approved by the Shareholders in the Annual General meeting held on September 27, 2008 and to partially modify the terms and conditions for payment of remuneration and perquisites etc. for applicability of clause C of Section II of Part II of Schedule XIII to the Companies Act, 1956.

The Company vide its Balance Sheet as on March 31, 2011 has incurred a net loss of ₹ 6,880.80 Lacs. The terms and conditions of remuneration which the Share holders had approved on September 27, 2008 are outside the limit specified in Section I of Part II of Schedule XIII and are falling within the ambit of clause C of Section II of Part II of Schedule XIII and hence for applicability of Clause C of Section II of Part II of Schedule XIII the above resolution is proposed.

Since the resolution attracts clause C of Section II of Part II of Schedule XIII the Company shall be making application to the Central Government for seeking its approval.

The terms and conditions of appointment and remuneration as approved by the Shareholders earlier are as follows :

- a) Salary ₹ 2,00,000 p.m.
- b) Contribution to Provident Fund as per the Company's rules.
- c) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
- d) One month Leave encashment for each completed year of service to the extent of unavailed leave.

The terms and conditions of appointment and remuneration as set out in the agreement, may be altered and varied from time to time, by the Board of Directors of the Company, at its discretion, as deemed fit, so as not to exceed any statutory modification or re-enactment thereof, for the time being in force or any amendments made thereto.

This may be regarded as an abstract of the agreement entered into between the Company and Mr. Girraj Vijayvargiya, Whole Time Director of the Company pursuant to Section 302 of the Companies Act, 1956. The Agreement is available for inspection by the members at the registered office of the Company during all working days, except holidays, between 11.00 a.m. to 4.00 p.m. up to the date of Annual General Meeting.

The information as required under part [C][iv] of Section II in Part II of Schedule XIII of the Companies Act, 1956 is annexed separately.

None of the directors except Mr. Girraj Vijayvargiya is concerned or interested in the above resolution relating to his appointment as Wholetime Director.

The said resolution is recommended by the Board for the approval of the members as a Special resolution.

**Statement of Information as required under Schedule XIII of the Companies Act, 1956 for item No. 8 and 9.**

**1. General Information :**

- a) Nature of Industry : Manufacture and sale of pharma products [Tablets/Effervescent Tablets/Capsules/ Dry Syrups/Liquid Orals/Ointments/Oral Powder/Insta-use-Suspensions/FFS/Liquid Injectables/ Dry Powder Injectables / Oral Strip/Patches]
- b) Date of Commencement of commercial production : Daman - October 09, 1998  
Himachal Unit I - June 25, 2005 & Himachal Unit II - October 05, 2007
- c) Financial Performance : ₹ in Lacs

	2008-09	2009-10	2010-11
Gross Sales / Income from operations	96,899.30	1,07,049.97	82,763.83
Profit/[Loss] before tax	5,891.64	12,000.02	[4,676.55]
Net Profit/[Loss] after tax	3,712.64	8,617.76	[6,880.80]
d] Export Performance	Nil	Nil	Nil
Net Foreign Exchange Earnings	[5,275.80]	[4,681.39]	[500.60]
e] Foreign investments or collaborations [if any]	Nil	Nil	Nil

## 2. Information about the appointee

- a] Background Details : 1] Mr. Purnanadu Jain [Aged 47 years] is a graduate from commerce faculty and a Chartered Accountant. He has over 21 years of experience in the industry and has held position as Chairman and Managing Director of the Company since August 23, 2003. Under his visionary leadership the company has achieved tremendous growth and profitability during the past few years.
- 2] Mr. Girraj Vijayvargiya [Aged 42 years] is a graduate from commerce faculty and a Chartered Accountant. He has over 17 years of experience in the industry and has held position as Director on the Board of the Company since December 16, 2002. His areas of functional expertise are Finance and Banking, Costing, Operational Control, Purchase etc. He has been a great asset to the company and his contribution in improving company's operations is notable.
- b] Past Remuneration : **Details of Remuneration paid to all Directors in Financial Year 2009-2010**
- 1] Mr. Purnandu Jain - Chairman and Managing Director ₹ 1,88,16,000/- consolidated.
- 2] Mr. Girraj Vijayvargiya - Whole-time Executive Director ₹ 25,92,000/- consolidated.
- c] Recognition or awards : 1] Mr. Purnandu Jain - None
- 2] Mr. Girraj Vijayvargiya - None
- d] Job profile and his suitability : 1] Mr. Purnanadu Jain as Chairman and Managing Director is involved in the overall strategic planning & policy formulation & Management of the Company subject to direction & control of the Board of Directors.
- 2] Mr. Girraj Vijayvargiya as Whole-time Executive Director, is actively involved in monitoring of proper execution of organisational plans & policies formulated by the Board in respect overall financial operations.
- e] Remuneration proposed : 1] Mr. Purnandu Jain - As given in the explanatory statement.
- 2] Mr. Girraj Vijayvargiya - As given in the explanatory statement.
- f] Comparative remuneration : 1] Comparative data within industry is not available.  
profile with respect to 2] Comparative data within industry is not available.  
industry, size of the Company,  
profile of the position and  
the person
- g] Pecuniary relationship : 1] None  
directly or indirectly with 2] None  
the Company or relationship  
with the managerial  
personnel None.

## 3. Other Information

- a] Reasons for loss / : The capacity utilisation of new sections i.e. Ointments, Injectables, Oral Strips, Patches and Cepha  
inadequacy of profit Block of Unit II has been below break even which has resulted in non recovery of fixed overheads. Also the Company has started marketing its own products/brands in Mumbai, Maharashtra & Goa for which huge set up and initial expenses has been incurred.
- High interest and financial charges on account of loans taken for completing the expansion projects.
- b] Steps taken or proposed to : The Company has taken measures to reduce surplus labour [due to automated operations] and  
be taken for improvement also control related expenses.
- The Company has recently launched most of its new products which have been well accepted in the market and has extensive plans to expand its geographical reach.
- The Company has taken effective steps for improvements in manufacturing process, in order to make it competitive compared to world class products.

- c] Expected increase in Productivity and Profits : Since the Capex of the Company is complete, the company expects increased flow of orders from existing elite clients as well as attracting new clients which will result in higher capacity utilization translating into higher top line and bottom line. Further the company also expects quantum jump in the sale of its newly launched own products such as mosquito repellent patch, cold fleece patch and ondansetron film as the products are well accepted in the market. The company has extensive plans to launch Fentanyl patch in the third quarter of financial year of 2011-12. With the marketing set up now firmly in place, the company expects better revenues from the marketing of its own product in the remaining part of the financial year ending 2011-12.

4. Disclosures : The Corporate Governance report which forms a part of the Directors' Report contains details of remuneration being paid to Mr. Purnanadu Jain and Mr. Girraj Vijayvargiya.

#### DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE SEVENTEENTH ANNUAL GENERAL MEETING.

[In pursuance of clause 49 of the Listing Agreement]

Name of the Director	Mr. Dileep Shinde	Mr. Ramesh Batham	Mr. Purnandu Jain	Mr. Girraj Vijayvargiya
Date of Birth	September 23, 1950	January 21, 1967	May 20, 1964	December 12, 1968
Date of Appointment	August 31, 2004	October 14, 2010	August 23, 2003	December 16, 2002
Qualification	Bachelor of Textile Engineering	M.Com, FCA, AICWA, ACS	B. Com, FCA	B. Com, FCA
Expertise in specific Functional Areas	Technical	Finance & Taxation	Projects, Manufacturing & Marketing	Finance
Directorship held in other public companies	Siyaram Silk Mills Limited	None	None	None
Chairmanship/ Membership of Share Transfer committees across other public companies, if any	Member of: Remuneration Committee	None	None	None
Relationship between Directors inter-se	Not related to any Director of the Company	Not related to any Director of the Company	Not related to any Director of the Company	Not related to any Director of the Company
Number of Equity Shares held	Nil	Nil	17,65,881	5,300

Registered Office :  
C-306, Crystal Plaza, Andheri Link Road,  
Andheri [West], Mumbai - 400 053.

Date : September 03, 2011

For Ankur Drugs and Pharma Ltd  
By Order of the Board of Directors

S. C. Rane  
Company Secretary

## DIRECTORS' REPORT

Dear Shareholders,

Your Director's present before you the Seventeenth Annual Report on the business and operations together with the Audited Statement Accounts of the Company for the year ended March 31, 2011.

### I. FINANCIAL RESULTS

[ ₹ in Lacs]

Particulars	For the Year ended March 31, 2011	For the Year ended March 31, 2010
<b>Total Income</b>	<b>82,578.00</b>	1,06,939.74
Earnings before Depreciation, Interest and Tax	<b>13,427.19</b>	21,418.21
<b>Less :</b>		
Depreciation	<b>6,079.70</b>	2,663.98
Interest and other Financial Charges	<b>10,926.97</b>	8,074.98
Exchange Difference on Foreign Currency Loans	--	[1,543.06]
Provision for Premium on Redemption of FCCBs	<b>1,097.07</b>	343.72
Write Back of Excess Provisions made for Diminution in value of Investments	--	[121.43]
<b>PROFIT / [LOSS] BEFORE TAX :</b>	<b>[4,676.55]</b>	12,000.02
<b>Less :</b>		
Provision for Current Tax	--	1,705.36
Provision for Deferred Tax	<b>2,063.18</b>	1,201.39
Tax for earlier years	<b>141.07</b>	475.51
<b>PROFIT / [LOSS] AFTER TAX :</b>	<b>[6,880.80]</b>	8,617.76
Surplus brought forward from Previous Year	<b>13,261.95</b>	10,157.38
Amount Available for Appropriation <span style="float: right;"><b>Total</b></span>	<b>6,381.15</b>	18,775.14
<b>APPROPRIATIONS :</b>		
Proposed Dividend on Equity Shares	--	435.19
Tax on Proposed Corporate Dividend	--	78.00
Transfer to General Reserve	--	5,000.00
Surplus carried over to Next Year	<b>6,381.15</b>	13,261.95
<b>Total</b>	<b>6,381.15</b>	18,775.14

### YEAR IN RETROSPECT

During the year 2010-11, the total income of the Company for the year under review was ₹ 82,578.00 Lacs as against ₹ 1,06,939.74 Lacs in the previous year a decline of 22.78%. The Company incurred a Net loss of ₹ 68,80.80 Lacs as compared to a Net Profit of ₹ 8,617.76 Lacs during the previous year. The net loss is mainly on account of higher interest & finance charges, depreciation and other provisions to the extent of ₹ 18,103.74 Lacs compared to ₹ 9,418.19 Lacs in the previous year.

### II. DIVIDEND

In view of the Loss incurred during the year your Directors do not recommend any dividend for the year ended March 31, 2011.

### III. APPROPRIATION

An amount of ₹ 68,80.80 Lacs was appropriated from profit and loss account to set off the net loss for the year under review.

### IV. CHANGE IN REGISTERED OFFICE

The registered office of the Company was shifted to C-306, Crystal Plaza, Andheri Link Road, Andheri [W], Mumbai - 400 053, w.e.f September 01, 2011

### V. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to clause 49[vi] of the listing Agreement with The Bombay Stock Exchange Limited, Mumbai and The National Stock Exchange of India Limited, Mumbai, Management Discussion and Analysis Report is annexed to this report. As prescribed by the listing guidelines of the Stock Exchanges, the Board has framed a "Code of Conduct" for the Board Members and Senior Management. The said code has been implemented. A declaration by the Chairman and Managing Director affirming compliance with the code of conduct is also annexed.

A Certificate from the Statutory Auditors of the Company regarding compliance of the Conditions of Corporate Governance is also annexed.

#### 1. OVERVIEW - MACRO ECONOMIC INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian pharmaceutical industry continues to witness major challenges such as pricing pressure, intense generic competition, an increasing tender business due to unexpected and frequent changes in government policies across the globe, Foreign Exchange fluctuations, stringent regulatory requirements and increase in the spate of plant inspections even from regulatory authorities of countries for Emerging markets. Steep increase in input cost and high finance charges are major areas of risks and concern. Some of these factors have contributed in raising the bar for competitors but the future outlook still remains favorable.

Confirming fears of a slowdown, India's economy grew by less than 8.00% in the fourth quarter ending March, 2011 mainly due to poor performance of the manufacturing sector, as against 9.40% in the comparative three-month period of the previous fiscal. However, economic growth, as measured by the Gross Domestic Product, improved to 8.60% in 2010-11 from 8% in 2009-10 due to better farm output, construction activities and financial services performance.

Going forward, RBI's baseline projection of real GDP growth for 2011-12 is around 8%.

#### Global Pharmaceutical Industry :

The Global Pharmaceutical Market is slated to cross a trillion dollar in revenues by 2012 and is growing at a CAGR of 8%. However, the recent trends indicate that the focus is shifting from developed markets to Emerging Markets comprising of Asia, Africa, Australia and Latin America. The CAGR for the last 5 years for Asia, Africa & Australia together is 13.7% and 12.4% for Latin America as per IMS. Despite a small base of sales in emerging markets, these growth rates look impressive, when you look at the CAGR of Japan, North America and Europe at 3.2%, 5.1% and 6.6% respectively, during the same period.

#### Indian Pharmaceutical Industry :

The Indian Pharmaceutical Industry is a high technology industry and over the last three decades has transformed into a world leader in production of high quality drugs. The Indian Pharma Market is valued at ₹ 46,787 Crs. [US \$ 11.70 billion] According to the report by PwC, the pharma market is expected to rise to a value of approx. US \$ 50 billion by 2020.

The industry has been growing due to contribution coming from existing products as also successful new product launches although the number of new launches in the recent times have reduced which has been pushing companies to work more on Brand building.

Mergers, acquisitions and in-licensing on one hand and the changing dynamics of the market-place on the other, are forcing the industry players to constantly find newer ways to succeed.

The market is getting fiercely competitive, and companies need to look at exploiting newer opportunities to augment growth.

There is a general increase in healthcare needs owing to population growth along with higher disposable income in the hands of urban population and healthcare accessibility significantly increasing, even in rural markets. The Specialist doctors are gaining importance due to the increased number of prescriptions by them compared to General Practitioners. Significant growth is being witnessed in the Chronic therapy space although Acute therapy continues to grow at a healthy pace. The nature of Doctors' practice is also changing with more Specialists getting trained in newer procedures. At the same time, the importance of Hospitals is increasing as the patients are finding comfort in comprehensive care under one roof. The industry, simultaneously has its share of challenges like mushrooming of small-time companies, Pricecontrols by the Government despite increasing raw material and operational costs and price pressure due to intense competition thereby eroding the operating margins. However, the future outlook of the Indian Pharma Market appears to be challengingly positive and is expected to grow approximately @ 14 - 15 % for the next four to five years.

## 2. Recent Developments

The company in order to take tax benefits of excise and Income tax had to complete its expansion project and start commercial production before March 31, 2010. Since there was no tie-up for long term funds, the Company had to utilize short term fund for long term purposes to complete the plant. Borrowings to be taken in phased manner for the new projects were also taken for which the financial charges and interest burden has increased substantially. The plant was started after tireless efforts before the deadline date and as a result of which depreciation was also provided on the entire gross block addition. The cumulative charges to the profit and loss account is the primary reason for the company to incur loss at the net level. This also led to management efforts being totally directed for the new plant and as a result the sales for the year saw a decline by nearly 23%.

Now The company is well on its way of recovery and all out efforts from all fronts have been put to be back on the growth path.

Some of the the new products[stated in last annual report] have stabilized and will start contributing to the bottom line of the company from the third quarter of the current year. Few more product are in the pipeline of being launched in a phased manner in the current year. Efforts are ongoing to launch all the products in the market before the end of the current fiscal.

## 3. Segment-wise/Product-wise

Details are given in the Company's General Business profile under product description in the Balance Sheet abstract. Expansion in capacity of NDDs products, General Tablets and Capsules has been put on hold and will be completed by the end of next fiscal year.

## 4. Opportunities

The company has established a state-of-the-art, highly advanced and cost effective manufacturing facilities and offers contract manufacturing facilities for most of the dosage forms. The Company has also qualified and experienced technical team in the areas of manufacturing, quality control, quality assurance, product development for all range of products, which is capable of meeting demanding standards of potential customers.

## 5. Threats, Risk and Concerns

The business and operations of the Company are susceptible to risks which are inherent to any Pharma business, as well as to those inherent to international operations. Apart from these, there is always an exposure to general commercial risks which accrue to any commercial organization. Some of these risks have been addressed below:

### a] Price Control

Indian Pharma industry is subject to price control by the Government, which is operated through the Drugs [Prices Control] Order, 1995 [DPCO] issued under the Essential Commodities Act, 1955. Under the DPCO, the Government has the power to fix prices for the formulations which are covered by the Schedule of DPCO. Further, the Government has powers to cover additional formulations under the Schedule of DPCO.

Your Company complies with the prices fixed by the Government under DPCO. However, any further reduction in these prices by the Government, poses a potential risk of loss of revenue and margins. The Government continuously monitors and reviews the drug policy and may announce new drug policy that may have an impact on the operations of pharmaceutical companies including Ankur.

### b] Patent Regime Risk

The onset of the new patent regime in 2005, has put limitation to the New Product launches in the domestic pharma sector.

Your Company has a proper framework for analysis of risk and concerns and continuously evaluates risk mitigations on an ongoing basis. The risk management system is working smoothly and will be evaluated for modification upon changes in size or nature of business.

Your Company has adequate insurance coverage of all its assets. The compliance of safety norms and requirements as prescribed by different government agencies are duly complied with.

## 6. Outlook

The pharmaceutical industry continues to witness major challenges such as pricing pressure, intense generic competition, an increasing tender business thanks to change in government policies across the globe, Foreign Exchange fluctuations, stringent regulatory requirements and increase in the spate of plant inspections even from regulatory authorities of countries from Emerging markets. Higher input cost and interest rates are also turning out to be a cause of concern. Some of these factors have contributed in raising the bar for competitors but the future outlook still remains favourable.

According to IMS Health, the global pharmaceutical industry should record a growth of 5-7 % in 2012 representing sales of approximately US\$ 880 billion. Emerging markets, consisting of 17 countries, are slated to grow in the range of 15-17 % in 2011 representing business potential of US\$ 170 - US\$ 180 billion.

## **7. Internal Control Systems**

Ankur conducts its business with integrity and high standards of ethical behavior and in compliance with the laws and regulations that governs its business. Ankur has a well established framework of internal controls in operation, supported by standard operating procedures, policies and guidelines. Considering the growing capital expenditure programme, the company continuously reviews the documented approval policy besides the Capex Budget being approved by the Audit Committee and the Board of Directors. These controls are constantly reviewed and revised with the changing business dynamics. The management duly considers and takes appropriate action on recommendations made by the statutory auditors and the Audit committee of the Board of Directors.

## **8 Human Resources**

Ankur strongly believes that the growth of the organization can be sustained through the continuous development of its people who contribute to the business success. Employees are the key to achievement of the Company's objectives and growth strategies. The Company provides employees with a fair and equitable work environment and support to develop their capabilities. With the added emphasis placed on 'safe operation', the training given to employees not only covers knowledge and technical skills but also lays stress on behavioural areas, like creating a 'safety mindset', and 'attitude building'. A number of HR initiatives have been taken for the well being and continuous development of the employees. We are continuously striving on bringing new talent and improving competencies of people in the organisation and building on the existing strength of the employees to transform the Company to be a key player in the Indian market. The relations between the employees and the Company continue to be cordial and healthy at all the three Manufacturing Units. As on March 31, 2011 the employee strength of your Company was around 1850 [including contract work force].

## **VI. ALLOTMENT OF EQUITY SHARES**

During the year under review the Company has neither increased its Share Capital nor has issued any shares.

## **VII. LISTING OF SHARES**

Your Company's Equity Shares continue to be listed on The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. The annual listing fee for the year 2011-12 has been duly paid to both the Stock Exchanges.

## **VIII. PUBLIC DEPOSITS**

During the year under review the Company has accepted deposits of ₹ 2,531.66 Lacs from the public within the meaning of section 58A of the Companies Act, 1956

## **IX. DIRECTORS**

In accordance with the provision of the Companies Act, 1956 and the Company's Articles of Association, Mr. Dileep Shinde, retires by rotation at the ensuing Annual General Meeting, and being eligible offers himself for re-appointment. His re-appointment forms part of the Notice of the Annual General Meeting and the resolution is recommended for your approval.

Mr. Clifton Zimmermann, Non Executive Director-Independent, resigned on June 27, 2011 due to pre-occupation. His resignation was accepted by the Board of Directors with immediate effect. The Board places on record its deep appreciation of the valuable services rendered by Mr. Clifton Zimmermann during his tenure as the Director of the Company.

Mr. Ramesh B. Batham has been appointed as an Additional Director on the Board of the Company with effect from October 14, 2010. In terms of section 260 of the Companies Act, 1956, Mr. Ramesh Batham holds office upto the date of the ensuing Annual General Meeting. Further a notice has been received from a member of the Company in pursuance of Section 257 of the Act, proposing the candidature of Mr. Ramesh Batham for Directorship of the Company. His appointment as a Director of the company liable to retire by rotation forms part of the Notice of the Annual General Meeting and the resolution is recommended for your approval.

## **X. AUDITORS**

M/s M.G.Vashi & Co, Chartered Accountants, Firm Registration No. 128557W Statutory Auditors of the Company who retire at the ensuing Annual General Meeting and are eligible for re-appointment and have expressed their willingness to accept office if re-appointed. The Company has received confirmation from them that their re-appointment, if made, would be within the limits prescribed under Section 224[1-B] of the Companies Act, 1956, and that they are not disqualified for such re-appointment within the meaning of section 226 of the said Act. Your Directors' recommend their re-appointment.

The observation of the Auditors' under sub clause No. xi and No. xvii of para 3 of the Annexure to Auditors' Report is self-explanatory.

## XI. INDUSTRIAL RELATIONS

The industrial relations continue to be cordial and harmonious at all the three manufacturing units of the Company.

## XII. CORPORATE GOVERNANCE

In terms of corporate governance disclosures as required by Clause 49 of the listing agreement, details are provided in this report as Annexure II. The certificate from the Company's Auditors confirming the compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is also annexed.

## XIII. RELATED PARTY DISCLOSURES

The Company has made disclosures in compliance with the Accounting Standards on related party disclosures as required by Clause 32 of the listing agreement with the Stock Exchanges.

## XIV. DIRECTORS' RESPONSIBILITY STATEMENT

[As per amended Section 217[2AA] of the Companies Act, 1956]

The Board of Directors of the Company confirms :

- that in the preparation of Annual Accounts, the applicable Accounting Standards have been followed and there has been no material departure;
- that they have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and for the Profit and Loss account for that period;
- that they have 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
- that the attached Annual Accounts for the year ended March 31, 2011 are prepared on going concern basis.

## XV. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

### [A] Conservation of Energy and Technology Absorption

Particulars as required under Section 217 [1] [e] of the Companies Act, 1956 read with rule 2 of the Companies [Disclosure of Particulars in the Report of the Board of Directors] Rules, 1988 are given in the Annexure I to this report

### [B] Foreign Exchange Earned and Used

[₹ in Lacs]

Particulars	2010-2011	2009-2010
Earned	--	1.58
Used	500.60	4,682.97

## XVI. PARTICULARS OF EMPLOYEES

[Information as per Section 217 [2A] [b] [II] read with Companies [Particulars of Employee's] Rule, 1975]

Name	Age	Designation	Date of Employment	Remuneration [Incl. P.F. & Other Benefits] ₹ in Lacs	Qualification	Experience	Previous Employment
Mr. Purnandu Jain	47 years	Chairman & MD	Aug. 23, 2003	217.16	B. Com, FCA	21 Years	Self Employed

None of the other employees of the Company are in receipt of remuneration in excess of the limits prescribed under Section 217 [2A] of the Companies Act, 1956 read with Companies [Particulars of Employees] Rules, 1975.

## XVII. ACKNOWLEDGEMENTS

The Directors take this opportunity to place on record their appreciation for the continued trust and confidence reposed in the Company by the bankers, business associates, regulatory authorities, customers, vendors, shareholders and employees at all levels.

## XVIII. CAUTIONARY STATEMENT

This report contains certain statement describing the Company's operations, objectives, projections, expectations and estimates that may constitute "forward looking statements" within the meaning of applicable laws and regulations. They are based on currently available information, certain assumptions and expectations of future events. The Management believes these to be true to the best of its knowledge at the time of preparation of this report. However, Actual results may differ materially from those either expressed or implied, depending on the economic conditions, Government policies and other future events and uncertainties. The Company assumes no responsibility to publicly amend, modify nor revise any forward-looking statements, on the basis of any subsequent developments, information or events.

**Registered Office :**  
C-306, Crystal Plaza, Andheri Link Road,  
Andheri [West], Mumbai - 400 053.

**Date : September 03, 2011**

**For and on behalf of the Board of Directors**

**Purnandu Jain**  
Chairman and Managing Director

## ANNEXURE - I FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2011

Information 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 and forming part of the Directors' Report for the year ended March 31, 2011.

### A] ENERGY CONSERVATION MEASURES TAKEN :

I] Power and Fuel Consumption	Unit	2010-2011	2009-2010
<b>a] Electricity</b>			
Consumed	KWH	2,63,39,859	1,41,79,221
Total Amount	₹	14,69,39,969	6,59,21,336
Average rate per unit	₹/KWH	5.58	4.65
<b>b] L.D.O. / Diesel</b>			
Consumed	Ltrs	17,92,398	16,59,543
Total Amount	₹	6,27,87,731	5,44,33,010
Average rate per unit	₹/Ltr.	35.03	32.80

### II] Consumption per unit of Production

Since the Company manufactures various types of pharmaceutical formulations, it is not practicable to give consumption per unit of production.

### B] TECHNOLOGY ABSORPTION :

At the Quality Control Laboratory maintained by the Company, normal quality control activities are carried out with reference to quality of raw materials and finished goods.

The Company continues to run its Plant on Time Tested Standard Technology. However, no capital expenditure for technology has been incurred except for some routine and necessary revenue expenditure.

**Registered Office :**  
C-306, Crystal Plaza, Andheri Link Road,  
Andheri [West], Mumbai - 400 053.

**Date : September 03, 2011**

**For and on behalf of the Board of Directors**

**Purnandu Jain**  
Chairman and Managing Director

## ANNEXURE - II FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2011

### CORPORATE GOVERNANCE REPORT

#### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE CODE

The Clause 49 of the Listing Agreement incorporates certain disclosure requirements related to Corporate Governance with the purpose of enhancing statutory compliances and disclosure related thereto, together with a thrust on the Company's value system.

Your Company has complied with all the Corporate Governance requirements stipulated under Clause 49 of the Listing Agreement. Your Company is committed to the consistent adherence to the said Corporate Governance Code to maintain a greater degree of responsibility and accountability.

#### II. BOARD OF DIRECTORS

##### 1] COMPOSITION

The Board of Directors comprises of :

- One Chairman and Managing Director [Promoter]
- One Wholetime Executive Director [WED]
- Three Non-Executive Directors [NED-I]\*

The Non Executive Directors are professionals with specialisation in their respective fields who bring in a wide range of skill and experience. The composition and attendance of Directors at Board Meetings and the AGM held in the year is as under:

Name of Director	Category	Number of Directorships in Other Public Cos.	No of Committee Memberships		Number of Board Meetings attended	Last AGM attended
			Chairman	Member		
Mr. Purnandu Jain DIN No: 00203799	Chairman & Managing Director [Promotor]	-	1	1	12	Yes
Mr. Girraj Vijayvargiya DIN No: 00815830	Wholetime Executive Director	-	1	2	12	Yes
Mr. Dileep Shinde DIN No: 00270687	Non-Executive / Independent	1	2	1	12	Yes
Dr. Clifton Zimmermann* DIN No: 02321261	Non-Executive / Independent	-	-	-	-	No
Mr. Ramesh Batham** DIN No: 01846197	Non-Executive / Independent	-	-	3	5	NA

\* Resigned w.e.f. June 27, 2011

\*\* Appointed as an additional Director October 14, 2010

##### 2] MEETINGS OF THE BOARD OF DIRECTORS

During the year 2010-11, the Board met **Twelve** times on

<b>April 01, 2010</b>	<b>May 03, 2010</b>	<b>May 29, 2010</b>	<b>June 28, 2010</b>	<b>July 28, 2010</b>
<b>August 14, 2010</b>	<b>September 01, 2010</b>	<b>October 14, 2010</b>	<b>November 14, 2010</b>	<b>December 23, 2010</b>
<b>January 17, 2011</b>	<b>February 14, 2011</b>			

At least one Board Meeting was held during every quarter.

### III. THE BOARD COMMITTEES

#### 1] AUDIT COMMITTEE

##### Terms of Reference :

The terms of reference covers the matters specified under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Committee oversees, discusses and reviews inter alia the following matters :

- a) Internal control system.
- b) Compliance with Accounting Standards.
- c) Related party transactions.
- d) Recommending the appointment and removal of Statutory Auditor, fixation of Audit fee and also approval of payment for any other services.
- e) Quarterly financial statements with a view to comply with all legal requirements.
- f) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

##### Composition and Attendance of Audit Committee :

During the year 2010-11, the Audit committee met **Four** times on **May 03, 2010; August 14, 2010; November 14, 2010 and February 14, 2011.**

The Composition of and Attendance at the Audit committee meeting during the year 2010-2011 :

Name of the Director	Category	Meetings Attended
Mr. Dileep Shinde	Non-Executive Director - Independent [Chairman]	4
Mr. Girraj Vijayvargiya	Wholetime Executive Director [Member]	4
Mr. Clifton Zimmermann *	Non-Executive Director - Independent [Member]	-
Mr. Ramesh Batham**	Non-Executive Director - Independent [Member]	2

The Statutory Auditor and the Chairman and Managing Director are permanent invitees to this committee.

All members of the Audit Committee are financially literate and Two Members have Accounting Expertise.

At least one Audit Committee Meeting was held during every quarter.

Mr. S. C. Rane, Company Secretary is the Secretary of Audit Committee.

\* Resigned w.e.f. June 27, 2011

\*\* Appointed as an Additional Director w.e.f. October 14, 2010

#### 2] REMUNERATION COMMITTEE

##### Terms of Reference :

The committee has been constituted to determine the Company's policy on specific remuneration packages for Managing Director / Wholetime Director including pension rights and any other compensation related matters and issues based on their performance and defined assessment criteria within the framework of the provisions and enactments governing the same .

##### Composition and Attendance of Remuneration Committee :

The Composition of and Attendance at the Remuneration Committee meeting during the year 2010-2011 :

Name of the Director	Category	Meetings Attended
Mr. Dileep Shinde	Non-Executive Director - Independent [Chairman]	1
Mr. Clifton Zimmermann*	Non-Executive Director - Independent [Member]	-
Mr. Ramesh Batham**	Non-Executive Director - Independent [Member]	1

The meetings of the remuneration committee are need based. During the year 2010-11 the Committee met only once on February 14, 2011 and the meeting was attended by Mr. Dileep Shinde and Mr. Ramesh Batham.

\* Resigned w.e.f. June 27, 2011

\*\* Appointed as an Additional Director w.e.f. October 14, 2010

### **Remuneration Policy :**

The Remuneration Committee of the Board constituted in compliance with the SEBI guidelines has framed the compensation structure for Working Directors. The Committee reviews the same from time to time based on certain performance parameters like growth in business, profitability and is comparative with the best practices prevailing in the industry.

### **Details of Remuneration paid to all Directors in Financial Year 2010-2011**

- a] Chairman and Managing Director - Mr. Purnandu Jain ₹ 217.16 Lacs consolidated.
- b] Whole-time Executive Director - Mr. Girraj Vijayvargiya ₹ 29.40 Lacs consolidated.

### **3] SHAREHOLDERS' GRIEVANCE / SHARE TRANSFER COMMITTEE**

#### **Terms of Reference :**

To specifically look into complaints relating to transfer of shares, non-receipt of annual report, dividend warrants, etc. received from investors, to redress them and to improve the efficiency in investors service, where ever possible.

#### **Composition of Shareholders' Grievance / Share Transfer Committee :**

The Committee comprises of the following directors namely :

<b>Name of the Director</b>	<b>Category</b>
Mr. Girraj Vijayvargiya	Wholetime Executive Director [Chairman]
Mr. Purnandu Jain	Chairman and Managing Director [ Member]
Mr. Dileep Shinde	Non-Executive Director - Independent [Member]
Mr. Ramesh Batham *	Non-Executive Director - Independent [Member]

\* Appointed as an additional Director w.e.f. October 14, 2010

At the beginning of the year there were **Two** investor complaints pending to be resolved. **Eight** complaints were received during the year. **Nine** complaints were satisfactorily resolved / replied during the year and **One** complain was pending to be resolved.

### **4] FINANCE COMMITTEE**

#### **Terms of Reference :**

The committee has been constituted to determine the Company's policy on specific remuneration packages for Whole-time Director / Managing Director including pension rights and any other compensation related matters and issues based on their performance and defined assessment criteria within the framework of the provisions and enactments governing the same .

#### **Composition of the Finance Committee :**

<b>Name of the Director</b>	<b>Category</b>
Mr. Purnandu Jain	Chairman and Managing Director [Chairman ]
Mr. Girraj Vijayvargiya	Wholetime Executive Director [Member]

The Committee met six times during the year

## **IV. GENERAL MEETINGS**

### **Details of Annual General Meetings :**

- a] The last Three Annual General Meetings of the Company were held as given below :

<b>Year</b>	<b>Date &amp; Time</b>	<b>Venue</b>	<b>Special Resolutions passed</b>
2009 - 10	September 30, 2010 at 11.30 a.m.	Garden Court, Veera Desai Road, Andheri [West] Mumbai - 400 053	1. Increase in borrowing powers upto ₹ 1,250 Crores
2008 - 09	September 29, 2009 at 11.00 a.m.		Nil
2007 - 08	September 27, 2008 at 12.30 p.m.		1. Re-appointment of Mr. Purnandu Jain as CMD and increase in his remuneration 2. Increase in remuneration of Mr. Girraj Vijayvargiya, WTD

Sixteenth Annual General Meeting was held on Thursday, September 30, 2010

- b] Two Special resolutions were passed during the year through the process of postal ballot.
- c] **Postal Ballot** : Pursuant to provisions of Section 192A of the Companies Act, 1956 postal ballot was conducted to pass the following resolutions :
- i] To create charge/hypothecate/ mortgage property of the Company in pursuance of Section 293 [1] [a] of the Companies Act, 1956
- ii] To obtain ratification from the members for allotment of shares [consequent upon conversion of warrants] made on May 12, 2009 in pursuance of directions of The Bombay Stock Exchange
- iii] To alter Article 163 of the Articles of Association of the Company.

The result of the postal ballot, declared on December 20, 2010 is as under :

Number of valid postal ballot forms received 52 equating 50,11,142 Equity Shares entitled to vote
Number of invalid postal ballot forms received 5 equating 4,300 Equity Shares

- i] To create charge/hypothecate/ mortgage property of the Company in pursuance of Section 293 [1] [a] of the Companies Act, 1956

Particulars	Total No of Valid Votes	% to Total No of Valid Votes
Votes in favour of the Resolution	50,04,687	99.99
Votes against the Resolution	355	0.01
<b>Total</b>	<b>50,05,042</b>	<b>100.00</b>

The above resolution was approved by the shareholders with requisite majority.

- ii] Approval of Shares issued on conversion of Preferential Share Warrants

Particulars	Total No of Valid Votes	% to Total No of Valid Votes
Votes in favour of the Resolution	50,04,787	99.99
Votes against the Resolution	255	0.01
<b>Total</b>	<b>50,05,042</b>	<b>100.00</b>

The above resolution was approved by the shareholders with requisite majority.

- ii] Alteration of Articles of Association of the Company

Particulars	Total No of Valid Votes	% to Total No of Valid Votes
Votes in favour of the Resolution	50,04,787	99.99
Votes against the Resolution	255	0.01
<b>Total</b>	<b>50,05,042</b>	<b>100.00</b>

The above resolution was approved by the shareholders with requisite majority.

- d] Ms. Rachana Kamat, Practicing Company Secretary was appointed as the scrutinizer to conduct the postal ballot

## V. MEANS OF COMMUNICATION

Timely disclosure of information on business and financial performance of the Company is an integral part of good governance. Your Company disseminates information about its operations, business and financial performance to Stock Exchanges, Media, Shareholders, Analysts and Society at large. The Quarterly / Half yearly / Annual results are declared within forty five days of the end of such respective period.

The Quarterly Unaudited Financial results and Audited Annual results are generally published in the widely circulating National and Local News Papers such as "The Free Press Journal" [in English] and "Navashakti" [in Marathi]. These results are not sent to each Shareholders.

Regular updates and developments impacting the business and financials together with Data on Shareholding pattern, details of persons holding more than 1% of the fully paid-up Share Capital, etc. are made available to both The Stock Exchanges - namely The Bombay Stock Exchange Ltd., and The National Stock Exchange of India Limited. which would enable them to place the information on their respective websites.

The company's Financial results / Official news releases and other important investor related information are periodically displayed and updated on the Company's Website, viz., [www.ankurdrugs.com](http://www.ankurdrugs.com).

No presentations have been made to Institutional Investors / Analysts during the year.

## VI. DISCLOSURES

### a) Related Party Transactions :

During the period, there were few transactions with Promoters, Directors and their relatives, but there is no apparent conflict thereof with the interests of the Company. [refer to note 8 of Schedule 17]

### b) Statutory Compliance and Strictures :

There were no cases of non-compliance of any matter related to the Stock Exchanges/SEBI/Statutory Authority/Capital Markets during the last three years.

### c) Code of Conduct :

The Chairman and the Managing Director of the Company has certified to the Board, the compliance with the code of conduct as required under Clause 49 [V] of the Listing Agreement.

### d) The Company has neither increased its Share Capital nor has allotted any Shares during the year.

#### LISTING APPROVALS FROM BSE AND NSE :

\*Application for listing and trading had been submitted to BSE and NSE for listing of 4,00,000 Equity Shares of ₹ 10 each allotted on conversion of 4,00,000 Equity Share Warrants and 3,26,199 Equity Shares of ₹ 10 each issued and allotted upon conversion of 1000 FCCB's. The Company already received in-principle approval from BSE on August 23, 2011 for allotment of 4,00,000 Equity Shares of ₹ 10 each issued upon conversion of 4,00,000 Equity Share Warrants.

### e) NON-MANDATORY REQUIREMENTS

Non-mandatory requirements of corporate governance have not been adopted.

## VII. GENERAL SHAREHOLDER INFORMATION

### DIVIDEND DETAILS

Details of unclaimed dividends as at March 31, 2011 are given here under :

AGM No.	For the Year Ended	Rate [%]	Date of Declaration	Date of Payment	Unclaimed Dividend [₹]
10	March 31, 2004	10.00	September 30, 2004	October 04, 2004	2,37,458.00
11	March 31, 2005	10.00	September 30, 2005	October 05, 2005	4,13,932.00
12	March 31, 2006	15.00	September 30, 2006	October 05, 2006	4,17,364.00
13	March 31, 2007	20.00	December 31, 2007	January 05, 2008	6,85,812.00
14	March 31, 2008	22.50	September 27, 2008	October 01, 2008	3,93,422.50
15	March 31, 2009	22.50	September 29, 2009	October 01, 2009	4,31,746.00
16	March 31, 2010	22.50	September 30, 2010	October 05, 2010	5,92,956.50

**VII. GENERAL SHAREHOLDER INFORMATION... Continued**

Date of Incorporation	February 09, 1995
Corporate Identity Number [CIN]	L24230MH1995PLC085410
Registered Office	C-306, Crystal Plaza, Andheri Link Road, Andheri [West], Mumbai - 400 053 Tel : +91-22-40682300, Fax : 91-22-40682323 Email : srane@ankurdrugs.com
<b>Manufacturing Units</b> <b>Himachal Unit I</b> : Village Manakpur, P.O. Lodhimajra, Tehsil - Nalagarh - 174 101, District : Solan, H P	<b>General Block I</b> - Tablets & Liquid Orals <b>General Block II</b> - Liquid Orals <b>Beta Lactum Block</b> - Tablets , Capsules, Dry Syrups & Insta use suspension <b>Cephalosporin Block</b> - Tablets , Capsules, Dry Syrups & Insta use suspension
<b>Himachal Unit II</b> : Village Makhnu Majra, P.O. Baddi, Tehsil - Nalagarh - 173 205, District : Solan, H P	<b>General Block</b> - Tablets, Capsules, FFS, Ointments, Effervescent Tablets, Oral Powder, Injectables, Oral Strips & Patches, <b>Cephalosporin Block</b> - Tablets, Capsules, Dry Syrup & Dry Powder Injectables.
<b>Daman Unit</b> : Plot No. 3 & 4, Survey No. 168, Dabhel Industrial Co-operative Society Ltd., Village Dabhel - 396 210, Nani Daman, Daman	<b>General Block I</b> - Tablets, Capsules & Liquid Orals <b>Beta Lactum Block</b> - Tablets , Capsules & Dry Syrups
Day and Date of the Annual General Meeting	Friday, September 30, 2011
Time & Venue of the Annual General Meeting	10.00 a.m. at Garden Court, Veera Desai Road, Andheri [West], Mumbai - 400 053
Date of Book Closure	From September 23, 2011 to September 30, 2011 [Both days inclusive]
Financial Calendar : 2010-2011	April 1, 2011 - March 31, 2012
First Quarter ending June 30, 2011	Already declared on August 12, 2011
Second Quarter ending September 30, 2011	Second week of November, 2011
Third Quarter ending December 31, 2011	Second week of February, 2012
Fourth Quarter ending March 31, 2012	Second week of May, 2012
Listing on Stock Exchanges  The annual listing fees for 2011-12 has been duly paid to both the Stock Exchanges	The Bombay Stock Exchange Limited 25 <sup>th</sup> floor, P. J. Towers, Dalal Street, Mumbai 400 001 Tel : +91-22-22721233 / 34 Fax : +91-22-22722082 / 2132 Website : www.bseindia.com  The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla complex, Bandra [East] Tel : +91-22-26598235 / 36 Fax : +91-22-26598347 / 48 Website : www.nseindia.com
Stock Code	<b>BSE - 531683</b>
	<b>NSE - ANKURDRUGS - EQ</b>
International Security Identification Number [ISIN] Code	<b>INE238D01012</b>
Outstanding FCCBs	US \$ 28 Million FCCB with 55,88,470 underlying Equity Shares. [US \$ 8 Million is convertible into Equity Shares on or before May 31, 2011 and US \$ 20 million FCCB are due for conversion on or before December 27, 2012.] [These FCCBs are listed at Singapore Stock Exchange]

## VIII. REGISTRAR AND TRANSFER AGENTS

[For Demat and Physical]

Ajel Infotech Limited  
Unit : Ankur Drugs and Pharma Limited  
106, Oshiwara Link Plaza Commercial Complex, 2nd Floor,  
New Link Road, Oshiwara, Jogeshwari [West] Mumbai - 400 102  
Tele : +91-22-26303348, 26303342, Fax : +91-22-26349264,  
Email : choksh@vsnl.com, website : www.ajel.in  
Business hours : 10 a.m. to 5 p.m.

## IX. SHARE TRANSFER SYSTEM

Share Transfers in physical form are to be lodged with Ajel Infotech Limited, Registrar and Transfer Agents at the address mentioned above. The transfers and requests for dematerialization are normally processed within 30 days of receipt if the relevant documents are complete in all respects. Share Transfer Committee comprising of members of the Board meets once a week to consider the transfer of shares.

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant [DP] regarding change of address, change of Bank / Bank Account number, nomination, etc.

## X. COMPLIANCE OFFICER'S DETAILS

<b>Mr. S. C. Rane</b> Company Secretary & Compliance Officer	Registered Office : C-306, Crystal Plaza, Andheri Link Road, Andheri [West], Mumbai - 400 053
Telephone Number	+91-22-40682350
Fax Number	+91-22-40682323
Email	srane@ankurdrugs.com

The shareholders may address their communication / suggestions / grievances / queries at the Registered Office of the Company.

## XI. DISTRIBUTION OF EQUITY SHAREHOLDING AS ON MARCH 31, 2011

Number of Shares Held	Number of Shareholders	% of Shareholders	Aggregate Shares held	% of Shareholding
001 - 500	20,834	85.03	29,87,621	15.45
501 - 1000	1,838	7.50	14,97,544	7.74
1001 - 2000	910	3.71	13,90,730	7.19
2001 - 3000	332	1.35	8,51,439	4.40
3001 - 4000	179	0.73	6,52,926	3.38
4001 - 5000	132	0.54	6,23,930	3.23
5001 - 10000	151	0.62	11,11,307	5.75
10001 and above	127	0.52	1,02,26,093	52.87
<b>Total</b>	<b>24,503</b>	<b>100.00</b>	<b>1,93,41,590</b>	<b>100.00</b>

## XII. SHAREHOLDING PATTERN AS ON MARCH 31, 2011

Category	Number of Shareholders	Number of Shares held	% of Shareholding
Indian Promoters	06	47,39,881	24.93
Mutual Funds and UTI	01	2,500	0.01
Financial Institutions	02	35,740	0.19
Foreign Institutional Investors	04	3,76,599	0.27
Corporate Bodies / Trust	703	25,69,683	13.51
Indian Public	23,382	1,11,77,665	58.78
NRIs / OCBs	405	4,39,522	2.31
<b>Total</b>	<b>24,503</b>	<b>1,93,41,590</b>	<b>100.00</b>

As on March 31, 2011 - 1,88,07,762 equity shares [94.24%] were held in Dematerialised form.

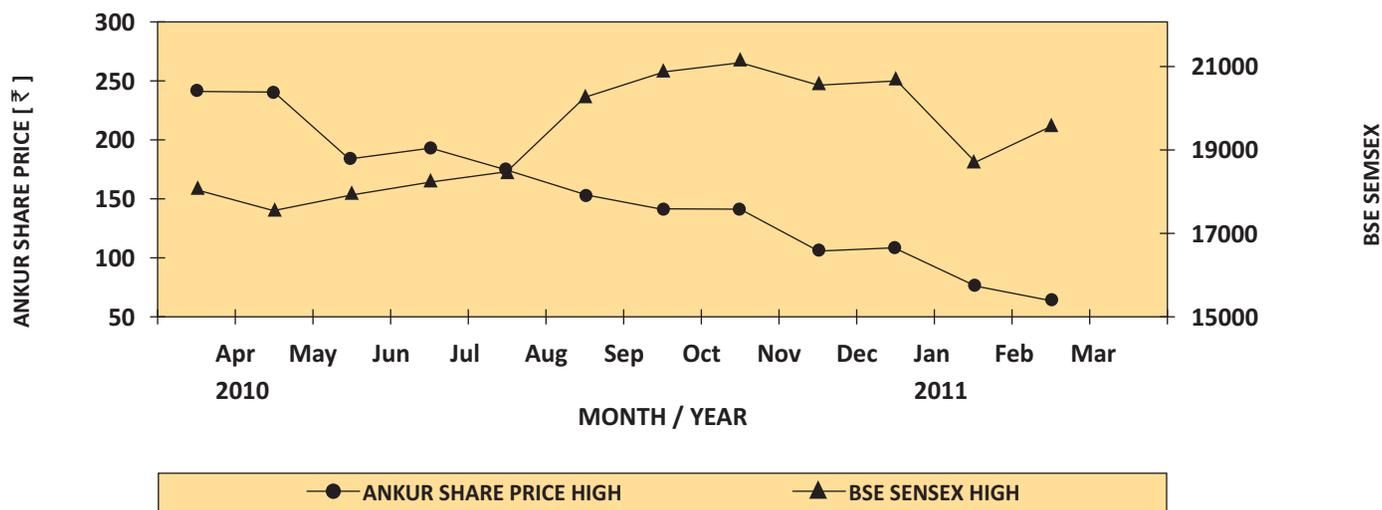
**XIII. MARKET PRICE DATA : [Monthly High/Low Quotation at NSE/BSE in comparison with BSE Sensex]**

Year / Month	ANKUR NSE Price Data [₹]		ANKUR BSE Price Data [₹]		BSE Sensex	
	High	Low	High	Low	High	Low
2010 April	243.40	201.70	243.25	201.75	18047.86	17276.80
May	241.50	167.05	241.15	167.10	17536.86	15960.15
June	183.85	166.20	184.00	166.30	17919.62	16318.39
July	194.00	167.60	194.50	167.50	18237.56	17395.58
August	174.95	111.10	176.00	111.20	18475.27	17819.99
September	154.90	125.00	154.80	125.55	20267.98	18027.12
October	141.50	127.20	141.35	126.50	20854.55	19768.96
November	141.90	83.00	141.30	83.50	21108.64	18954.82
December	106.90	77.35	106.95	78.10	20552.03	19074.57
2011 January	108.90	74.90	108.40	74.60	20664.80	18038.48
February	76.95	45.15	76.70	47.00	18690.97	17295.62
March	64.40	47.00	64.00	47.55	19575.16	17792.17

At the NSE : Closing Share Price as on March 31, 2011 was ₹ 52.10

At the BSE : Closing Share Price as on March 31, 2011 was ₹ 52.40

**XIV. CHART SHOWING STOCK PERFORMANCE OF ANKUR DRUGS AND PHARMA LIMITED v/s BSE SENSEX**



**XV. OUTSTANDING ZERO COUPON FCCBs / WARRANTS OR ANY LIKELY CONVERTIBLE INSTRUMENT - CONVERSION DATE AND LIKELY IMPACT ON EQUITY**

US \$ 8 million Zero Coupon FCCBs underlying 27,63,845 Equity Shares were outstanding as at March 31, 2011.

US \$ 20 million FCCBs issued in December 2007 in pursuance of the resolution passed at the Extra-ordinary General Meeting held on May 23, 2007 are to be converted into Equity Shares at 280 each on or before December 27, 2012. The total FCCBs of US\$ 20 million underlying 28,24,625 Equity Shares were outstanding as on March 31, 2011.

Registered Office :  
C-306, Crystal Plaza, Andheri Link Road,  
Andheri [West], Mumbai - 400 053.

For and on behalf of the Board of Directors

Date : September 03, 2011

**Purnandu Jain**  
Chairman and Managing Director



## AUDITORS' REPORT

### To the Members of Ankur Drugs and Pharma Limited.

1. We have audited the attached Balance Sheet of ANKUR DRUGS AND PHARMA LIMITED as at March 31, 2011, the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto [together referred to as 'Financial Statements']. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We have conducted our audit in accordance with the 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 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 Statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies [Auditor's Report] Order, 2003 issued by the Government of India in terms of sub-section [4A] of section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records as we considered necessary and appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 and subject to point no. 4 above, we report that:
  - [a] We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
  - [b] In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - [c] The Balance Sheet and Profit and Loss Account, dealt with by this report are in agreement with the books of account.
  - [d] In our opinion the Balance Sheet and Profit and Loss Account and the Cash Flow Statement comply with Accounting Standard referred to sub-section [3C] of section 211 of the Companies Act, 1956.
  - [e] On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2011 from being appointed as a Director of the Company under 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 Financial Statements, read together with the statement on significant accounting policies and notes on accounts, 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 the case of the Balance Sheet, of the State of Affairs of the Company, as at March 31, 2011;
    - [ii] In the case of the Profit & Loss Account, of the Loss of the Company for the year ended on that date;
    - [iii] In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

**For M. G. Vashi & Co.**  
Firm Registration No 128557W  
Chartered Accountants

**CA. M. G. Vashi**  
Proprietor  
ICAI M. No. 030217

**Place : Mumbai**  
**Date : September 03, 2011**

## ANNEXURE TO THE AUDITORS' REPORT

[Referred to in para 3 of our Report of even date]

- i.
  - [a] The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - [b] The fixed assets are physically verified by the Management at reasonable intervals having regard to size of the Company and nature of its assets. We have been informed that no material discrepancies were noticed during such physical verification.
  - [c] The Company has not disposed off any significant part of fixed assets during the year and accordingly going concern status of the Company is not affected.
- ii. In respect of Inventories :
  - [a] As explained to us, physical verification of inventory was carried out at reasonable intervals by the Management.
  - [b] In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate, in relation to the size of the Company and the nature of its business.
  - [c] In our opinion, and according to the information and explanations given to us, the Company has maintained proper records of its inventory, and the discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
- iii.
  - [a] In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm or parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - [b] The Company has taken unsecured loans from various parties covered in the register maintained under section 301 of the Companies Act, 1956. The Company has paid interest to one party on the said unsecured loan. The interest amount paid and the terms of the loans, prima facie, are not prejudicial to the interest of the Company. The repayment of the loan was not specified by the company.
- iv. In our opinion and according to the information given to us, the Company has adequate internal control procedures, commensurate to the size of the Company and nature of its business for the purchase of inventory and fixed assets and for sale of goods. Further based on our examinations and according to the information and explanations given to us, we have neither come across nor have we been informed of any major weakness in the internal control.
- v. To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered. We are of the opinion that each of these transactions have been made at the prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. During the year, the Company has accepted deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA of the Act and the rules framed there under are applicable has been complied with
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature its business.
- viii. As explained to us, the Central Government has not prescribed maintenance of cost records under section 209 [1] [d] of the Companies Act, 1956, for any of the products of the Company.
- ix. In respect of statutory dues:
  - [a] According to the records of the Company and information and explanation given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with appropriate authorities.
  - [b] According to the information and explanations given to us, no undisputed amounts payable in respect of above were in arrears, as at March 31, 2011 for a period of more than six months from the date on which they became payable.
- x. The Company has no accumulated loss at the end of financial year and has not incurred cash loss during the financial year covered by our audit and the immediately preceding financial year.

- xi. On the basis of our examination and according to the information and explanation given to us, we are of the opinion that during the year the Company has defaulted in repayment of dues to bank or financial institution mainly on account of non tie-up of long term funds for its Baddi Project . Therefore, in the month of January, 2011 the company made a reference to CDR cell for restructuring of its existing debts by deferring the repayment schedule by two years at reduced rate of interest. The Company has not obtained any borrowings by way of debentures.
- xii. Based on our examination of records and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a Chit Fund or a Nidhi/ Mutual benefit fund/ society. Therefore, the provisions of clause [xiii] of Paragraph 4 of the Companies [Auditors Report] Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, provisions of clause [xiv] of Paragraph 4 of the Companies [Auditors Report] Order, 2003 relating to maintenance of proper records, timely entries and holding investments in own name are not applicable to the Company.
- xv. According to the information and explanation given to us and records examined by us, the Company has not given any corporate guarantee for loans taken by others from banks or financial institutions.
- xvi. In our opinion and according to the information and explanations given to us, the Company has applied the term loans for the purpose for which they were obtained
- xvii. In our opinion and on the basis of our examination and according to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that in order to avail benefits of excise and income-tax, the Company had to complete its expansion project and start commercial production on time. Since there was no tie-up of long term funds, the Company had to utilise the funds borrowed on short term basis for long term purpose.
- xviii. The Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix. The Company has not issued any debentures during the year. Therefore, the question of creating security in respect of debentures does not arise.
- xx. The Company has not raised any money by public issues during the year.
- xxi. To the best of our knowledge and belief and according to information and explanations given to us, there have been no cases of fraud on or by the Company noticed or reported during the year.

**For M. G. Vashi & Co.**  
Firm Registration No 128557W  
Chartered Accountants

**Place : Mumbai**  
**Date : September 03, 2011**

**CA. M. G. Vashi**  
Proprietor  
**ICAI M. No. 030217**

## BALANCE SHEET AS AT MARCH 31, 2011

[ ₹ in Lacs ]

Particulars	Schedule No.	As at March 31, 2011		As at March 31, 2010
<b>SOURCES OF FUNDS</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Equity Share Capital	1	1,934.16		1,934.16
Reserves & Surplus	2	26,913.23		33,794.03
			<b>28,847.39</b>	35,728.19
<b>LOAN FUNDS</b>				
Secured Loans	3	78,920.36		66,734.68
Unsecured Loans	4	40,553.02		28,306.36
			<b>1,19,473.38</b>	95,041.04
<b>DEFERRED TAX LIABILITY</b>				
			<b>5,691.16</b>	3,627.98
<b>TOTAL</b>			<b>1,54,011.93</b>	1,34,397.21
<b>APPLICATION OF FUNDS</b>				
<b>FIXED ASSETS</b>				
Gross Block	5	1,35,139.91		77,547.48
Less: Depreciation		13,154.30		7,106.61
Net Block		1,21,985.61		70,440.87
Capital Work in Progress		28,509.76		78,588.21
			<b>1,50,495.37</b>	1,49,029.08
<b>INVESTMENTS</b>				
<b>CURRENT ASSETS, LOAN AND ADVANCES</b>				
Inventories	7	16,535.73		26,085.03
Sundry Debtors		3,803.48		5,485.18
Cash and Bank Balances		366.65		943.14
Loans and Advances		3,453.42		1,742.30
				34,255.65
			<b>24,159.28</b>	
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>				
Current Liabilities	8	20,131.24		48,346.39
Provisions	9	5,358.38		4,593.29
				52,938.68
			<b>25,489.62</b>	
<b>NET CURRENT ASSETS</b>				
<b>MISCELLANEOUS EXPENDITURE</b>				
[To the extent not written off or adjusted]	10		<b>[1,330.34]</b>	[18,684.03]
			<b>4,836.84</b>	4,016.58
<b>TOTAL</b>			<b>1,54,011.93</b>	1,34,397.21
Significant Accounting Policies & Notes on Accounts	17			

As per our report of even date attached

For M. G. Vashi & Co.

Firm Registration No 128557W

Chartered Accountants

CA. M. G. Vashi

Proprietor / ICAI M. No. 030217

Place : Mumbai

Date : September 03, 2011

For and on behalf of the Board of Directors

Purnandu Jain - Chairman and Managing Director

Girraj Vijayvargiya - Wholtime Executive Director

S. C. Rane - Company Secretary

Place : Mumbai

Date : September 03, 2011

## PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2011

[ ₹ in Lacs ]

Particulars	Schedule No.	For the Year ended March 31, 2011	For the Year ended March 31, 2010
<b>INCOME</b>			
Gross Sales / Income from Operations		82,763.83	1,07,049.97
Less : Excise Duty		364.09	309.21
<b>NET SALES</b>		<b>82,399.74</b>	1,06,740.76
Other Income	11	178.26	198.98
Increase / [Decrease] in Inventory	12	[3,961.96]	372.26
<b>TOTAL</b>		<b>78,616.04</b>	1,07,312.00
<b>EXPENDITURE</b>			
Materials Consumed and Goods Purchased	13	57,679.92	79,950.60
Manufacturing Expenses	14	5,323.24	3,925.39
Administrative, Sales and Other Expenses	15	2,185.69	2,017.80
<b>PROFIT BEFORE DEPRECIATION, INTEREST AND TAX</b>		<b>13,427.19</b>	21,418.21
Less : Depreciation	5	6,079.70	2,663.98
<b>PROFIT BEFORE INTEREST, EXCHANGE FLUCTUATION AND TAX</b>		<b>7,347.49</b>	18,754.23
Less : Interest and other Financial Charges	16	10,926.97	8,074.98
Less / [Add] : Prov. for Exchange difference on foreign currency loans		--	[1,543.06]
Less : Provision for premium on redemption of FCCBs		1,097.07	343.72
<b>PROFIT / [LOSS] BEFORE EXCEPTIONAL ITEM AND TAX</b>		<b>[4,676.55]</b>	11,878.59
Less / [Add] : Prov. for Diminution in value of Investments		--	[121.43]
<b>PROFIT / [LOSS] BEFORE TAX</b>		<b>[4,676.55]</b>	12,000.02
Less: Provision for Taxation			
- Current Tax		--	1,705.36
- Deferred Tax		2,063.18	1,201.39
- Income Tax for earlier years		141.07	473.12
- Fringe Benefit Tax for earlier years		--	2.39
<b>PROFIT / [LOSS] AFTER TAX</b>		<b>[6,880.80]</b>	8,617.76
Add: Balance brought forward		13,261.95	10,157.38
Amount Available for Appropriations	<b>TOTAL</b>	<b>6,381.15</b>	18,775.14
<b>APPROPRIATIONS</b>			
Proposed Dividend		--	435.19
Tax on Dividend		--	78.00
Transfer to General Reserve		--	5,000.00
Balance carried over to Balance Sheet		6,381.15	13,261.95
<b>TOTAL</b>		<b>6,381.15</b>	18,775.14
<b>EARNING / [LOSS] PER SHARE :</b>			
Basic		[35.58]	44.56
Diluted		[23.20]	30.33
Significant Accounting Policies & Notes on Accounts	17		

As per our report of even date attached

For M. G. Vashi & Co.

Firm Registration No 128557W

Chartered Accountants

CA. M. G. Vashi

Proprietor / ICAI M. No. 030217

Place : Mumbai

Date : September 03, 2011

For and on behalf of the Board of Directors

Purnandu Jain - Chairman and Managing Director

Girraj Vijayvargiya - Wholtime Executive Director

S. C. Rane - Company Secretary

Place : Mumbai

Date : September 03, 2011

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

[ ₹ in Lacs ]

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	[4,676.55]	12,000.02
Adjustment for:		
Depreciation	6,079.70	2,663.98
Miscellaneous Expenditure written off	--	26.08
[Profit] / Loss on sale of fixed assets	125.77	5.73
Provision for Exchange difference on Foreign Currency Loans	--	[1,543.06]
Provision for Premium on redemption of FCCBs	1,097.07	343.72
Provision for Diminution in Value of Investments	--	[121.43]
Other income [Other than Profit on Sale of Assets]	[178.26]	[198.98]
Financial charges	10,926.97	8,074.98
<b>Operating profit before working capital changes</b>	<b>13,374.70</b>	<b>21,251.04</b>
Adjustments for:		
Increase in Trade Receivables	1,681.70	22,628.56
[Increase] / Decrease in Other Advances [Excluding TDS]	[1,244.55]	[159.45]
Increase in Inventories	9,549.30	[4,807.95]
Increase in Current Liabilities	[28,215.16]	42,149.24
Increase in Working Capital Borrowing / Short Term Loan	12,009.31	13,316.10
<b>Cash generated from / [used in] operations</b>	<b>7,155.30</b>	<b>94,377.54</b>
Direct Taxes paid [including FBT & TDS]	[504.43]	[1,930.84]
Financial Charges Paid	[10,926.97]	[8,074.98]
<b>Net Cash from / [used in] Operating Activities</b>	<b>[4,276.10]</b>	<b>84,371.72</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to Fixed Assets [Including Capital work-in-progress]	[9,019.90]	[90,500.51]
Sale of Fixed Assets	1,348.14	25.30
Sale of Investments	28.09	473.68
Other Income [other than profit on sale of Fixed Assets & redemption of Mutual Funds]	175.69	184.85
Additions to Miscellaneous Expenditure	[820.26]	[4,016.58]
<b>Net Cash Used in Investing Activities</b>	<b>[8,288.24]</b>	<b>[93,833.26]</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Secured Term Loans [net of repayment]	176.37	5,292.88
Unsecured Loans	12,246.66	3,963.70
Tax on Distributed Profit	--	[7.83]
Dividend Paid	[435.19]	[427.85]
<b>Net Cash available from Financial Activities</b>	<b>11,987.84</b>	<b>8,820.90</b>
<b>Net Increase/[Decrease] in Cash and Cash Equivalents [A+B+C]</b>	<b>[576.50]</b>	<b>[640.64]</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>943.14</b>	<b>1,583.78</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>366.65</b>	<b>943.14</b>

## NOTES TO CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

[ ₹ in Lacs ]

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
<b>1. Cash and Cash Equivalent includes</b>		
Cash in hand [Including Imprest Cash]	11.55	21.33
<u>Balance with Scheduled Banks :</u>		
- In Current Accounts	92.21	274.27
- In Margin Money Accounts	262.89	647.54
<b>TOTAL</b>	<b>366.65</b>	<b>943.14</b>

2. The above Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard - 3 on "Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
3. Previous year's figures have been re-arranged / regrouped wherever necessary.

**As per our report of even date attached**

**For M. G. Vashi & Co.**

Firm Registration No 128557W

Chartered Accountants

**CA. M. G. Vashi**

Proprietor / ICAI M. No. 030217

**Place : Mumbai**

**Date : September 03, 2011**

**For and on behalf of the Board of Directors**

**Purnandu Jain** - Chairman and Managing Director

**Girraj Vijayvargiya** - Wholetime Executive Director

**S. C. Rane** - Company Secretary

**Place : Mumbai**

**Date : September 03, 2011**

## AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of Ankur Drugs and Pharma Limited for the year ended March 31, 2011. The statement has been prepared by the Company in accordance with the requirement of Clause 32 of the listing agreement with The Bombay Stock Exchange Limited, Mumbai and The National Stock Exchange of India Limited, Mumbai subject to re-allocations made by the Company based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of September 03, 2011 to the members of the company.

**For M. G. Vashi & Co.**

Firm Registration No 128557W

Chartered Accountants

**CA. M. G. Vashi**

Proprietor

**ICAI M. No. 030217**

**Place : Mumbai**

**Date : September 03, 2011**

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2011**

[ ₹ in Lacs ]

Particulars	As at March 31, 2011		As at March 31, 2010
<b>SCHEDULE 1 : SHARE CAPITAL</b>			
<b>AUTHORISED</b>			
2,80,00,000 Equity Shares of ₹ 10 each		<b>2,800.00</b>	2,800.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>			
1,93,41,590 [P. Y. 1,93,41,590] Equity Shares of ₹ 10 each		<b>1,934.16</b>	1,934.16
<b>SCHEDULE 2 : RESERVES &amp; SURPLUS</b>			
<u>Capital Reserve</u>			
As per last Balance Sheet	<b>324.21</b>		22.44
Add : Amount forfeited during the year	--		301.77
		324.21	324.21
<u>Security Premium Account</u>			
As per last Balance Sheet	<b>11,281.61</b>		10,195.28
Add : Received during the year	--		1,086.33
		<b>11,281.61</b>	11,281.61
<u>General Reserve</u>			
As per last Balance Sheet	<b>8,926.26</b>		3,926.26
Add Transferred from Profit & Loss Account	--		5,000.00
		<b>8,926.26</b>	8,926.26
Balance in Profit & Loss Account		<b>6,381.15</b>	13,261.95
<b>TOTAL</b>		<b>26,913.23</b>	33,794.03
<b>SCHEDULE 3 : SECURED LOANS</b>			
<b>A. TERM LOANS FROM BANKS</b>			
a. For Himachal Unit-I	<b>4,025.68</b>		5,137.94
b. For Himachal Unit-II	<b>8,644.36</b>		10,271.05
c. For Office Premises	<b>2,104.82</b>		1,101.36
d. Under PEC Scheme	<b>6,479.71</b>		4,281.12
e. WC-TL	<b>4,790.29</b>		5,056.41
f. STL	<b>688.68</b>		5,147.38
		<b>26,733.54</b>	30,995.26
<b>B. WORKING CAPITAL LOANS [Incl. Sales bills discounting]</b>			
From Banks and NBFCs		<b>52,112.68</b>	35,644.67
<b>C. VEHICLE LOANS</b>			
From Banks and Finance Companies		<b>74.14</b>	94.75
[For details of securities refer Note No. 5 to Schedule 17]			
<b>TOTAL</b>		<b>78,920.36</b>	66,734.68
<b>SCHEDULE 4 : UNSECURED LOANS</b>			
From Directors		<b>2,510.82</b>	140.30
From Banks, Intercorporate and Other Loans		<b>22,859.94</b>	15,515.46
Public Fixed Deposits		<b>2,531.66</b>	--
Foreign Currency Convertible Bonds		<b>12,650.60</b>	12,650.60
<b>TOTAL</b>		<b>40,553.02</b>	28,306.36

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011**

**SCHEDULE 5 : FIXED ASSETS AND DEPRECIATION**

[ ₹ in Lacs in Lacs ]

PARTICULARS	GROSS BLOCK [ AT COST ]			ACCUMULATED DEPRECIATION					NET BLOCK	
	As at April 01, 2010	Additions during the year	Deletion during the year	As at March 31, 2011	Upto April 01, 2010	For the Year	On deletion	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
Freehold Land and Site development	2,385.23	132.23	1,459.03	1,058.43	--	--	--	--	1,058.43	2,385.23
Borewell	35.94	7.91	--	43.85	2.39	0.65	--	3.04	40.81	33.55
Factory Building [including CRP]	21,461.52	4,412.64	--	25,874.16	1260.55	767.29	--	2,027.84	23,846.32	20,200.97
Office Premises	1,956.35	--	--	1,956.35	80.89	32.24	--	113.13	1,843.22	1,875.46
Plant and Machinery	46,666.62	51,892.62	30.28	98,528.96	4,706.39	4,790.90	23.28	9,474.01	89,054.95	41,960.23
Furniture and Fixture	1,445.14	413.89	--	1,859.03	261.54	100.67	--	362.21	1,496.82	1,183.60
Office and General Equipments	527.81	417.15	--	944.96	114.10	34.29	--	148.39	796.57	413.71
Computers, Printers & Software	834.16	299.96	--	1,134.12	291.61	152.31	--	443.92	690.20	542.55
Testing & Measuring Equipments	1,477.66	1,452.04	--	2,929.70	239.52	147.15	--	386.67	2,543.03	1,238.14
Miscellaneous Fixed Assets	363.90	69.91	--	433.81	49.56	18.43	--	67.99	365.82	314.34
Vehicles	393.15	--	16.61	376.54	100.06	35.77	8.73	127.10	249.44	293.09
<b>CURRENT YEAR TOTAL</b>	<b>77,547.48</b>	<b>59,098.35</b>	<b>1,505.92</b>	<b>1,35,139.91</b>	<b>7,106.61</b>	<b>6,079.70</b>	<b>32.01</b>	<b>13,154.30</b>	<b>121,985.61</b>	<b>70,440.87</b>
<b>PREVIOUS YEAR TOTAL</b>	<b>39,065.47</b>	<b>38,520.41</b>	<b>38.40</b>	<b>77,547.48</b>	<b>4450.00</b>	<b>2,663.98</b>	<b>7.37</b>	<b>7,106.61</b>	<b>70,440.87</b>	<b>34,615.47</b>

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2011**

[ ₹ in Lacs ]

Particulars	As at March 31, 2011	As at March 31, 2010
<b><u>SCHEDULE 6 : INVESTMENTS</u></b>		
At cost [Trade, unquoted]		
333 Equity Shares of ₹ 30 each fully paid-up of Bombay Mercantile Co-operative Bank Limited	0.10	0.10
40 Equity Shares of ₹ 25 each fully paid-up of Rupee Co-operative Bank Limited	0.01	0.01
10000 Equity Shares of ₹ 10 each fully paid-up of The Shamrao Vithal Co-op Bank Limited	1.00	1.00
20000 Equity Shares of ₹ 25 each fully paid-up of The Kalyan Janata Sahakari Bank Limited	5.00	5.00
2500 Equity Shares of ₹ 10 each fully paid-up of The Saraswat Co-operative Bank Limited	0.25	--
36000 Equity Shares of ₹ 10 each fully paid-up of Shivalik Solid Waste Management Limited	3.60	--
Investments in Government Securities	0.10	0.10
1,59,765 Investments in Mutual Funds DSP Merrill Lynch - Tiger Fund - Dividend	--	50.00
Less : Provision for Diminution in value of Investment	--	[20.63]
<b>TOTAL</b>	<b>10.06</b>	<b>35.58</b>
<b><u>SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES</u></b>		
<b>INVENTORIES</b> [As taken, valued and certified by the management]		
Raw materials	11,956.61	17,729.17
Packing materials	2,138.97	1,950.93
Finished goods	238.81	2,860.75
Semi-finished goods	2,007.86	3,347.88
Fuel	13.68	14.56
Stationery	3.82	4.13
Lab Chemicals & Glasswares	14.89	15.24
Stores and spare parts	161.09	162.37
Sub-Total [a]	<b>16,535.73</b>	26,085.03
<b>SUNDRY DEBTORS</b> [Unsecured considered good]		
Over six months	1,006.10	421.89
Others	2,797.38	5,063.29
Sub-Total [b]	<b>3,803.48</b>	5,485.18
<b>Cash and bank balances</b>		
Cash in hand [Including Imprest Cash]	11.55	21.33
Balance with scheduled Banks		
In current accounts	92.21	274.27
In margin money accounts	262.89	647.54
Sub-Total [c]	<b>366.65</b>	943.14

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2011**

[ ₹ in Lacs ]

Particulars	As at March 31, 2011	As at March 31, 2010
<b>LOANS AND ADVANCES</b>		
Advance recoverable in cash or kind for value to be received	48.44	106.23
Cenvat, Service-Tax and VAT Credit and Balance in PLA	399.92	226.67
Prepaid expenses	99.75	192.88
Security deposits	1,308.29	67.57
Loans/Advances to Staff and Others	43.17	61.67
Advance Tax and TDS	1553.85	1,087.28
Sub-Total [d]	3,453.42	1,742.30
[a] + [b] + [c] + [d] <b>TOTAL</b>	<b>24,159.28</b>	34,255.65
<b>SCHEDULE 8 : CURRENT LIABILITIES</b>		
Sundry Creditors [incl. creditors for capital goods, under L/C and Bills / DPN discounted]	18,009.77	44,282.60
Sundry Creditors for Expenses	1,226.49	789.82
Other Current Liabilities [incl. unclaimed dividend - ₹ 26.03 Lacs]	894.98	3,273.97
<b>TOTAL</b>	<b>20,131.24</b>	48,346.39
<b>SCHEDULE 9 : PROVISIONS</b>		
Provision for Income Tax	1,823.70	17,20.49
Proposed Dividend [Excluding dividend tax]	--	435.19
Provision for Premium on Redemption of FCCBs	3,534.68	24,37.61
<b>TOTAL</b>	<b>5,358.38</b>	4,593.29
<b>SCHEDULE 10 : MISCELLANEOUS EXPENDITURE</b>		
[To the extent not written off or adjusted]		
Expenses incurred for Real Time Stability Data, Product Development of NDDS and regular dosage form and licences.	4,836.84	4,016.58
<b>TOTAL</b>	<b>4,836.84</b>	4,016.58

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

[ ₹ in Lacs ]

Particulars	As at March 31, 2011	As at March 31, 2010
<b><u>SCHEDULE 11 : OTHER INCOME</u></b>		
Dividend Income [From Mutual Funds and Co-op. Banks]	0.32	3.58
Interest from Banks and others	90.15	46.87
Miscellaneous Income	29.29	1.12
Key man Insurance surrender value	--	108.08
Sale of Scrap	55.93	25.20
Profit on Redemption of Mutual Fund	2.57	14.13
<b>TOTAL</b>	<b>178.26</b>	<b>198.98</b>
<b><u>SCHEDULE 12 : INCREASE / [DECREASE] IN INVENTORY</u></b>		
<b>Closing Stock :</b>		
Finished Goods	238.81	2,860.75
Semi-Finished Goods	2,007.86	3,347.88
	<b>2,246.67</b>	<b>6,208.63</b>
<b>Less : Opening Stock</b>		
Finished Goods	2,860.75	2,759.60
Semi-Finished Goods	3,347.88	3,076.77
	<b>6,208.63</b>	<b>5,836.37</b>
<b>TOTAL</b>	<b>[3961.96]</b>	<b>372.26</b>
<b><u>SCHEDULE 13 : MATERIALS CONSUMED</u></b>		
Opening Stock	19,680.10	15,342.81
Add: Purchases during the year	52,249.63	90,681.36
	<b>71,929.73</b>	<b>1,06,024.17</b>
Less : Closing Stock	14,095.58	19,680.10
Less : Amount spent on Real Time Stability Data, Product Development of NDDS and regular dosage form and licences.	154.23	4,016.58
Less : Amount spent on Technical Know-how and others	--	2,376.89
<b>TOTAL</b>	<b>57,679.92</b>	<b>79,950.60</b>
<b><u>SCHEDULE 14 : MANUFACTURING EXPENSES</u></b>		
Carriage Inward	199.17	161.73
Consumable Stores & Accessories	316.87	314.55
Contract Labour Charges	908.88	645.75
Factory Cleaning Charges	78.13	102.44
Insurance Charges	104.71	126.27
Lab Chemicals and Glasswares	73.76	81.38
Labour, Wages and Salaries	1,290.50	1,086.37
Other Manufacturing Expenses	18.42	32.78
Power and Fuel Charges	2,097.28	1,200.24
Repairs & Maintenance	66.68	42.50
Security Charges	143.75	108.74
Testing Charges	25.09	22.64
<b>TOTAL</b>	<b>5,323.24</b>	<b>3,925.39</b>

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

[ ₹ in Lacs ]

Particulars	As at March 31, 2011	As at March 31, 2010
<b><u>SCHEDULE 15 : ADMINISTRATIVE SALES AND OTHER EXPENSES</u></b>		
Advertising and Publicity Expenses	18.37	14.51
Payment to Auditors	7.17	7.17
Conveyance, Travelling and Motor Car Expenses	130.58	166.14
Directors' Remuneration	246.56	214.08
Carriage Outward	50.78	36.58
Keyman Insurance Premium	2.20	11.32
Donations	6.63	7.28
Commission, Rebate and Discount	209.06	176.66
Membership and Subscription	0.38	0.71
Miscellaneous Expenditure Written off	--	12.80
Exhibition and Conference Expenses	36.54	40.42
Office Electricity Expenses	38.55	26.96
General Miscellaneous Expenses	26.37	46.23
Loss on Sale of Fixed Assets	125.77	5.73
Postage and Courier Expenses	17.55	18.50
Printing and Stationery	68.50	64.01
Professional and Consultancy Charges	290.94	296.53
Rent, Rates and Taxes	49.74	34.25
<u>Repairs and Maintenance</u>		
- Building	10.20	25.68
- Utility, Office Equipments, Computers and Software	162.38	148.30
Salaries, etc.	419.47	376.53
Business Promotion and Sales Development Expenses	66.35	13.72
Staff and Labour Welfare Expenses	87.71	116.97
Stamp Duty and Franking Expenses	55.65	79.41
Telephone Charges	58.24	77.31
<b>TOTAL</b>	<b>2,185.69</b>	<b>2,017.80</b>
<b><u>SCHEDULE 16 : INTEREST AND FINANCIAL CHARGES</u></b>		
Bank Charges and Commission	482.11	292.39
Interest and other charges	10,444.86	7,782.59
<b>TOTAL</b>	<b>10,926.97</b>	<b>8,074.98</b>

## **1. Significant Accounting Policies :**

### **I. Basis of Accounting :**

The financial statements are prepared under the historical cost convention on going concern basis. The Company generally follows the mercantile system of accounting and recognises the income and expenditure on accrual basis except those with significant uncertainties and comply with accounting standards issued by The Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

### **II. Fixed Assets :**

Fixed Assets are stated at cost of acquisition or construction, including taxes and pre-operative expenses capitalised less accumulated depreciation.

### **III. Impairment of Assets :**

The carrying amount of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceed the recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which the Asset is identified as being impaired.

### **IV. Depreciation :**

- a] The Depreciation on Fixed Assets is provided on straight-line method, in accordance with the Schedule XIV of the Companies Act, 1956.
- b] The Depreciation on Assets added during the year has been provided on pro-rata basis with reference to the date on which the assets were put to use.
- c] No depreciation has been provided on the fixed assets, which have not been put to use during the year.

### **V. Valuation of Inventories :**

- a] Raw material, Packing material, Consumable Stores and spares are valued at lower of cost or net realisable value.
- b] Work-in-Progress and Finished goods are valued at lower of cost or net realisable value.
- c] Work-in-Progress and Finished goods include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

### **VI. Investments :**

The long term investments [unquoted] are stated at cost. The Income from investments is accounted for when received. The provision for diminution in value of other investments have been made considering their realisable value as at the end of financial year.

### **VII. Provisions :**

The provisions are recognized when the Company has a present obligation as a result of past events; it is more likely that an outflow of resources will be required to settle the obligation and the amount have been reliably estimated.

### **VIII. Employees Benefits :**

#### **Short Term Employee Benefits**

All employee benefits payable within twelve months of rendering service are recognized in the period in which the employee renders the related service.

#### **Post Employment / Retirement Benefits**

Contribution to Defined Contribution Plans such as Provident Fund etc., are charged to the Profit and Loss Account as incurred.

#### **Gratuity**

As per AS - 15 [Revised] 2005 of ICAI read with Accounting Standard Board Guidance, the provision for liability in respect of gratuity has not been computed and provided by the Company in the books for the period under review.

**IX. Borrowing Cost :**

The interest and other costs incurred in connection with the borrowing of the funds are charged to revenue on accrual basis except those which are directly attributable to the acquisition of the fixed assets, which necessarily take a substantial time to get ready for their intended use. Such costs are capitalised to the respective fixed assets.

**X. Revenue Recognition :**

The gross sales are inclusive of excise duty wherever applicable, but net of sales tax, returns and trade discounts. The Company recognizes sales when significant risks and rewards related to ownership are transferred to the buyers.

**XI. Foreign Exchange Transactions :**

The transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions. Any other exchange difference is dealt with in Profit and Loss Account.

**XII. Taxation :**

During the year the company has incurred the loss therefore no provision has been made for current income tax liability on the basis of assessable profits computed in accordance with the provisions of Income Tax Act, 1961

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

The company has made the provision for balance income-tax Liability upto F Y 2008-09 [A Y 2009-10] as per rectification/assessment order received by the company and the tax payments have been set-off against the provision in the Balance Sheet.

**XIII. Miscellaneous Expenditure :**

The Company has spent huge amount on generating real time stability data of the product, Product Development of NDDS and regular dosage form and product license/quota approvals from Drug Controller General of India/Narcotic Department. The Company is going to be benefited by this investment in long run and more over, the company has got the marketing rights of NDDS for next 15 years. Therefore the Company has decided to write off this Expenditure over a period of 15 years commencing from next financial year.

**XIV. Accounting for CENVAT Credit :**

CENVAT benefit is accounted for by reducing the purchase cost of Material/Fixed Assets, where CENVAT credit is available.

**XV. Earnings Per Share :**

The earnings considered in ascertaining the Company's EPS are computed as per Accounting Standard 20 on "Earning Per Share", issued by the Institute of Chartered Accountants of India. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

**2. Notes on Accounts :**

**I. Zero Coupon Foreign Currency Convertible Bonds [FCCBs] :**

i] Out of US\$ 16 million FCCB's [16,000 Bonds of US\$ 1000 each as issued on May 25, 2006], FCCB's of US\$ 8 million were outstanding as at March 31, 2011.

The said FCCB's are due for conversion on or before May 31, 2011.

ii] US\$ 20 million FCCB's [20,000 Bonds of US\$ 1000 each as issued on December 24, 2007] were outstanding as at March 31, 2011.

The said FCCB's are due for conversion on or before December 27, 2012.

iii] The Provision for Premium on redemption of FCCB's to the tune of ₹ 1,097.07 Lacs has been computed on pro rata basis for the period up to March 31, 2011. [P.Y. ₹ 343.72 Lacs].

## II. Foreign Exchange :

On account of various factors including, in particular, an amendment to Schedule VI of the Companies Act, 1956 [the Act] withdrawing the requirement to adjust changes in the amounts of liability relating to loans/ liabilities in foreign currency attributable to Fixed Assets acquired by the Company in the cost of the said Fixed Assets, the Company has decided that it would be more appropriate to account for the change in foreign exchange rates, as the profit or loss of the Company for the year in which the changes take place without adjusting the amount of the change in the cost of Fixed Assets.

The Accounting policy is in line with the Accounting Standard "AS-11", "The Effect of Changes in Foreign Exchange Rates" and also in line with the accounting policy followed by the Company for similar changes relating to liabilities expressed in foreign exchange other than those relating to fixed assets.

## III. Contingent Liabilities :

- a] In respect of guarantees given by banks on behalf of the Company ₹ 173.63 Lacs [Previous Year ₹ 173.63 Lacs], the Company has kept ₹ 84.22 Lacs [Previous Year ₹ 104.49 Lacs] in Fixed Deposit with Banks.
- b] Claims against the Company not acknowledged as debts: Income Tax Demand ₹ 19.27 Lacs [Previous Year ₹ 574.27 Lacs] represents the claims where the disputes are pending before CIT [Appeal] / ITAT, Mumbai. However the Company has paid the amount of ₹ 19.27 Lacs pending dispute before ITAT
- c] Estimated amount of contracts remaining to be executed on capital account [net of advance] for ₹ 58 Lacs [Previous Year ₹ 2489 Lacs]

## IV. Securities for Secured Loans

### I. Term Loan

#### a] For Himachal Unit I

Term Loans amounting to ₹ 4,025.68 Lacs secured by way of first charge/assignment ranking pari-passu interse the lenders, are as under :

- i] First charge over all the movable and immovable fixed assets situated at Village Manakpur, P.O. Lodhimajra, Tehsil - Nalagarh, District Solan [H.P.]-174 101.
- ii] Second charge over current assets of the Company along with other term lenders.
- iii] Personal Guarantee of Mr. Purnandu Jain, Chairman and Managing Director of the Company.

#### b] For Himachal Unit II

Term Loans amounting to ₹ 8,644.36 Lacs secured by way of first charge/assignment ranking pari-passu interse the lenders, are as under :

- i] First charge over all the movable and immovable fixed assets situated at Village Makhnu Majra, P.O. Baddi, Tehsil - Nalagarh, District Solan [H.P.] - 173 205.
- ii] Second charge over current assets of the Company along with other term lenders.
- iii] Personal Guarantee of Mr. Purnandu Jain, Chairman and Managing Director of the Company.

#### c] For Office Premises

Term Loans amounting to ₹ 2,104.82 Lacs secured by way of first charge / assignment interse the lenders, are as under :

- i] First charge over office premises at 20<sup>th</sup> Floor, Lotus Business Park, Off. Andheri Link Road, Andheri [West], Mumbai - 400 053.
- ii] Personal Guarantee of Mr. Purnandu Jain, Chairman and Managing Director of the Company.

#### d] For Production Equipment Credit Scheme

Term Loans amounting to ₹ 6,471.71 Lacs secured by way of first charge/assignment are as under:

- i] First charge by way of Hypothecation over Equipment acquired out of the loan.
- ii] Subservient charge on current assets of the company.
- iii] Personal Guarantee of Mr. Purnandu Jain, Chairman and Managing Director of the Company.

**e] For Working Capital Term Loan**

Term Loans amounting to ₹ 4,790.29 Lacs secured by way of charge/assignment ranking pari-passu interse the lenders, are as under:

- i] Second charge on the fixed assets of the company with other lenders.
- ii] Personal Guarantee of Mr. Purnandu Jain, Chairman and Managing Director of the Company.

**f] For Short Term Loan**

Term Loans amounting to ₹ 688.68 Lacs secured by way of charge/assignment as under:

- i] Pledge of Promoters Shares
- ii] First charge by way of Equitable mortgage over land measuring 17 bigha 17 biswas situated at Village Makhnumajara, Pargana : Dharmpur, Tehsil, Baddi Dist. Solan [HP.]
- iii] Personal Guarantee of Mr. Purnandu Jain, Chairman and Managing Director of the Company.

**II. Working Capital Borrowings**

a] Cash Credit amounting to ₹ 47, 970.94 Lacs and crystallised liability under LCS and SBLC amounting to ₹ 2,682.40 lacs is secured by way of first charge/assignment ranking pari-passu interse the lenders are as under:

- i] First pari passu charge over current assets of the Company.
- ii] Second charge over all the movable and immovable fixed assets situated at Village Makhnu Majra, P.O. Baddi, Tehsil - Nalagarh, District Solan H.P. - 173 205 along with other term lenders.
- iii] Second charge over all the movable and immovable fixed assets situated at Plot No. 168/3 and 4, Survey No. 168, Dabhel Industrial Co-operative Society Limited, Village Dabhel, Nani Daman [U.T.] - 396210 along with term lenders.
- iv] Second charge over all the movable and immovable fixed assets situated at Village Manakpur, P.O. Lodhimajra, Tehsil - Nalagarh, District Solan [H.P.] 174101.
- v] Second charge over office premises at 20th Floor, Lotus Business Park, Off. Andheri Link Road, Andheri [West], Mumbai – 400053.
- vi] Personal Guarantee of Mr. Purnandu Jain, Chairman and Managing Director of the Company.

b] Sales Bills Discounting/Factoring amounting to ₹ 1,459.34 lacs is secured by first charge on the specific receivables factored/discounted by the company and personal guarantee of Mr. Purnandu Jain, Chairman and Managing Director of the company

**III. Vehicle Loan**

Vehicle Loan of amounting to ₹ 74.14 Lacs is secured by hypothecation of specific vehicles against which the loans have been taken.

**V. Deferred Tax**

[A] In accordance with “Accounting Standard 22” on Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India, the Company has Deferred Tax liability of ₹ 5,691.16 Lacs which is arrived after Deferred Tax charge of ₹ 2,063.18 Lacs to Profit and Loss account.

[B] In compliance of Accounting Standard-22 on “Accounting for Taxes on Income” issued by The Institute of Chartered Accountants of India, the break up of deferred tax assets and liability are given below :

[₹ in Lacs]

Particulars	As at March 31, 2011	As at March 31, 2010
Deferred Tax Liability	5,691.16	3,627.98

## VI. Earning per Share

In compliance of Accounting Standard-20 on "Earning Per Share" issued by The Institute of Chartered Accountants of India, the computation of Earning per share [Basic and Diluted] is as under :

Particulars		2010-2011	2009-2010
a.	Profit / [Loss] after Tax	₹ in Lacs [6,880.80]	8,617.76
b.	Weighted average number of Equity Shares for Basic EPS	No in Lacs 193.42	193.42
c.	Nominal value per Equity Share	₹ 10.00	10.00
<b>d.</b>	<b>Earning Per Share [Basic]</b>	₹ [35.58]	44.56
e.	Profit / [Loss] after Tax for Basic EPS	₹ in Lacs [6,880.80]	8,617.76
f.	Add : Exchange Loss / [Gain] and Premium payable on outstanding Foreign Currency Convertible Bonds	₹ in Lacs [1,097.07]	[10,89.54]
g.	Profit / [Loss] after Tax for Diluted EPS	₹ in Lacs [5,783.73]	7,528.22
h.	Number of Equity Shares outstanding	No in Lacs 193.42	193.42
i.	Add : Adjustment for Options relating to Foreign Currency Convertible Bonds and Share warrants	No in Lacs 55.88	54.78
j.	Weighted average number of Equity Shares for Diluted EPS	No in Lacs 249.30	248.20
<b>k.</b>	<b>Earning Per Share [Diluted]</b>	₹ [23.20]	30.33

## VII. Related Party Transactions

In accordance with the Accounting Standard 18 on 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India, the transactions with the related parties of the Company are disclosed below : [₹ in Lacs]

Name of the related party with whom transactions have been made	Description of relation with the party	Nature of Transaction	Amount 2010-2011
Purnandu Jain	Chairman and Managing Director	Remuneration	217.16
Girraj Vijayvargiya	Wholetime Executive Director	Remuneration	29.40
Aakanksha Securities Private Limited	Chairman and Managing Director is director of the said company	Interest	90.03

## VIII. Managerial Remuneration

Managerial Remuneration under section 198 of Companies Act, 1956 paid or payable during the financial year is as under :

a]	Remuneration to Chairman and Managing Director :	[₹ in Lacs]
	<b>Particulars</b>	<b>2010-2011</b>
	Remuneration	192.00
	Contribution to Provident Fund	25.16
	<b>TOTAL</b>	<b>217.16</b>
b]	Remuneration to Whole-time Executive Director Remuneration :	[₹ in Lacs]
	<b>Particulars</b>	<b>2010-2011</b>
	Remuneration	24.00
	Leave Encashment	2.00
	Contribution to Provident Fund	3.40
	<b>TOTAL</b>	<b>29.40</b>
c]	Managerial Remuneration	<b>[a] + [b] TOTAL</b>
		<b>246.56</b>
		214.08

**IX. Computation of Net Profit under Section 349 of the Companies Act, 1956**

[₹ in Lacs]

Particulars	2010-2011	2009-2010
Profit/ [Loss] Before Tax as per Profit and Loss Account	<b>[4,676.55]</b>	12,000.02
Add : Depreciation as per Account	<b>6,079.70</b>	2,663.98
Add: Managerial Remuneration	<b>246.56</b>	214.08
Add: Loss on Sale of Fixed Assets	<b>125.77</b>	5.73
Profit under Section 349 of the Companies Act, 1956.	<b>1,775.48</b>	14,883.81
Less: Depreciation as per Section 350 of the Companies Act, 1956	<b>6,079.70</b>	2,663.98
Less: Profit on Sale of Investment	<b>2.57</b>	14.13
Net Profit / [Loss] under Section 349 of the Companies Act, 1956.	<b>[4,301.65]</b>	12,205.70
Maximum permissible managerial remuneration	-- *	1,220.06

\* In view of inadequacy of profit, the Remuneration paid to Chairman and Managing Director and Wholtime Executive Director is considered as minimum Remuneration payable

**X. Payment to Auditors**

[₹ in Lacs]

Particulars	2010-2011	2009-2010
Audit fees	<b>3.00</b>	3.00
Tax Audit fees	<b>0.50</b>	0.50
Certification and other professional work	<b>2.50</b>	2.60
Out of pocket expenses	<b>0.50</b>	0.40
Service Tax on above payments	<b>0.67</b>	0.67
<b>TOTAL</b>	<b>7.17</b>	7.17

**XI. Capacity and Production**

Product Formulation	Units	Installed Capacity *		Actual Production	
		**2010-11	2009-10	2010-11	2009-10
Tablets	Million Numbers	<b>14685.12</b>	15720.00	<b>9156.82</b>	9800.00
Capsules	Million Numbers	<b>4446.00</b>	2886.00	<b>1055.38</b>	2090.00
Dry Syrups	Million Bottles	<b>127.20</b>	96.00	<b>88.56</b>	52.50
Liquid Orals	Million Bottles	<b>231.36</b>	78.00	<b>90.14</b>	48.00
Effervescent Tablets	Million Numbers	<b>900.00</b>	300.00	<b>358.98</b>	157.00
Ointments	Million Tubes	<b>34.56</b>	30.00	<b>7.98</b>	14.00
Oral Powder	Million Sachets	<b>34.56</b>	15.00	<b>10.73</b>	5.30
Form Fill & Seal [FFS]	Million Vials	<b>45.00</b>	30.00	<b>27.64</b>	2.10
Liquid Injectables	Million Vials/Ampouls	<b>288.00</b>	137.24	<b>0.19</b>	1.25
Dry Powder Injectables	Million Vials	<b>69.12</b>	115.20	<b>1.38</b>	0.35
Oral Strip / Patches	Million Numbers	<b>288.00</b>	--	<b>0.09</b>	--

\* Installed Capacity based on 300 days & 2 Shifts

\*\* As per Techno Economic Viability Conducted by SBI Capital Markets Limited for CDR restructuring

**XII. Details of Sales including Job Work**

Product Formulation	Units	SALES INCLUDING JOB WORK			
		2010-11		2009-10	
		Quantity	Amount [₹ ]	Quantity	Amount [₹ ]
<b>[A] Manufacturing</b>					
Tablets	Million Nos.	<b>9,169.84</b>	<b>52,792.89</b>	9,780.69	76,806.41
Capsules	Million Nos.	<b>1,058.60</b>	<b>6,802.89</b>	2,085.89	11,729.03
Dry Syrups	Million Bottles	<b>83.46</b>	<b>8,251.86</b>	52.48	8,255.66
Liquid Orals	Million Bottles	<b>90.79</b>	<b>8,894.16</b>	47.91	3,527.68
Oral Powder	Million Sachets	<b>10.74</b>	<b>261.88</b>	5.29	246.91
Effervescent Tablets	Million Nos.	<b>361.00</b>	<b>3,396.13</b>	157.04	1,841.25
Ointments	Million Tubes	<b>7.98</b>	<b>1,195.64</b>	13.94	1,156.01
Form Fill & Seal [FFS]	Million Vials	<b>27.68</b>	<b>325.51</b>	2.10	19.32
Liquid Injectables	Million Vials	<b>0.26</b>	<b>4.48</b>	1.16	97.23
Dry Powder Injectables	Million Vial	<b>1.44</b>	<b>247.42</b>	0.29	54.05
Oral Strips / Patches	Million Nos	<b>0.08</b>	<b>6.04</b>	--	--
<b>TOTAL [A]</b>		<b>10,811.86</b>	<b>82,178.90</b>	12,146.69	1,03,733.55
<b>[B] Trading / High Seas Sales</b>					
Bulk Drug / Excipients		--	<b>220.84</b>	--	3,007.21
<b>TOTAL [B]</b>		--	<b>220.84</b>	--	3,007.21
<b>TOTAL [A] + [B]</b>		--	<b>82,399.74</b>	--	<b>1,06,740.76</b>

### XIII. Details of Raw Materials Consumed and Goods Purchased

[Active Bulk Drugs and Other Materials]

Particulars	Units	2010-2011		2009-2010	
		Quantity	₹ in Lacs	Quantity	₹ in Lacs
Opening Stock	KGs./Ltrs	11,43,019	17,729.17	7,58,979	13,608.38
Add : Purchases/Stock Transfer[net]	KGs./Ltrs	42,62,024	43,651.86	82,61,014	80,013.24
Sub-Total	KGs/Ltrs	54,05,043	61,381.03	90,19,993	93,621.62
Less : Closing Stock	KGs./Ltrs	8,77,859	11,956.61	11,43,019	17,729.17
Less: Amount Spent on Real Time Stability Data, Product Development of NDDS and regular dosage form, licences and technical Know-how		12,148	154.23	1,04,632	5,759.53
Raw Materials Consumed	KGs./Ltrs	45,15,036	49,270.19	7772,342	70,132.92
Packing Materials Consumed			8,409.73		9,817.68
<b>Materials Consumed TOTAL</b>			<b>57,679.92</b>		<b>79,950.60</b>

- Notes :
- [a] It is not practicable to furnish quantitative information in respect of individual items in view of the various types of pharmaceutical formulations.
  - [b] As the Company maintains its records in quantity only, the figures shown as consumption are balancing figures, ascertained on the basis of opening stock, purchases and closing stock.
  - [c] The above figures are after adjustment of excess and/or shortage ascertained on physical count and write off obsolete and other items.

### XIV. Value of Indigenous/ Imported Materials Consumed

Particulars	2010-2011		2009-2010	
	₹ in Lacs	%	₹ in Lacs	%
Indigenous	57,478.54	99.65	79,195.66	99.06
Imported [Excluding purchases on High seas basis]	201.38	0.35	754.94	0.94
<b>TOTAL</b>	<b>57,679.92</b>	<b>100.00</b>	<b>79,950.60</b>	<b>100.00</b>

### XV. Value of Indigenous / Imported stores and spare parts consumed

Particulars	2010-2011		2009-2010	
	₹ in Lacs	%	₹ in Lacs	%
Indigenous	312.63	98.66	309.37	98.35
Imported	4.24	1.34	5.18	1.65
<b>TOTAL</b>	<b>316.87</b>	<b>100.00</b>	<b>3,14.55</b>	<b>100.00</b>

**XVI. Expenditure in foreign currency**

[₹ in Lacs]

Particulars	2010-2011	2009-2010
Foreign traveling expenses	5.70	13.48
Exhibition and conference expenses	26.03	11.13
Interest and other charges on Foreign Currency Loans	86.82	158.63
Technical know-how/Professional fees	63.30	510.96
<b>TOTAL</b>	<b>181.85</b>	<b>694.20</b>

**XVII. Earnings in foreign currency**

[₹ in Lacs]

Particulars	2010-2011	2009-2010
Interest Income	Nil	1.58

**XVIII. Value of Imports on CIF Basis**

[₹ in Lacs]

Particulars	2010-2011	2009-2010
Capital Goods [Including Advances]	3.26	3,200.92
Raw Materials, Stores and Spares	315.49	787.85
<b>TOTAL</b>	<b>318.75</b>	<b>3,988.77</b>

**XiX.** The Company operates in a single business segment viz. "Pharmaceutical Formulations" and therefore in the context of Accounting Standard No. 17, disclosure of segment wise information is not applicable.

**XX.** The Company does not possess information as to which of its suppliers are Ancillary Industrial Undertaking/Small Scale Industrial Undertakings holding permanent registration certificate issued by the Directorate of Industries of a State or Union Territory. Consequently the liability, if any, of interest which would be payable under 'The Interest on delayed payments to Small Scale and Ancillary Industrial Undertakings Act, 1993', cannot be ascertained. However, the Company has not received any claims in respect of such interest and as such, no provision has been made in the books of account.

**XXI.** In the opinion of the Board of Directors, the current assets and loans and advances have value on realisation at least equal to the amount at which they are stated in the Balance Sheet and provision for all known and determined liabilities is adequate and not in excess of amount reasonably required.

**XXII.** The unsecured loans, current liabilities, sundry debtors and loans and advances are subject to reconciliation.

**XXIII.** The previous year's figures have been regrouped, reclassified and recast wherever considered necessary.

**As per our report of even date attached**

**For M. G. Vashi & Co.**

Firm Registration No 128557W

Chartered Accountants

**CA. M. G. Vashi**

Proprietor / ICAI M. No. 030217

Place : Mumbai

Date : September 03, 2011

**For and on behalf of the Board of Directors**

**Purnandu Jain** - Chairman and Managing Director

**Girraj Vijayvargiya** - Wholetime Executive Director

**S. C. Rane** - Company Secretary

Place : Mumbai

Date : September 03, 2011

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Balance Sheet Dated March 31, 2011

Registration No. 11- 85410  
State Code 11

II. Capital raised during the year

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds

[ R in Lacs]

Total Liabilities	<b>154,012</b>	Total Assets	<b>154,012</b>
<b>Sources of funds</b>		<b>Application of funds</b>	
Paid-up Capital *	1,934	Net Fixed Assets **	150,495
Reserves & Surplus	26,913	Investments	10
Secured Loans	78,920	Net Current Assets	[1,330]
Unsecured Loans	40,553	Miscellaneous Expenditure	4,837
Deferred Tax Liability	5,691		

\*\* Includes Capital Work In Progress of ₹ 28,510 Lacs [Previous Year 78,588 Lacs]

IV. Performance of Company

[ ₹ in Lacs]

Turnover [Net]	82,400	Profit / [Loss] Before Tax [including prior period and net of extraordinary items]	[4,677]
Total Expenditure [Net]	87,255	Profit / [Loss] After Tax	[6,881]
Earning per share [₹]	[35.58]	Dividend Rate	Nil

V. Generic Names of Three Principal Products/service of Company [as per monetary Term]

<b>Item Code No. [ITC Code]</b>	<b>300339-00</b>	
Product Description	Tablets - Formulations Capsules - Formulations Dry Syrups - Formulations Liquid Orals - Formulations Ointments - Formulations Oral Strips - Formulations	Oral Powders - Formulations Insta-use Suspension - Formulations FFS - Water for Injetables Liquid Injectables - Formulations Dry Powder Injectables - Formulations Patches - Formulations

As per our report of even date attached

For M. G. Vashi & Co.

Firm Registration No. 128557W  
Chartered Accountants

CA. M. G. Vashi

Proprietor / ICAI M. No. 030217

Place : Mumbai

Date : September 03, 2011

For and on behalf of the Board of Directors

Purnandu Jain - Chairman and Managing Director

Girraj Vijayvargiya - Wholetime Executive Director

S. C. Rane - Company Secretary

Place : Mumbai

Date : September 03, 2011

# ANKUR DRUGS AND PHARMA LIMITED

Regd. Office : C-306, Crystal Plaza, Andheri Link Road, Andheri [West], Mumbai - 400 053.

## ATTENDANCE SLIP

### To be handed over at the entrance at the Meeting Venue

I hereby record my presence at the Seventeenth Annual General Meeting held at Garden Court, Veera Desai Road, Andheri [West], Mumbai - 400 053, on Friday, September 30, 2011 at 10.00 a.m.

Folio / DPID No. _____	
Email ID _____	
_____	_____
Name of the Shareholder [in Block Letters]	No. of Shares

_____
Name of the Proxy [in Block Letters]
[To be filled in if the proxy attends instead of the member]

_____
SIGNATURE OF THE SHAREHOLDER OR PROXY



# ANKUR DRUGS AND PHARMA LIMITED

Regd. Office : C-306, Crystal Plaza, Andheri Link Road, Andheri [West], Mumbai - 400 053.

## PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ being a Member/Members of Ankur Drugs and Pharma Ltd. hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to attend and vote for me/us and on my/our behalf at the Seventeenth Annual General Meeting of the said Company to be held at 10.00 a.m. on Friday, September 30, 2011 and at any Adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

\_\_\_\_\_  
Signature[s] of the Shareholder[s]

1 Rupee Revenue Stamp
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The Companies Act, 1956 lays down that an instrument appointing a Proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.