

KDL BIOTECH LIMITED



CORPORATE STATEMENT
2011 - 2012

BOARD OF DIRECTORS

Mr. Nalin Bamzai	Managing Director
Dr. Rajesh Agrawal	Director - Technical
Mr. Sanjay Sinha	Director
Dr. Tushar Kumar Srivastava	Director
Mr. Yogendra Kumar Chauhan	Director

COMPANY SECRETARY

Mr. Nihar Ranjan Das

BANKERS

STATE BANK OF INDIA

CANARA BANK

THE SARASWAT CO-OPERATIVE BANK LTD.

AUDITORS

KHANDELWAL JAIN & CO., *Chartered Accountants*

REGISTERED OFFICE & FACTORY

Village : Savroli

Taluka : Khalapur

District : Raigad

State : Maharashtra

Pin Code : 410202

NOTICE

Notice is hereby given that the Twenty-fifth Annual General Meeting of KDL Biotech Limited will be held on Saturday, the 29th September, 2012 at 11.30 a.m. at Rishivan Resort, Survey No. 8/1, Plot No. 1, Khopoli-Pen Road, Ajoshi, Shilphata, Khopoli, Dist. Raigad, Maharashtra - 410203, to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Profit and Loss Account of the Company for the Accounting Period ended 31st March, 2012 and the Balance Sheet as on that date together with the Report of Directors and Auditors thereon.
- To appoint a Director in place of Dr. Tushar K. Srivastava, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. Yogendra K. Chauhan, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint Auditors and fix their Remuneration.

For and on behalf of the Board of Directors

(Nihar Ranjan Das)
Company Secretary

Place : Mumbai
Date : August 28, 2012

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Proxy Forms, in order to be effective, should be duly completed, stamped, signed and must be lodged at the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.

- Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their Bank details, ECS mandates, nomination, power of attorney, change of address, change in name etc., to their Depository Participant (DP). These changes will be automatically reflected in Company's records, which will help the Company to provide efficient and better service to its members.

Members holding shares in physical form are requested to forward all share transfer communications and further intimate all changes with respect to their Bank details, change of address, change in name etc., to the Registrar and Share Transfer Agents i.e. Bigshare Services Pvt. Ltd. at E-2 & 3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400072.

- The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 25th September, 2012 to Saturday, the 29th September, 2012 (both days inclusive) for the purpose of Annual General Meeting.
- Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- Members are requested to:
 - Quote Registered Folio/Client ID and DP ID in all their correspondences.

- Bring their copy of the Annual Report and the Attendance Slip with them to the Annual General Meeting.
 - Send queries related to accounts, to the Company atleast 10 days before the date of the Meeting.
- Appointment/Re-appointment of Directors:

At the ensuing Annual General Meeting, Dr. Tushar K. Srivastava and Mr. Yogendra K. Chauhan, Directors of the Company, retires by rotation and being eligible, offers themselves for re-appointment. The information, pertaining to these Directors to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is furnished as Annexure to the Notice.

For and on behalf of the Board of Directors

(Nihar Ranjan Das)
Company Secretary

Place : Mumbai
Date : August 28, 2012

ANNEXURE TO THE NOTICE

Annexure to Item Nos. 2 & 3

Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting on Saturday, the 29th September, 2012 (In pursuance of Clause 49 of the Listing Agreement):

Name of Director	Date of Birth	Date of Appointment on the Board	Qualifications	Expertise in specific functional area	List of other Companies (excluding private Companies) in which Directorships held as on 31 st March, 2012
Dr. Tushar K Srivastava	01.02.1972	18.07.2008	1) M. Sc. (Chemistry) 2) PHD (Organic Chemistry)	Pharmaceuticals & Bulk Drugs Industry	–
Mr. Yogendra K Chauhan	01.11.1976	18.07.2008	1) M. Phil. (Organic Chemistry)	Pharmaceuticals & Bulk Drugs Industry	–

DIRECTORS' REPORT

To
The Members,
KDL Biotech Limited

The Current Accounting Year is of 12 months i.e. 1st April, 2011 to 31st March, 2012. Your Directors hereby present the Twenty-fifth Annual Report together with the Audited Statement of Accounts for the aforesaid year.

FINANCIAL RESULTS:

	(Rupees in Lacs)	
	Current 12 months Period from 01.04.2011 to 31.03.2012	Previous 12 months Period from 01.04.2010 to 31.03.2011
Net Sales/Income from Operations	2722.41	2872.87
Profit/(Loss) Before Depreciation & Tax	(807.94)	(2277.23)
Less : Depreciation and Impairment	913.29	2234.81
Profit/(Loss) Before Tax	(1721.23)	(4512.04)
Add : Exceptional Item	-	(1150.00)
Less : Fringe Benefit Tax	-	-
Add : Deferred Tax W/Off	-	(769.27)
Profit/(Loss) after Tax	(1721.23)	(6431.31)
Add : Prior Period Exps	-	-
Add : Balance brought forward from previous year	(16757.64)	(10326.33)
Amount available for appropriation	(18478.87)	(16757.64)
Surplus/(Deficit) carried forward to Balance Sheet	(18478.87)	(16757.64)

FINANCIAL PERFORMANCE

For the Current Accounting Year of 12 months, the Company has achieved Sales and Other Income aggregating to Rs. 2722.41 lacs, which includes Job Work Charges amounting to Rs. 1796.35 lacs, whereas for the previous Accounting year of 12 months, the Company had achieved Sales and other Income aggregating to Rs. 2872.87 Lacs.

DIVIDEND

In view of the losses incurred during the period under review, no dividend has been recommended on Equity Shares.

MANAGEMENT DISCUSSION & ANALYSIS

CAUTIONARY STATEMENT

This part of the Report deals with expectations and risk analysis about the future, which is based on certain assumptions and events. The Company can not guarantee these assumptions and expectations being accurate or will be realized nor the risks outlined exhaustive. The Company assumes no responsibility to publicly amend, modify or revise any of these statements on the basis of any subsequent developments, information or events.

REVIEW OF OPERATIONS

During the year there is no change in the scenario of Penicillin products. Active Pharmaceuticals Ingredients (API) suppliers in Europe and United States are facing increasing pricing pressures due to presence of low cost providers in developing markets, excess big Pharma capacity, and backward integration by certain generic companies. China is still controlling the prices of Penicillins & 6-APA resulting in fluctuations in Amoxicillin prices.

Due to delays in financial restructuring the Company could not start its own production and continue the Job Work activities for Unimark Remedies Limited.

OUTLOOK ON OPPORTUNITY

The domestic bulk drug industry is poised to benefit from the impending patent expiries in the regulated markets leading to increase in generic penetration; thereby providing a Significant opportunity for supply of APIs to manufacturers of such generic drugs coupled with increased outsourcing of bulk drugs by multinational pharmaceutical companies.

As the site is penicillin based it will be difficult for change in the product range considering regulatory concerns. Hence, in order to sustain the competitive Semi Synthetic Penicillin price, company is developing a cost effective process for the manufacturing of Amoxicillin Trihydrate. Pilot trials for the same are successfully completed & commercialization will be start by this year.

Company in co-operation with **Unimark Remedies Limited** has completed the pilot trials of biocatalyst in our Biotech facility.

OUTLOOK ON CONCERN

China remains a dominant player in the global bulk drug industry given its large scale manufacturing capabilities, cost leadership and sufficient availability of intermediates due to strong technological capabilities in fermentation. This growing competition from China and from our Indian counterparts remains a challenge to survive in this business.

SEGMENT WISE PERFORMANCE

The Company has only one segment i.e. Pharmaceuticals.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has adequate system of internal controls to ensure that all the assets are safeguarded and are protected. Necessary checks and balances are in place to ensure that transactions are adequately authorised and reported correctly. The Internal Auditors of the Company conduct Audits of various departments to ensure that internal controls are in place. These are being reviewed by the Audit Committee of the Board and corrective actions are taken by the Company, when needed. The Company has appointed M/s. Rege & Thakkar, Chartered Accountants as its Internal Auditors.

HUMAN RESOURCES

We, at KDL are driven by one common philosophy that people are our greatest assets. This has been and will continue to be the guiding force in formulating various Human Resources (HR) strategies and policies.

We believe in simplicity and focus on creating strong process driven work environment and thereby enable our human capital to efficiently partner with business.

Our people philosophy is woven around following **tenets** –

1. Innovation
2. Respect for people
3. Collaboration and leadership
4. Result focus with emphasis on providing customer delight

Our vision is to feature as a “**Preferred Employer**”.

The Company has continued the best HR practices to develop their employees. The Company has also organized in house & external training Programmes on various subjects. Yearly training calendar, based on the training need identification, is prepared and followed.

Employees are suitably rewarded for their performance in order to motivate them. The Company has implemented & continued a system for quarterly review of performance of employees. Last year, 92 employees were rewarded for their performance.

Training awards: Employees are also awarded for their maximum participation during the training session in Worker cadre, Staff cadre and Management cadre.

Company has maintained a harmonious relationship with their employees along with their family members by organizing various welfare activities & various competitions.

HEALTH, SAFETY & ENVIRONMENT

The Company has well defined management goals for Health, Safety & Environment, which are strictly followed. For maintaining the safe operating practices and healthy working environment, the Company conducted safety audits, risk analysis, mock drills and Hazop studies regularly.

To improve the Health, Safety and Environment standard company has obtained the certification of ISO **14001:2004(EMS)** and **BS OHSAS 18001:2007**.

The Company has also organized in house & external Safety training Programmes on various subjects.

The National Safety week, World environment day & Fire service day are celebrated with various activities like Mock-drills, Training by external faculties with Tree plantation

The housekeeping audits are being conducted quarterly & Awards are distributed to motivate employees regarding the awareness of house keeping

Being a chief coordinator of the Mutual Aid Response Group (MARG) - Raigad, the Company organized the On-site mock drills with neighbouring industries and Off-site Drill at Mumbai – Pune Highway with Government Department. During last year company arranged special training programmes for Police department (Khalapur, Khopoli, Karjat zone) to attend the emergency while transporting hazardous goods.

FINANCE

It has been a constant endeavour on the part of the company to avail low cost debt by restructuring process with the banks and others. The response

was slow due to the fact that the company had to depend more on job work business than its own production which affected the operation of the company as well as the restructuring process with the banks and others.

The Company is negotiating with the Bankers for One Time Settlement of its Working Capital facility, which will resolve its issues effectively with the banks and the Company is hopeful of settling this issue through One-time Settlement Scheme (OTS). The Company is a sick Company within the meaning of Section 3(1)(O) of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company has made a reference to the Board for Industrial and Financial Reconstruction (BIFR) under Section 15 (1) of the Sick Industrial Companies (Special Provisions) Act, 1985 on 6th June, 2011, which has been registered by BIFR as case No. 35/2011. The case before BIFR is at a hearing stage and is pending before BIFR for determination of Sickness of the Company.

The last hearing was held on 18th July, 2012. The advocate representing State Bank of India (SBI) stated that they had already filed their written submission as directed by BIFR, vide their letter dated 13th June, 2012.

The Consultant representing the company stated that they had not received the copy of the written submission made by SBI. The advocate representing SBI stated that he will hand over a copy of written submission to the Company on the same day.

The representative of Canara Bank stated that they had already filed their objection vide letter dated 3rd May, 2012. He handed over a copy of the same to the Consultant representing the company, during the course of hearing.

The advocate representing Sales Tax Department stated that the total outstanding due against the company amounts to Rs. 9.27 crores.

Having considered the submissions made and material on record, the honourable Bench directed that the case be listed for Argument. The next date of hearing in the case has been fixed on 10th September, 2012.

After a constant follow-up with SBI, the Company has received the copy of written submission from SBI on 22nd August, 2012. The Company has filed its reply against the submission of SBI & Canara Bank before BIFR.

Further, with the help of Financial Advisors, the Company is also working on the alternative mode of Finance for funding OTS.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Dr. Tushar K. Srivastava and Mr. Yogendra K. Chauhan retires by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Brief resume of the Directors being appointed/re-appointed, is provided in the Notice convening the Annual General Meeting of the Company as required under Clause 49 of the Listing Agreement.

None of the Directors of the Company are disqualified from being appointed as specified under Section 274 of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217 (2AA) of the Companies Act, 1956, in relation to financial statements of the Company for the accounting period ended 31st March, 2012, the Board of Directors state that:

- i) the applicable Accounting Standards have been followed in preparation of the financial statements and there are no material departures from the said standards;

- ii) reasonable and prudent accounting policies have been used in preparation of the financial statements and that they have been consistently applied and that reasonable and prudent judgements and estimates have been made in respect of items not concluded by the end of the Accounting period, so as to give a true and fair view of the state of affairs of the Company as at the end of the accounting period ended 31st March, 2012 and of the profit/(loss) of the company for the period under review;
- iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the financial statements for the accounting period ended 31st March, 2012, have been prepared on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure – A to the Report.

PARTICULARS OF EMPLOYEES

The Ministry of Corporate Affairs has vide notification dated 31st March, 2011 enhanced the limits for the purpose of disclosure of particulars of employees in Directors Report as required under Section 217(2A) read with Companies (Particulars of Employees) Rules, 1975 from the existing limit of Rs. 24 lac per year/ Rs. 2 lac per month to Rs. 60 lac per year/ Rs. 5 lac per month.

The information required to be disclosed under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Amendment Rules, 2011, is not applicable to the Company, as none of the employee of the Company was in receipt of remuneration prescribed in Companies (Particulars of Employees) Amendment Rules, 2011.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate Report on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance are annexed to the Directors' Report.

GROUP

Group means Jayant Mohanlal Parekh, Madhukanta Jayant Parekh, Mehul Jayant Parekh, Beena Mehul Parekh, Sandip Jayant Parekh, Nandini Sandip Parekh, Sonali Mehul Parekh, Pooja Mehul Parekh, Sarang Sandip Parekh, J. M. Parekh (HUF), Unimark Remedies Limited, Glade Organics Private Limited, India, Morganite Trading Company Limited, Synpac Pharmaceuticals (UK) Limited, Synpac Pharmaceuticals Limited, UK, Synpac Limited BVI, Glade Organics Private Limited, UK and Glade Remedies Private Limited, Mauritius are part of the same Group as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969).

FIXED DEPOSITS

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

INSURANCE

All Properties/Assets including Buildings, Plant and Machineries, Furnitures and Fixtures etc. and insurable interest of the Company are adequately insured.

AUDITORS

M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai, retires at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received confirmation from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. The observations of the Auditors in their report on Accounts read with the relevant notes are self-explanatory and therefore do not call for any further comments.

AUDITOR'S REPORT

With regard to qualifications made by the Statutory Auditors in their report, the relevant notes appended in the Schedule of the note are Self-explanatory and requires no further explanation and elucidation.

ACKNOWLEDGMENTS

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities, Customers, Vendors, Shareholders and Employees during the period under review.

For and on behalf of the Board of Directors

(Dr. Rajesh Agrawal)
 Director - Technical

Place : Mumbai
 Date : August 28, 2012

ANNEXURE 'A' TO THE DIRECTORS' REPORT

INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY:

1. Energy Conservation measure implemented in 2011-12:

- Achieved saving in electrical consumption by removing IPA collection pump and keeping under gravity flow of ML distillation column.
- Achieved saving in electrical consumption by putting smaller pump for cooling tower at intermediate plant.
- Substituted distillation of Aqueous layer of Cilastatin derivatives using RO technology

2. Additional investments & proposals for energy conservation in 2012-13:

- Installation of Bio Briquette fired boiler instead of Furnace oil fired boiler.
- Steam condensate recovery to reduce fuel consumption at boiler.
- Replacement of chilled brine compressors with energy efficient screw compressors.
- Replacement of air compressors with energy efficient compressors.
- Replacement of reactor impellers with energy efficient impellers along with gear box & motor.
- Energy saving by improvement in solvent recovery percentage.
- Replacement of liquid nitrogen tank & change of existing pipelines is planned to improve the energy consumption efficiency.

3. Impact of Measures:

The energy conservation measures has resulted in reduction of total KWH whereas cost has been increased due to higher rate.

4. Total energy consumption per unit of production as per Form A.

FORM A
Power and Fuel consumption

	Current Period	Previous Period
a) Electricity /Internal Generation		
Units KWH (Lacs)	69.40	79.86
Total Amount (Rs. in Lacs)	425.33	436.55
Rate / Unit (Rs.)	6.13	5.47
b) Coal	N.A.	N.A
c) Furnace Oil		
Quantity Ltrs.(in Lacs)	7.41	1.03
Total amount (Rs. in Lacs)	244.39	28.97
Average rate (Rs.)	32.96	28.06

d) Others

It is difficult to express consumption per unit because of large numbers of packs & products of bulk drugs.

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

1. Process Development of SEMI SYNTHETIC PENICILLINS and its INTERMEDIATES focus on:

- Prepare working standards.
- Trouble shooting studies related to Plant process.
- Process development studies for cost improvement.
- Vendor Development trials of Raw Materials.

2. During this period technologies for extra dried Amoxicillin Trihydrate with Potassium Clavulanate mixture and higher solubility Amoxicillin Trihydrate for veterinary use has been developed. The commercialization of extra dried Amoxicillin Trihydrate is in progress.

QUALITY ASSURANCE / CONTROL

Various quality management systems are adopted to assure the quality of the product. This is achieved with the help of new state of the art quality control laboratories & sophisticated analytical instruments like High-performance Liquid Chromatography (HPLC), Gas Chromatography (GC), Fourier Transform Infra Red Spectrum (FTIR), Polari meter and Head Space Analyzer etc., which are installed in the Quality Control Laboratory. Apart from this there also exists an In-Process Quality control laboratories where all the in-process control tests are carried out with the aid of dedicated sophisticated instruments. This ensures that the Company is interested not only in controlling the desired quality of Key Raw materials, Intermediates & the finished products, but also keen to know the pathway followed for being able to assure the desired quality products.

Additionally, Good Laboratory Practices (GLP) systems are adhered to in the laboratory whereas cGMP is followed during manufacturing activity, Change Control system, batch review system, Out of specification Systems, Vendor Qualification systems, cleaning procedures are followed to assure total adherence to Good Manufacturing Practices (GMP). Validation Master Plan (VMP), process validation Annual product quality review is monitored as per the predefined Standard Operating Procedure (SOP).

Quality assurance also helps in satisfying customer and regulatory requirements. During the accounting period, facility is approved by International companies from Philippines, Thailand, Iran, Tanzania & Canada and also various Indian companies.

Annual updates are being sent to United State Food & Drug Administration (USFDA) & Medicine Health Regulatory Agency (MHRA) regularly and the Company also has World Health Organisation (WHO) approval along with GMP Certificate from Indian Food & Drug Administration (FDA).

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The required information in respect of Foreign Exchange Earnings and Outgo for the Accounting Period ended 31st March, 2012, has been given below:

Foreign Exchange Outgo: Rs. 6,80,825/-

(Previous period Rs. 7,89,665/-)

Foreign Exchange Earnings: Rs. NIL

(Previous period Rs. Nil)

For and on behalf of the Board of Directors

(Dr. Rajesh Agrawal)
Director - Technical

Place : Mumbai

Date : August 28, 2012

ANNEXURE 'B' TO THE DIRECTORS' REPORT**CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY**

The Company's philosophy of Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and to continuously strive to attain high levels of accountability, transparency, responsibility and fairness in all respect of its operations. Your Company, with a view to achieve these objectives, adopted corporate strategies, prudent business plans and monitoring performance.

Clause 49 of the Listing Agreement with Stock Exchanges sets up norms and disclosures that are to be met by the Company on Corporate Governance front. We confirm our compliance with Corporate Governance criteria, as required under the said clause, vide this Report.

2. Board of Directors

The Composition of the Board of Directors of the Company is in compliance with Clause 49 of the Listing Agreement. Out of total Board strength of Five directors, three are independent directors. Mr. Nalin Bamzai is the Managing Director and Dr. Rajesh Agrawal is an Executive director of the Company. The independent directors at all times satisfy the definition of Independent directors laid down in the Listing Agreement.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the Accounting Period ended on 31st March, 2012 and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other Companies, are given below:

Name of the Directors	Category	No. of Board Meetings attended	Attendance in Last AGM	Other Public Companies in which he is Director		No. of Committee positions held in other Public Limited Companies	
				Chairman of Board	Board Member	Chairman of the Committee	Member
Mr. Nalin Bamzai	Executive Managing Director	3	No	0	0	0	0
Dr. Rajesh Agrawal	Executive Director	5	Yes	0	0	0	0
Mr. Sanjay Sinha	Non-Executive & Independent Director	0	No	0	0	0	0
Dr. Tushar K Srivastava	Non-Executive & Independent Director	5	Yes	0	0	0	0
Mr. Yogendra K Chauhan	Non-Executive & Independent Director	5	Yes	0	0	0	0

Board Meetings:

During the Accounting Period ended 31st March, 2012, Seven Board Meetings (including adjourned Meetings) were held. These Meetings were held on 12th May, 2011, 13th May, 2011, 12th August, 2011, 17th August, 2011, 1st October, 2011, 15th November, 2011 and 14th February, 2012. The time gap between two consecutive Board Meetings of the Company does not exceed four months.

Board procedures:

The Agenda is circulated well in advance to the Board Members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Annexure IA to Clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals taken wherever necessary.

3. Audit Committee

The Audit Committee of the Company comprises of 3 Independent Directors and 1 Executive Director.

The terms of reference of the Audit Committee are set in accordance with the requirements of Clause 49 of the Listing Agreement and the provisions of the Companies Act, 1956. The Audit Committee reviewed Related Party transactions and qualifications in audit report amongst all other things as are described in the Listing Agreement.

The Statutory Auditors and the Senior Manager – Accounts, attended the Meetings, on the invitation from the Chairman.

During the Accounting Period ended 31st March, 2012, the Committee met four Times i.e. on 12th May, 2011, 12th August, 2011, 15th November, 2011 and 14th February, 2012.

Attendance of Audit Committee Meetings:

Name of the Member	Designation	No. of Meetings attended
Mr. Nalin Bamzai	Member	2
Mr. Sanjay Sinha	Member	0
Dr. Tushar K Srivastava	Member	4
Mr. Yogendra K Chauhan	Member	4

4. Remuneration Committee

The Remuneration Committee of the Company comprises of 3 Independent Directors and 1 Executive Director.

Terms of reference of the Remuneration Committee, includes considering the matters relating to the Company's Policies on remuneration payable and determining the package to the Managing Director, Executive Directors and Whole-time Directors, sitting fees payable and commission to be paid to the Directors.

Details of Remuneration to Directors:

Name of Directors	Salary (Rs.)	Total remuneration (Rs.)
Mr. Nalin Bamzai	Nil	Nil
Dr. Rajesh Agrawal	21,00,130	21,00,130
Mr. Sanjay Sinha	Nil	Nil
Dr. Tushar K Srivastava	Nil	Nil
Mr. Yogendra K Chauhan	Nil	Nil
TOTAL	21,00,130	21,00,130

5. Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee deals with the matters relating to – (a) Shareholders/Investors grievances and its redressal; (b) Transfer of Shares; (c) Non-receipt of Balance Sheet and (d) Issue of duplicate/new, sub-divided and consolidated Share Certificates.

Names of the Committee Members is given below:

Name of the Member	Designation
Mr. Nalin Bamzai	Member
Mr. Sanjay Sinha	Member
Dr. Tushar K Srivastava	Member
Mr. Yogendra K Chauhan	Member

The Company has received five Complaints during the Accounting Period ended 31st March, 2012 and all of the said complaints have been redressed/ answered to the satisfaction of the shareholders and there are no complaints pending for the said period.

The classification of the complaints based on their nature was as follows:-

Nature of Complaint	No of Complaints received
Non Receipt of Share Certificate after transfer	1
Non Receipt of Exchange Share Certificate	0
Non receipt of Demat Rejected Share Certificates	2
Non receipt of Demat Credit	1
Non Receipt of Dividend / OCCP Warrant	1
Complain from SEBI	0
Total	5

Mr. Nihar Ranjan Das has been appointed as Secretary of this committee.

6. Share Transfer Committee

During the Year, the Company has reconstituted the Share Transfer Committee. The Committee Comprises of one Executive Director, one Independent Director and two officials of the Company.

7. Information on General Body Meeting

Financial Year	Date of AGM	Day	Time	Venue
30/09/2008	26.03.2009	Thursday	11.30 a.m.	Village Savroli, Tal. Khalapur, Dist. Raigad Maharashtra - 410202
31/03/2010	12.08.2010	Thursday	11.30 a.m.	Village Savroli, Tal. Khalapur, Dist. Raigad Maharashtra - 410202
31/03/2011	28.09.2011	Wednesday	11.30 a.m.	Village Savroli, Tal. Khalapur, Dist. Raigad Maharashtra - 410202

Three Special Resolutions have been passed in the previous three Annual General Meetings.

8. Disclosures

- None of the transactions with any of the related parties were in conflict with the interest of the Company
- No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any Statutory authority on any matter related to capital markets during the last three years.

9. Means of Communication

The Board of Directors of the Company approves and takes on record the Un-Audited Quarterly Results and Audited Annual Results and announces forthwith Results to all the Stock Exchanges where the shares of the Company are listed. The same are published within 48 hours in one English daily newspaper and one Marathi newspaper (Mumbai edition).

The Management Discussions and Analysis Report forms part of the Annual Report.

10. General Shareholder Information.**1. Annual General Meeting:**

Date:	29 th September, 2012
Time:	11.30 a.m.
Venue:	Rishivan Resort, Survey No. 8/1, Plot No. 1, Khopoli-Pen Road, Ajoshi, Shilphata, Khopoli, Dist. Raigad, Maharashtra - 410203

2. Financial Calendar (Tentative):

Results for the Quarter ending:	
June 30, 2012	By 15 th August, 2012
September 30, 2012	By 15 th November, 2012
December 31, 2012	By 15 th February, 2013
March 31, 2013	By 31 st May, 2013

3. Date of Book Closure:

Tuesday, 25th September,
2012 to Saturday,
29th September, 2012
(both days inclusive)

4. Listing of Equity Shares on the Stock Exchanges:

- Bombay Stock Exchange Ltd.
P. J. Towers, Dalal Street, Fort
Mumbai - 400001
- National Stock Exchange
of India Ltd.
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400051

The Listing Fees for the Financial Year 2012-13 have been paid to the above Stock Exchanges.

5. Stock Code:**Equity :**

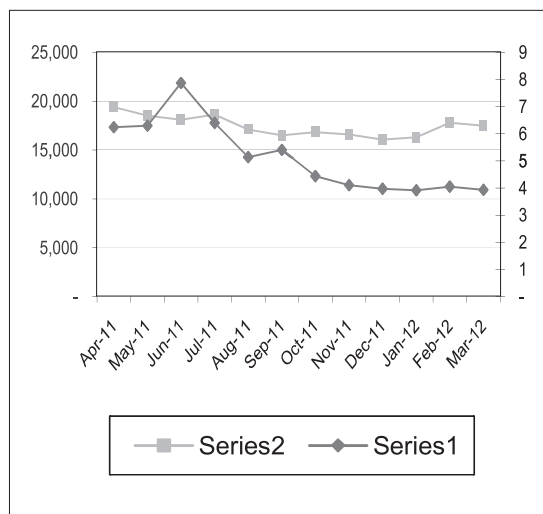
Bombay Stock Exchange	: 532291
National Stock Exchange	: KOPDRUGS
Demat ISIN No. for Equity Shares	: INE746A01010

6. Stock Market Data:

Monthly high and low prices of Equity Shares of the Company quoted at Bombay Stock Exchange Limited and National Stock Exchange of India Limited during the accounting year ended 31st March, 2012 are as under:

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April - 2011	6.99	5.50	7.10	5.65
May - 2011	7.59	5.01	7.65	5.00
June - 2011	9.25	6.50	9.20	6.00
July - 2011	7.10	5.70	6.65	5.70
August - 2011	6.00	4.28	5.80	4.20
September - 2011	6.40	4.42	6.30	4.35
October - 2011	4.95	3.92	5.10	4.00
November - 2011	4.77	3.44	4.95	3.55
December - 2011	4.66	3.29	4.35	3.55
January - 2012	4.50	3.34	4.30	3.55
February - 2012	4.50	3.60	4.30	3.65
March - 2012	4.45	3.42	4.40	3.30

7. Performance of KDL Biotech Limited share price in comparison to BSE Sensex:



8. Registrar & Share Transfer Agents:

Name and Address:

Bigshare Services Pvt. Ltd.,
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Sakinaka,
Andheri (E), Mumbai - 400072

Tel. No. : (022) 28470652/40430200
Fax No. : (022) 2847 5207
Email : investor@bigshareonline.com
Website : www.bigshareonline.com

9. Share Transfer System:

Securities lodged for transfer at the Registrar's address are processed within 30 days from the date of lodgment, if documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the Depositories within 21 days.

10. (a) Distribution of Shareholding as on 31st March, 2012:

From - To	No. of Shareholders		Shares held	
	Number	% Total	Number	% Total
1 - 5,000	10934	85.27	1527272	6.35
5,001 - 10,000	913	7.12	792525	3.30
10,001 - 20,000	458	3.57	719788	2.99
20,001 - 30,000	177	1.38	461780	1.92
30,001 - 40,000	82	0.64	291860	1.21
40,001 - 50,000	77	0.60	364919	1.52
50,001 - 1,00,000	108	0.84	785819	3.27
Above 1,00,000	74	0.58	19091188	79.44
Total	12823	100.00	24035151	100.00

10. (b) Shareholding Pattern as on 31st March, 2012:

Category	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Promoters (Group)	2	0.02	16549910	68.86
Banks	5	0.04	489512	2.04
Financial Institutions	1	0.01	100000	0.41
Mutual Funds	10	0.08	3550	0.01
FII/NRI/OCB's	66	0.51	210746	0.88
Domestic Companies	271	2.11	697291	2.90
Resident Individual	12459	97.16	5982068	24.89
Shares in Transit In Depository(*)	9	0.07	2074	0.01
TOTAL	12823	100.00	24035151	100.00

(*) Lying in Pool Account of Depositories since buyer's identity is not established.

11. Dematerialization of Shares and Liquidity:

98.53 % of the total Equity Capital is held in Dematerialized form with NSDL and CDSL as on 31st March, 2012.

As per the SEBI Guidelines, the trading in Equity Shares of the Company is permitted only in Dematerialized form.

12. Outstanding GDR's/ADR's/Warrants or any Convertible Instruments:

As of date, the Company has not issued these types of Securities.

13. Plant Location: Village Savroli, Taluka: Khalapur, District: Raigad, Maharashtra - 410202.

14. Address for Correspondence:

Registered Office & Factory: Village Savroli, Tal. Khalapur, Dist. Raigad, Maharashtra - 410202 Tel. No.: (02192) 274026-29 Fax No.: (02192) 274031	Registrar & Share Transfer Agent: Bigshare Services Pvt. Limited E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai – 400072 Tel.: (022) 28470652 / 40430200 Fax No.: (022) 28475207 Email: investor@bigshareonline.com Website: www.bigshareonline.com	Compliance Officer: Mr. Nihar Ranjan Das Company Secretary, KDL Biotech Ltd. Village Savroli, Tal. Khalapur, Dist. Raigad, Maharashtra - 410202 Tel. No. (02192) 274026-29 Fax No. (02192) 274031 Email : n_das@kdlbiotech.in
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For and on behalf of the Board of Directors

Place : Mumbai
Date : August 28, 2012

(Dr. Rajesh Agrawal)
Director - Technical

DECLARATION

The Board has laid down a Code of Conduct for all the Board Members and Senior Management of the Company. The Board Members and Senior Management have affirmed compliance with the Code of Conduct.

(Dr. Rajesh Agrawal)
Director - Technical

(Nalin Bamzai)
Managing Director

Place : Mumbai
Date : August 28, 2012

CERTIFICATION BY MANAGING DIRECTOR AND WHOLE-TIME DIRECTOR

We, hereby certify for the Accounting Period ending March 31, 2012 on the basis of the review of the financial statements and to the best of our knowledge and belief:

- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 2) These statements give a true and fair view of the state of affairs of Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing Accounting Standards, applicable Laws and Regulations.
- 3) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- 4) We accept overall responsibility for the Company's internal control system for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors, and report significant issues to the Audit Committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies and material weaknesses.
- 5) We indicate to the Auditors and to the Audit Committee:
 - i) Significant changes in internal control over financial reporting during the period;
 - ii) Significant changes in accounting policies during the period;
 - iii) Instances of significant fraud of which we have become aware of and which involve management or other employees who have a significant role in the Company's internal control system over the financial reporting.

However, during the period there were no such changes or instances.

(Nalin Bamzai)
Managing Director

(Dr. Rajesh Agarwal)
Director - Technical

Place : Mumbai
Date : August 28, 2012

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To,
The Members of
KDL Biotech Limited

We have examined the compliance of conditions of Corporate Governance by **KDL BIOTECH LIMITED** for the Accounting period ended on 31st March 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

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

For KHANDELWAL JAIN & CO.
Chartered Accountants

Place : Mumbai
Date : August 28, 2012

(S. S. SHAH)
Partner
Membership No. 33632

AUDITOR'S REPORT

TO THE MEMBERS OF KDL BIOTECH LIMITED

1. We have audited the attached Balance Sheet of **KDL BIOTECH LIMITED** as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India under sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us we enclose in the annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4.
 - (i) *As mentioned in Note No. 32 of the financial statements, the Company has prepared the accounts on the basis of going concern inspite of loss of Rs. 17,21,23,537 incurred during the current year and accumulated losses amounting to Rs. 1,83,99,27,558 as at 31st March 2012, resulting into erosion of its entire net worth. The Company also has working capital deficiency. The Company is a sick company within the meaning of Section 3(1)(O) of the Sick industrial Companies (Special Provisions) Act, 1985 and its reference to the Board for Industrial and Financial Reconstruction (BIFR) has been registered by BIFR. These factors raise doubts about the Company's ability to continue as a going concern which is dependent upon infusion of long terms funds for its future operations. The accompanying financial statements do not include any adjustments, relating to the recoverability and classification of assets carrying amounts or the amount and classification of liabilities that might result, should the Company be unable to continue as a going concern.*
 - (ii) *As mentioned in Note No. 33 of the financial statements, outstanding balances of certain debtors, creditors, secured loans including interest payable thereon and loans and advances are subject to confirmation.*
 - (iii) *As mentioned in Note No. 28 of the financial statements, the Company has created a charge by way of mortgage on 12th August, 2010 on the land acquired in the financial year 2008-09, in favour of Unimark Remedies Limited, to secure further borrowing of funds from the said company, for which permission / approval of lender banks is yet to be obtained.*
- (iv) *The Company has not provided for the liquidated damages, penal interest and additional interest on defaults in payment of installments and interest on credit facilities from banks, the amount of which is unascertained.*
5. Further to our comments in the Annexure referred to in paragraph 3 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 purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement, dealt with by this report are in agreement with the books of account;
 - d) in our opinion and to the best of our information, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement, dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
 - e) based on written representations received from all the Directors of the Company as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Director of the Company is disqualified as at 31st March, 2012 from being appointed as a director 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 accounts *subject to our comments in paragraph 4 above, consequential cumulative effect thereof is not ascertainable* and read together with the other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
 - ii) in the case of Statement of Profit and Loss, of the loss of the Company for the year ended on that date, and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For KHANDELWAL JAIN & CO.
Firm Registration No. 105049W
Chartered Accountants

(S.S. SHAH)
Partner

Membership No. 33632

Place : Mumbai
Date : August 28, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in the report of even date to the Members of KDL Biotech Limited on the accounts for the year ended March 31st, 2012)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, all tangible fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanations given to us, as also on the basis of books and records examined by us, the Company has not disposed off any substantial part of its fixed assets during the year so as to affect its going concern status. Also, refer Note No. 31 and 32 of notes forming part of financial statements.
2. (a) As explained to us, the management has conducted physical verification of the inventory at reasonable intervals, except stocks lying with third parties and in bonded warehouse, which are verified with reference to the certificates obtained and/or subsequent clearance of goods.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of the 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 is maintaining proper records of the inventory and no material discrepancies were noticed on physical verification of inventory as compared to the book records.
3. (a) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the sub-clauses (a), (b), (c) and (d) of paragraph 4 (iii) of the Order are not applicable.
- (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the sub-clauses (e), (f) and (g) of paragraph 4 (iii) of the Order are not applicable.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the purchase of inventory, fixed assets and for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.
5. On the basis of the audit procedures performed by us, and according to the information, explanations and representations given to us, we have not come across any particulars of contracts or arrangements which were required to be entered in the register maintained under Section 301 of the Companies Act, 1956.
6. According to the information and explanations given to us, during the year the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provision of Sections 58A, Section 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. We have broadly reviewed the books of accounts maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out any detailed examination of such accounts and records.
9. (a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales Tax, Wealth tax, Service Tax, Custom Duty, Excise duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed statutory dues payable in respect of Income-tax, Wealth tax, Service Tax, Custom Duty, Excise duty and Cess were outstanding as at 31st March, 2012 for a year or more than six months from the date they became payable.
- (b) According to the information and explanation given to us, dues in respect of Sales tax, Income tax, Customs duty, Wealth tax, Excise duty and cess that have not been deposited

on account of disputes and the forum where the dispute is pending are as under:

Name of the Statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Dispute in Respect of Settlement Commission Order Cancellation	57,72,375	2007-08	High Court, Mumbai
Customs Act, 1962	Dispute in payment of Custom duty on Import	*21,46,25,716/- Less : Deposited to 11,50,00,000/-	2002-03 to 2006-07	Regional Bench Customs Excise and Service Tax Appellate Tribunal
Bombay Sales Tax Act, 1959	Demand on account of non-submission of Form BC	15,41,288	2003-04	Joint Commissioner of Sales Tax

*Against this, the company has paid Rs. 11,50,00,000 under protest and made provision for the same as doubtful advances.

10. *The accumulated losses being debit balance in Profit and Loss Account at the end of the financial year are more than 50% of its net worth. The Company has incurred cash losses of Rs. 807.94 lacs during the financial year ended 31.03.2012 and had incurred cash losses of Rs. 4,196.49 lacs in the immediately preceding financial period.*
11. *Based on our audit procedures and the information and explanations given to us, the Company has defaulted in repayment of principal and interest dues to banks. The Company has not paid installments of Working Capital Term Loan of State Bank of India (SBI) fallen due on monthly basis with effect from 1st October, 2007 aggregating to Rs. 8,84,00,000 up to 31st March, 2012. The company has also defaulted in repayment of dues of banks viz. SBI, Canara Bank and Saraswat Co-operative Bank Ltd aggregating to Rs. 30,02,90,543 on various dates and outstanding as on 31st March, 2012. The first default occurred in October 2005. Further, the interest on these Bank loans is overdue to the tune of Rs. 21,36,85,597 upto 31st March, 2012. This amount of secured loans and overdue interest is subject to confirmation from the respective banks.*
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. 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 Order are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, Clause (xiv) of paragraph 4 of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, prima facie, prejudicial to the interest of the Company.
16. In our opinion and relying on the information given to us, the Term Loans have been applied for the purposes for which they were obtained.
17. *In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis amounting to Rs. 10,631.94 lacs have been used for long-term purposes including for accumulated losses.*
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
19. As the Company has not issued any debentures during the year covered by our report, clause (xix) of paragraph 4 of the order is not applicable to the Company.
20. During the year covered by our audit report, the Company has not raised any money by way of public issue.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For KHANDELWAL JAIN & CO.

Firm Registration No. 105049W

Chartered Accountants

(S.S. SHAH)

Partner

Membership No. 33632

Place : Mumbai

Date : August 28, 2012

BALANCE SHEET AS AT 31st March, 2012

	Notes	As at 31st March, 2012		As at 31st March, 2011	
		₹		₹	
I EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share capital	2	24,03,51,510		24,03,51,510	
(b) Reserves and surplus	3	(83,20,83,623)	(59,17,32,113)	(65,99,60,086)	(41,96,08,576)
(2) Non-current liabilities					
(a) Long-term borrowings	4		4,42,411		94,163
(b) Long-term Provisions	5		2,61,40,000		2,21,95,152
(3) Current liabilities					
(a) Short-term borrowings	6	51,37,76,662		51,28,83,738	
(b) Trade payables	7	5,48,32,297		5,33,07,085	
(c) Other current liabilities	8	55,85,32,519		47,73,19,297	
(d) Short-term provisions	9	49,94,282	1,13,21,35,760	73,27,530	1,05,08,37,650
TOTAL			56,69,86,058		65,35,18,389
II ASSETS					
(1) Non-current assets					
(a) Fixed assets	10				
(i) Tangible assets		48,05,99,349		54,71,23,281	
(ii) Intangible assets		–		2,25,00,000	
(ii) Capital work-in-progress		–	48,05,99,349	–	56,96,23,281
(b) Non-current investments	11		72,000		72,000
(c) Long-term Loans and advances	12		36,73,454		36,46,378
(d) Other Non-Current Assets	13		1,36,99,178		1,25,00,000
(2) Current assets					
(a) Inventories	14	2,51,28,206		2,70,29,239	
(b) Trade receivables	15	1,61,066		29,44,987	
(c) Cash and cash equivalents	16	53,67,350		48,02,477	
(d) Short-term loans and advances	17	23,42,107		24,52,078	
(e) Other current assets	18	3,59,43,347	6,89,42,076	3,04,47,948	6,76,76,729
TOTAL			56,69,86,058		65,35,18,389

Notes forming part of financial statements 1 to 46

As per our report of even date
For KHANDELWAL JAIN & CO.,
Chartered Accountants
Firm Registration No. : 105049W

For and on behalf of the Board of Directors

(S.S.Shah)
Partner
Membership No. : 33632

NALIN BAMZAI
Managing Director

DR. RAJESH AGRAWAL
Director-Technical

NIHAR RANJAN DAS
Company Secretary

Place : Mumbai
Date : August 28, 2012

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2012

	Note No.	For the year ended 31st March, 2012	for the year ended 31st March, 2011	
		₹	₹	
I	Revenue from operations	19	26,46,56,906	28,40,63,173
II	Other income	20	75,84,199	32,23,750
III	Total Revenue (I + II)		27,22,41,105	28,72,86,923
IV	Expenses:			
	Cost of material consumed	21	4,70,15,306	7,81,58,505
	Manufacturing and Operating costs	22	11,64,80,738	11,31,45,386
	Employee Benefits expense	23	9,64,93,728	9,35,62,913
	Finance Costs	24	6,77,14,544	6,73,83,920
	Depreciation and Amortization Expense	10	9,13,29,215	22,34,81,145
	Other Expenses	25	2,53,31,112	16,27,58,893
	Total Expenses		44,43,64,642	73,84,90,762
V	Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		(17,21,23,537)	(45,12,03,839)
VI	Exceptional items		-	(11,50,00,000)
VII	Profit / (Loss) before extraordinary items and tax (V-VI)		(17,21,23,537)	(56,62,03,839)
VIII	Prior Period Item		-	-
IX	Profit / (Loss) before tax (VII-VIII)		(17,21,23,537)	(56,62,03,839)
X	Tax Expense:			
	(1) Current Tax		-	-
	(2) Deferred Tax Written Off		-	(7,69,26,563)
	(3) Excess / (Short) Provision for Tax - Ealier year		-	-
XI	Profit / (Loss) for the period (IX - X)		(17,21,23,537)	(64,31,30,402)
XII	Earning Per Equity Share (Refer Note No. 41):			
	(1) Basic		(7.16)	(26.76)
	(2) Diluted		(7.16)	(26.76)

Notes forming part of financial statements 1 to 46

As per our report of even date
For KHANDELWAL JAIN & CO.,
Chartered Accountants
Firm Registration No. : 105049W

For and on behalf of the Board of Directors

(S.S.Shah)
Partner
Membership No. : 33632

NALIN BAMZAI
Managing Director

DR. RAJESH AGRAWAL
Director-Technical

NIHAR RANJAN DAS
Company Secretary

Place : Mumbai
Date : August 28, 2012

Notes Forming part of the Financial Statements

	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
2 SHARE CAPITAL		
Authorised Capital:		
75,000,000 (P.Y. - 75,000,000) Equity Shares of Rs. 10/- each	75,00,00,000	75,00,00,000
Issued, Subscribed & Paid-up Capital:		
24,035,151 (P.Y. - 24,035,151) Equity Shares of Rs. 10/- each	24,03,51,510	24,03,51,510
Total	24,03,51,510	24,03,51,510
(a) Reconciliation of number of Shares		
Equity Shares outstanding at the beginning of the year	2,40,35,151	2,40,35,151
Changes during the year	-	-
Equity Shares outstanding at the end of the year	2,40,35,151	2,40,35,151
(b) Details of Equity Share held by the associates		
Unimark Remedies Limited	1,09,09,885	1,09,09,885
Sympac Pharmaceuticals Limited	56,40,025	56,40,025
	1,65,49,910	1,65,49,910
(c) Details of Shareholders holding more than 5% of the aggregate Equity Shares in the Company		
Unimark Remedies Limited		
- No. of shares held	1,09,09,885	1,09,09,885
- % of Holding	45.39	45.39
Sympac Pharmaceuticals Limited		
- No. of shares held	56,40,025	56,40,025
- % of Holding	23.47	23.47
3 RESERVE & SURPLUS		
Capital Redemption Reserve		
As per last Balance Sheet	28,67,66,700	28,67,66,700
Movements during the year	-	-
	28,67,66,700	28,67,66,700
Capital Reserve		
As per last Balance Sheet	44,79,02,392	44,79,02,392
Movements during the year	-	-
	44,79,02,392	44,79,02,392
Reserve		
As per last Balance Sheet	86,295	86,295
Movements during the year	-	-
	86,295	86,295
Share Premium		
As per last Balance Sheet	27,30,88,548	27,30,88,548
Movements during the year	-	-
	27,30,88,548	27,30,88,548
Deficit in Statement of Profit & Loss		
As per last Balance Sheet	(1,66,78,04,021)	(1,01,67,14,094)
Transfer to General Reserve	-	(79,59,525)
Loss for the Year	(17,21,23,537)	(64,31,30,402)
	(1,83,99,27,558)	(1,66,78,04,021)
Total	(83,20,83,623)	(65,99,60,086)

Notes Forming part of the Financial Statements

	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
4 LONG-TERM BORROWINGS		
(Secured)		
Vehicle Loan on Hire Purchase basis		
Car Loan - ICICI Bank Ltd.	-	94,163
Car Loan - HDFC Bank Ltd.	4,42,411	-
(Vehicle Loan has been secured by Hypothecation of Vehicles purchased under the Hire Purchase Scheme)		
Terms of Repayment		
Repayable in 57 monthly installments, of Rs.10,982 each, commencing from January, 2012. Last installment due in September, 2016. Rate of interest is 13.50% per annum		
Total	4,42,411	94,163
5 LONG-TERM PROVISIONS		
Provisions for employee benefits:		
Gratuity	2,61,40,000	2,21,95,152
	2,61,40,000	2,21,95,152
6 SHORT-TERM BORROWINGS		
(Secured)		
From Related Parties - Associate Enterprise		
Unimark Remedies Ltd.	20,80,00,000	20,80,00,000
(Secured by the mortgage of 7-00-8 hectares of land consisting of Survey and Hissa Nos. 6-11, 7-8A, 7-8B, 7-9, 9-1, 9-3, 9-6, 10-0, 11-2, 11-4, 11-5, 9-5 at Village Savroli, Taluka Khalapur, Khopoli, Dist. Raigad)		
Working Capital Loans:		
From Banks	30,02,90,543	30,02,90,543
(Secured by Hypothecation and Pledge of Raw Materials, Goods-in-Process, Packing Materials, Stores and Spares, Finished Goods, Book Debts and Bills and Second charge on immovable properties.)		
Repayment of dues of banks viz. SBI, Canara Bank and Saraswat Co-operative Bank Ltd aggregating to Rs. 30,02,90,543 on various dates and outstanding as on 31st March, 2012. The first default occurred in October 2005.		
(Unsecured)		
Loans Repayable on Demand		
From Banks		
Bank Overdraft / Overdrawn Bank Balances	54,86,120	45,93,196
Total	51,37,76,662	51,28,83,738

Notes Forming part of the Financial Statements

	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
7 TRADE PAYABLES		
Micro, Small and Medium Enterprise (Refer Note No. 37)	12,63,574	13,43,220
Others	5,35,69,128	5,19,63,865
Total	5,48,32,702	5,33,07,085
8 OTHER CURRENT LIABILITIES		
(a) Current Maturities of Long Term Debt Term Loans:		
From Banks	8,84,00,000	8,84,00,000
(Secured by pari passu First charge on entire fixed assets of the Company (except 7-00-8 hectares of land mortgaged to M/s. Unimark Remedies Ltd.), along with existing First charge holders and guaranteed by Mr. Surendra Somani, Mr. Rajendra Somani and Susheel Somani jointly and severally.)		
Installment of Working Capital Term Loan of State Bank of India (SBI) fallen due on monthly basis with effect from 1st October 2007 aggregating to Rs. 8,84,00,000 up to 31st March 2011.		
(b) Interest accrued and due on borrowings		
On Term Loans	6,00,49,951	4,86,45,776
On Working Capital Loans	19,09,40,359	13,46,61,301
(c) Advance received from customers	19,95,14,904	18,65,87,897
Advance received from customers Includes due to Related Party - Unimark Remedies Ltd. - Associate Enterprise Rs. 19,94,60,466 (P. Y. Rs. 18,64,30,531)		
(d) Preference Shares Redemption Payables	35,00,250	35,00,250
(e) Statutory Dues	18,37,942	16,61,744
(f) Deposits	2,00,000	-
(g) Other Payables		
Employee Dues	1,40,89,113	1,38,62,329
Total	55,85,32,519	47,73,19,297
9 SHORT TERM PROVISIONS		
Provisions for employee benefits:		
Leave Encashment	45,29,282	47,02,682
Gratuity	4,65,000	26,24,848
Total	49,94,282	73,27,530

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
SCHEDULE 10 : FIXED ASSETS

Sr. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION			IMPAIRMENT		NET BLOCK	
		As at 1st April, 2011	Additions	Deletions / Adjustments	As at 31st March 2012	Upto 1st April 2011	For the Year	Deduction / Adjustments	Upto 31st March 2012	For the Year	As at 31st March 2012	As at 31st March 2011
(i)	Tangible Assets											
	Freehold Land	3,50,59,320	-	-	3,50,59,320	-	-	-	-	-	3,50,59,320	3,50,59,320
	Buildings	14,96,02,124	72,514	-	14,96,74,638	6,53,56,067	49,97,574	-	7,03,53,641	-	7,93,20,997	8,42,46,067
	Plant & Equipments	1,18,46,17,949	6,15,961	2,34,361	1,18,49,99,549	76,32,84,989	6,22,32,153	5,264	82,55,11,878	-	35,94,82,407	42,13,32,959
	Furniture and Fixture	1,04,34,504	-	-	1,04,34,504	76,54,047	6,60,504	-	83,14,551	-	21,19,953	27,80,457
	Tube Well	3,46,117	-	-	3,46,117	1,42,901	11,560	-	1,54,461	-	1,91,656	2,03,216
	Office equipment	26,25,481	68,225	-	26,93,706	14,90,887	1,25,725	-	16,16,612	-	10,77,094	11,34,594
	Computer	57,23,872	15,65,856	-	72,89,728	52,28,510	2,51,690	-	54,80,200	-	18,09,528	4,95,362
	Vehicles	61,50,211	7,23,106	8,99,082	59,74,235	42,78,895	5,50,009	3,93,064	44,35,840	-	15,38,395	18,71,316
	Total	1,39,45,59,576	30,45,662	11,33,443	1,39,64,71,797	84,74,36,296	6,88,29,215	3,98,328	91,58,67,184	-	48,05,99,349	54,71,23,281
(ii)	Intangible Assets											
	Non-competent Fees	6,75,00,000	-	-	6,75,00,000	4,50,00,000	2,25,00,000	-	6,75,00,000	-	-	2,25,00,000
	Technical Know-How	2,91,20,000	-	-	2,91,20,000	36,30,027	-	-	36,30,027	-	2,54,89,973	-
	Process Development	5,85,45,409	-	-	5,85,45,409	1,75,47,583	-	-	1,75,47,583	-	4,09,97,826	-
	Total	15,51,65,409	-	-	15,51,65,409	6,61,77,610	2,25,00,000	-	8,86,77,610	-	6,64,87,799	2,25,00,000
(iii)	Capital work-in-progress	4,36,80,000	-	-	4,36,80,000	-	-	-	-	-	4,36,80,000	-
	Grand Total	1,59,34,04,987	30,45,662	11,33,443	1,59,53,17,206	91,36,13,906	9,13,29,215	3,98,328	1,00,45,44,794	-	48,05,99,349	56,96,23,281
	Previous year	1,59,18,27,879	18,73,715	2,96,607	1,59,34,04,987	80,03,00,560	11,33,13,346	-	91,36,13,906	11,01,67,799	11,01,67,799	-

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Notes Forming part of the Financial Statements

	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
11 NON-CURRENT INVESTMENTS		
(a) Non-trade investments		
Equity (Unquoted)		
2500 (P. Y. 2500) Shares of Saraswat Co-op Bank Ltd of Rs.10/-each	25,000	25,000
(b) Trade investments		
Equity (Quoted)		
1200 (P.Y. 1200) Shares of Canara Bank of Rs.10/- each	42,000	42,000
(c) Investments in Government Securities (Unquoted, Trade)		
National Savings Certificate (Deposited with Government department as security)	5,000	5,000
Total	72,000	72,000
12 LONG-TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Deposits	36,73,454	36,46,377
(Unsecured, Considered Doubtful)		
Deposits with Government Departments	11,50,00,000	11,50,00,000
Less: Provision for doubtful advances	11,50,00,000	11,50,00,000
	-	-
Total	36,73,454	36,46,377
13 OTHER NON-CURRENT ASSETS		
Deposits with Banks	1,36,99,178	1,25,00,000
Total	1,36,99,178	1,25,00,000
14 INVENTORIES		
(a) Raw Materials	1,73,15,858	1,95,08,743
(b) Raw materials in transit	-	25,863
(c) Work in progress	46,689	46,689
(d) Finished Goods	1,31,170	1,31,170
(e) Stores and Spares	68,69,550	65,57,200
(f) Packing Material	7,64,939	7,59,574
Total	2,51,28,206	2,70,29,239

Notes Forming part of the Financial Statements

	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
15 TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	1,45,261	17,383
Unsecured, considered doubtful	3,37,01,376	3,37,01,376
Less: Provision for doubtful debts	3,37,01,376	3,37,01,376
	1,45,261	17,383
Outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	15,807	29,27,604
	15,807	29,27,604
Total	1,61,068	29,44,987
16 CASH & BANK BALANCES		
(a) Cash and cash equivalents		
Balances with banks		
In current accounts	37,68,251	38,55,065
In EEFC accounts	2,45,384	2,13,853
Cash on Hand	7,03,460	83,304
(b) Other bank balances		
Balance with Bank held as margin money	6,50,255	6,50,255
Total	53,67,350	48,02,477
17 SHORT TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Loans and advances to employees	23,42,107	24,52,078
Total	23,42,107	24,52,078
18 OTHER CURRENT ASSETS		
Insurance Claim Receivables	54,86,388	55,70,888
Octroi Receivables	72,960	72,960
Interest accrued but not due	1,89,682	3,49,917
Prepaid Expenses	4,44,275	1,31,342
Balance With excise authority / VAT authority	1,65,40,923	1,17,41,115
Advance with creditors	23,47,735	15,58,216
Advance Income Tax	1,08,61,385	1,10,23,510
(Unsecured, Considered Doubtful)		
Advance Import Licence Benefits Receivable	94,71,814	94,71,814
Less: Provision for Advance Import Licence Benefits Receivable	94,71,814	94,71,814
Total	3,59,43,347	3,04,47,948

Notes Forming part of the Financial Statements

	For the year ended 31st March, 2012 ₹	For the year ended 31st March, 2011 ₹
19 REVENUE FROM OPERATIONS		
(a) Sale of Products	5,02,52,471	5,44,80,815
(b) Sale of Services	17,96,34,746	20,55,46,907
(c) Other operating Revenues	4,26,71,137	3,02,80,674
Less: Excise Duty	79,01,448	62,45,223
Total	26,46,56,906	28,40,63,173
(A) Details of Sale of Products		
Sale of Traded Goods		
(i) Liquid Nitrogen	3,15,09,707	3,30,63,588
(ii) Blue Drums	1,00,49,538	99,35,317
(iii) Poly Bags	7,91,778	8,83,357
(iv) Others	-	43,53,330
Total	4,23,51,023	4,82,35,592
(B) Sale of Services		
(i) Job Work Charges	17,96,34,746	20,55,46,907
Total	17,96,34,746	20,55,46,907
(C) Other Operating Revenues		
(i) Scrap Sales	15,15,366	53,63,651
(ii) Solvent Sales	3,72,96,398	1,04,51,865
(iii) Others	38,59,373	1,44,65,158
Total	4,26,71,137	3,02,80,674
20 OTHER INCOME		
Dividend received	5,000	15,023
Interest Income (TDS: CY: Rs.2,72,793/-, PY: Rs.49,651/-)	22,37,304	6,23,098
Sundry balances written back	3,54,949	400
Foreign Exchange Fluctuation Gain	10,243	1,350
Prior Period Income (Net)	29,51,974	-
Other operating income	20,24,729	25,83,879
Total	75,84,199	32,23,750
21 COST OF MATERIAL CONSUMED		
Raw Material		
Opening Stock	1,95,34,606	2,19,03,055
Add : Purchases	17,65,281	2,14,21,875
	2,12,99,887	4,33,24,930
Less: Closing Stock	1,73,15,858	1,95,34,606
	39,84,029	2,37,90,324
Packing Material		
Opening Stock	7,59,574	7,84,415
Add : Purchases	6,85,619	17,74,219
	14,45,193	25,58,634
Less: Closing Stock	7,64,939	7,59,574
	6,80,254	17,99,060
Trading Goods		
Opening Stock	-	-
Add : Purchases	4,23,51,023	4,82,35,591
	4,23,51,023	4,82,35,591
Less: Closing Stock	-	-
	4,23,51,023	4,82,35,591

Notes Forming part of the Financial Statements

	For the year ended 31st March, 2012 ₹	For the year ended 31st March, 2011 ₹
Semi Finished Goods		
Opening Stock	46,689	35,91,128
Add : Purchases	–	–
	46,689	35,91,128
Less: Closing Stock	46,689	46,689
	–	35,44,439
Finished Goods		
Opening Stock	1,31,170	9,20,261
Add : Purchases	–	–
	1,31,170	9,20,261
Less: Closing Stock	1,31,170	1,31,170
	–	7,89,091
TOTAL	4,70,15,306	7,81,58,505
22 MANUFACTURING & OPERATING COSTS		
Job Work Charges	2,02,81,287	2,50,37,313
Consumption of stores and spare parts	1,49,52,361	89,58,058
Power and fuel	6,72,23,543	6,76,92,905
Water Charges	2,24,238	–
Freight & Forwarding	24,83,715	18,92,506
Rent	13,144	–
Repairs and maintenance		
- Buildings	18,28,388	11,38,682
- Plant and equipment	94,74,062	84,25,922
	11,64,80,738	11,31,45,386
23 EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus etc.	8,32,04,493	8,11,38,385
Contribution to provident funds and other funds	51,05,607	49,62,665
Staff welfare and benefit expenses	81,83,628	74,61,863
Total	9,64,93,728	9,35,62,913
24 FINANCE COSTS		
Interest on borrowings	6,76,60,655	6,68,00,060
Interest on delayed statutory payments	38,780	5,42,322
Bank Charges	15,108	41,538
Total	6,77,14,544	6,73,83,920
25 OTHER EXPENSES		
Insurance	7,80,956	7,35,595
Rates and Taxes	6,04,491	13,79,379
Director's Sitting Fees	–	8,000
Legal and professional fees	46,73,079	27,50,300
Auditor's remuneration	6,50,000	6,50,000
Travelling and conveyance	12,61,469	14,11,051
Printing and Stationery	9,71,193	10,78,143
Repairs and maintenance—Others	19,36,045	15,66,368
Communication expenses	7,21,608	7,16,295
Sales Promotion Expenses	1,28,801	50,548
Donations	57,054	62,703
Laboratory Expenses	15,71,662	17,22,629
Rent	35,00,470	33,53,998
Prior Period expenses (Net)	–	13,93,71,000
Loss on Sale of Assets	1,03,574	–
Miscellaneous expenses	83,70,709	79,02,843
Total	2,53,31,112	16,27,58,852

NOTES FORMING PART OF FINANCIAL STATEMENTS
1 SIGNIFICANT ACCOUNTING POLICIES :
a) BASIS OF PREPARATION OF ACCOUNTS

The accounts have been prepared and presented under the historical cost convention on the accrual basis and comply in all material aspects with applicable accounting principals in India, the applicable Accounting Standards notified under Section 211(3C) and relevant provisions of the Companies Act, 1956. All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of services, the Company has ascertained its operating cycle to be less than 12 months.

b) SYSTEM OF ACCOUNTING

The Company follows the Mercantile system of accounting and recognises Income and Expenditure on accrual basis except stated otherwise.

c) FIXED ASSETS AND DEPRECIATION
i) Fixed Asset :
Tangible Assets:

- 1 Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition inclusive of borrowing cost, pilot plant batches and other incidental expenses incurred upto the date of installation/put to use.
- 2 Cenvat Credit wherever available on purchase of fixed assets is reduced from the cost of respective assets.

Intangible Assets

- 1 The measured and identified cost incurred for developing new production process, product development and process improvement are classified as intangible assets and the cost incurred in the development stage is segregated and shown as Intangible Assets.
- 2 Expenses incurred towards permanent transfer of the process know how are classified as Intangible Assets-Technical Know How.
- 3 The Non-Compete fees & expenses incurred thereon are classified as Intangible Asset.

ii) Depreciation / Amortisation :

- 1 Depreciation on Fixed Assets is provided on Straight Line Method (SLM) at the rates specified in Schedule XIV to the Companies Act, 1956.
- 2 Depreciation on Fixed Asset added/disposed off during the year is provided for on pro-rata basis with reference to the month of addition/disposal.
- 3 Technical know how is amortised over the period of ten years.
- 4 Non-Compete fees & expenses is amortised over the period of the terms and conditions of the agreement.

d) INVESTMENTS

Long term investments are stated at Cost. Provision for diminution in value is made only if, in the opinion of the management such a decline in value of investment is other than temporary.

e) INVENTORIES

- 1 Inventories are valued at the lower of cost (net of cenvat credit) or estimated net realisable value. Cost of raw materials, stores and spares and packing materials is ascertained on "First in First out (FIFO) basis".
- 2 Cost of Finished Goods include excise duty, cost of conversion & other cost incurred in bringing the inventories to their present location and condition.
- 3 Cost of Semi-Finished Goods include cost of materials and estimated overheads upto the stage of completion.
- 4 Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and wherever necessary, provision is made for such inventories.

f) FOREIGN EXCHANGE TRANSACTIONS

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the date of transaction, Monetary assets / liabilities denominated in foreign currency at the year end are translated at year end rates. In respect of monetary items, which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognised as exchange difference and the premium on such forward contract is recognised as exchange difference and the premium on such forward contracts is recognised over the life for the forward contract. The exchange differences arising on settlement / translation are recognised in the Statement of Profit and Loss.

g) REVENUE RECOGNITION

- 1 Sales are recognised when risk and rewards of ownership of the products are passed on to the customers, which is generally on despatch of goods. These are recorded at a price net of excise duty, sales return, sales tax, trade discounts and exchange difference arising on sale transactions and are inclusive of difference in exchange rate fluctuation arising out of working capital borrowed and used for business operations. Insurance claim and Interest on delayed payments is recognised as and when there is reasonable certainty of ultimate realisation. Interest income is recognised on time proportion basis.
- 2 Revenue from job work on completion of the assigned job.

h) EMPLOYEE BENEFITS
(i) Short Term Employees Benefits

Short Term Employees Benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year/period in which the related services are rendered

(ii) Post employment benefits and other long term employee benefits are as follows:

Defined contribution plans – Provident and Pension Fund
 Contributions payable to the recognised provident fund and pension fund, which is a defined contribution scheme, are charged to the Statement of Profit and Loss.

Defined benefit plans - Gratuity

Provision for gratuity is made on the basis of actuarial valuation at the balance sheet date carried out by independent actuary.

Leave Encashment

Liability for leave encashment payable to employees as at the end of the year is determined as per Company's rule and is charged to Statement of Profit and Loss.

i) EXPORT BENEFITS / INCENTIVES

- 1 The unutilised export benefits under Advance Licence against export as on balance sheet date are recognised as income of the year on accrual basis and same is adjusted against Raw material consumption.

2 Export incentives under DEPB accrued during the year, is recognised as income of the year and same is adjusted against Raw Material Consumption.

j) CENVAT / VALUE ADDED TAX

Cenvat/ Value Added Tax benefit is accounted for by reducing the cost of material, fixed assets and services.

k) BORROWING COSTS

Interest and Borrowing cost on specific borrowings relating to qualifying assets are capitalised. Other interest and borrowing cost are charged to the Statement of Profit and Loss in the year they are incurred.

l) PRELIMINARY EXPENSES & SHARE ISSUE EXPENSES

Preliminary expenses & Share issue expenses are charged to Statement of Profit & Loss.

m) PRIOR PERIOD ITEMS

Prior Period expenses/income is accounted under the respective head of expenses/income account. Material items, if any are disclosed separately by way of a note.

n) EARNING PER SHARE

In accordance with the Accounting Standard-20 (AS-20) "Earning Per Share" issued by Institute of Chartered Accountants of India, earning per share is calculated by dividing net profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

o) TAXATION

Income tax expense comprises of current tax (i.e. amount of tax for the year determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Provision for current tax is made on the basis of the assessable income as the tax rate applicable to the relevant assessment year. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets is recognized using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable or virtually certain (as the case may be) of realization.

p) IMPAIRMENT OF ASSETS

An asset is impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed, if there has been a change in the estimate or recoverable amount.

q) PROVISIONS & CONTINGENT LIABILITIES

The company creates a provision when there is a present obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation, or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

r) OTHER ACCOUNTING POLICIES

These are consistent with the generally accepted accounting practices.

26. Contingent liabilities not provided for in respect of :

A. Particulars	Opening 01.04.2011 (₹)	Addition during the year	Deletions during the year	Closing Bal 31.03.2012 (₹)
(a) Excise Duty demands disputed in appeal	6,34,843	—	6,34,843	—
(b) Custom Duty demands disputed in appeal	30,28,397	—	30,28,397	—
(c) Show Cause/Demand Notice from Excise Department	1,64,38,674	—	1,64,38,674	—
(d) Cenvat Credit / Availed Disputed	57,72,375	—	—	57,72,375
(e) Demands as per Show cause notice received from Customs (Refer Note no. 27 below)	9,96,25,716	—	—	9,96,25,716
(f) Claims against the Company not acknowledged as debt (Refer Note no. 29 below)	80,26,39,041	—	—	80,26,39,041
(g) Demand as per Notice of Assessment received from Sales Tax	—	15,41,288	—	15,41,288
TOTAL	92,81,39,046	15,41,288	2,01,01,914	90,95,78,420

27 Against the demand as per show cause notice pursuant to search undertaken by Directorate of Revenue Intelligence under the Custom Act, the Company had preferred an appeal before the Commissioner of Customs (adjudication) who has passed the order confirming and enhancing the demands and also levying interest and penalty aggregating to Rs. 21,46,25,716. Against this order appeal has been preferred before the Regional Bench, Customs Excise and Service Tax Appellate Tribunal. However, pending the final outcome, the amount of Rs. 11,50,00,000 which was deposited under protest, has been provided for as provision for doubtful advances. The balance amount of Rs. 9,96,25,716 has been shown as contingent liability. The Company expects no further liability in this regard.

28 The Company has created Mortgage on August 12, 2010 on the land acquired in the financial year 2008-09 located at Village Savroli, Taluka Khalapur, Khopoli, Dist. Raigad in favour of M/s. Unimark Remedies Ltd, to secure further borrowing of funds, outstanding balance of loan as at 31st March, 2012 is Rs. 20,80,00,000. The Company is in the process of obtaining consent of banks in this regard.

29 Synpac Limited, was the guarantor for the loan taken by the Company from the ABN Amro Bank. Due to default by the Company on repayment, the said bank had invoked the guarantee and recovered the amount of Rs.44,34,02,392 from the said party on April 07, 2008. Synpac Limited has filed Suit No. 445/2010 against the Company before the court of Civil Judge for recovery of USD 1,43,56,167.48 (equivalent to Rs.73,02,98,239 as on March 31, 2012) comprising the amount of USD 1,11,28,812 (equivalent to Rs. 56,61,22,666 as on March 31, 2012) as amount recovered by ABN Amro Bank plus USD 32,27,355.48 (equivalent to Rs.16,41,75,573 as on March 31, 2012) as pre suit interest.

Synpac Limited has also filed Suit No. 447/2010 against the Company before the court of Civil Judge for recovery of USD 14,22,072 (equivalent to Rs. 7,23,40,802 as on March 31, 2012) comprising the amount of USD 9,41,770 (equivalent to Rs.4,79,07,840 as on March 31, 2012) as trade dues payable to Synpac Pharmaceuticals Limited (U.K.) plus USD 4,80,302 (equivalent to Rs.2,44,32,963 as on March 31, 2012) as pre suit interest. In both the above cases, the Company has filed the replies to the Plaintiff application seeking attachment of property before judgement. Stay application on the fact that the Company is before BIFR has also been filed before the Court. The Company does not

expect any liability in this regard and hence, in the opinion of the management no provision is required in the books of account.

30 The company has submitted revised One Time Settlement (OTS) proposal to the bankers. Pending the consent by bankers for OTS proposal, the bankers have: -

a) Issued notice dated April 10, 2012 u/s 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFESI) Act, 2002 to the Company. The Company has replied to the said notice.

b) The bankers have filled suits in the Debt Recovery Tribunal (DRT). In view of the reference made to the Board for Industrial and Financial Reconstruction (BIFR) by the Company, DRT has stayed the matter. The Company has provided for the interest on these bank loans amounting to Rs. 486.37 lacs for the year from 1st April, 2011 to 31st March, 2012 (P. Y. Rs.486.37 lacs) in the Statement of Profit and Loss.

31 The Company has made a reference under Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 on 6th June 2011, which has been registered by the Board for Industrial and Financial Reconstruction (BIFR) as case No. 35/2011. As per the direction of the BIFR in regard to registration of the reference, the Company is restrained from disposing of or alienating in any manner any fixed assets of the Company without the consent of the BIFR. However, during the year, Company has returned Plant & Equipments purchased in FY 2010-11 from Unimark Remedies Ltd. at purchase cost of Rs. 2,34,361 (Depreciation upto the date of disposal: Rs.5,264). Further, the Company has disposed of vehicles having original cost of Rs. 8,99,083 (Depreciation upto the date of sale: Rs.3,93,064) for sale consideration of Rs.3,20,529.

32 The Company has incurred losses of Rs. 17,21,23,537 during the current year and the accumulated losses amounted to Rs. 1,83,99,27,558 as at 31st March 2012. The net worth of the Company has been completely eroded. Further, the Company has a working capital deficiency. The Company is also a sick Company within the meaning of Section 3(1) (O) of the Sick Industrial Companies (Special Provisions) Act, 1985, and in accordance with the provisions of Section 15(1) of the said Act, it has made a reference to the Board for Industrial and Financial Reconstruction (BIFR). The Company has initiated efforts including developing new products and is hopeful of arresting these losses and turning around in the coming years. Accordingly, these accounts have been prepared on a going concern basis.

33 The outstanding balances as at 31st March, 2012 in respect of secured loans including interest payable thereon, Trade Receivables, and Trade Payables are subject to confirmation from the respective parties and consequential reconciliation/adjustments arising there from, if any. The management, however, does not expect any material variation.

34 In the opinion of the Board, Current Assets and Loans and Advances are approximately of the value stated, if realised in the ordinary course of business. The provision for all known and determined Liabilities are adequate and not in excess of the amounts reasonably required.

35 The classification of Plant & Machinery as "Continuous Process Plant" has been made on the basis of the opinion obtained from technical expert & certified by the management. Since this being a technical matter, it is accepted and relied upon by the Auditors.

36 Pursuant to the agreement dated 6th October, 2009 with Kopran Ltd. the Company has paid Rs. 6.75 crore as Non - Compete Fees for either not to manufacture or market the products Amoxicillin,

Ampicillin, Cloxacillin, Dicloxacillin and Flucloxacillin by themselves and through its subsidiaries. Non compete fees (intangible assets) is being amortised over the period of 27 Months.

37 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) (Note 21 - Schedule q of Annual Accounts)

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSM) which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises (MSME). On the basis of the information and records available with the Company, the following disclosures are made for the amounts due to the Micro and Small Enterprises.

Particulars	31st March, 2012 (₹)	31st March, 2011 (₹)
(a) Principal amount remaining unpaid to any supplier as at the end of each accounting year.	10,62,478	10,94,017
(b) Interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	2,01,096	2,49,202
(c) The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
(d) The amount of interest due and payable for the period of delay in making payment.	-	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	2,01,096	2,49,202
(f) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

38 (a) Pursuant to the Scheme of Arrangement between the Company and Kopran Ltd, the Bulk drug Division situated at Khopoli (Raigad) of Kopran Ltd., being all its assets, property both moveable and immovable, and interest of every kind etc. and all its debts, liabilities and obligation have been transferred to and vested in the Company as a going concern, with effect from the appointed date i.e. 1st January 1998.

(b) The title deed for free hold/Lease hold land, building, license agreement, loan documents etc. including Lease agreements / deeds for plantation area land and administrative building block pertaining to the Bulk Drug Division situated at Khopoli (Raigad), have been transferred in the name of the Company during financial year 2007-08.

(c) Pursuant to the Scheme of Arrangement between the Company and Kopran Ltd, the personal guarantee of Shri. Susheel Somani, Shri. Surendra Somani & Shri. Rajendra Somani continues in respect of the dues of bankers till the receipt of the letter of comfort from others with financials acceptable to the bank.

39 The company operates in a single business segment viz pharmaceutical business and accordingly there are no reportable business or geographical segments as prescribed Under Accounting Standard 17 "Segment Reporting".

40 In accordance with the Accounting Standard 20 (AS-20) "Earning per Share" issued by the Institute of Chartered Accountants of India, earning per Share is computed using the weighted average number of shares outstanding during the year as under;

Particulars	Period ended 31st March, 2012 (₹)	Period ended 31st March, 2011 (₹)
Net Profit(+)/Loss(-) after Taxation and Dividend	(17,21,23,537)	(64,31,30,402)
Weighted average nos. of Equity Shares (Nos)	2,40,35,151	2,40,35,151
Face Value (Rs.)	10	10
Earning per Share (Rs.) Basic & Diluted	(7.16)	(26.76)

41 a) In absence of any taxable income during the year and also brought forward unabsorbed losses, no provision for current tax has been made.

b) In view of losses and unabsorbed depreciation, considering the grounds of prudence, deferred tax assets is recognized to the extent of deferred tax liabilities and balance deferred tax assets have not been recognized in the books of accounts.

42 Disclosure as required under Accounting Standard 18 'Related party disclosures' issued by the Institute of Chartered Accountants of India, are as under :

I. List of related parties:

A) Key Management Personnel

Mr. Nalin Bamzai
Dr. Rajesh Agrawal

B) Associate Enterprise

Unimark Remedies Limited
Synpac Pharmaceuticals Limited
(Refer Note No. 29 above)

Transactions/ Outstanding balances with Related Parties - Unimark Remedies Limited

Nature of Transaction	Period Ended 31st March, 2012 (₹)	Period Ended 31st March, 2011 (₹)
a Sales during the Period	4,64,62,470	6,23,89,444
b Job Work Charges received during the period	17,96,34,746	20,55,46,907
c Purchases during the Period	631	13,77, 017
d Secured Loan Taken during the Period	—	1,25,00,000
e Interest on Secured Loan	1,89,42,247	1,83,62,466
f Outstanding balance of		
Secured Loans	20,80,00,000	20,80,00,000
Trade Payables	20,48,41,911	20,47,92,997

g Remuneration 21,00,130 21,00,130
Dr. Rajesh Agrawal
(Technical Director)

43 Auditors Remuneration :

	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)
Audit Fees (Excluding Service Tax)	6,50,000	6,50,000

44 Employee Benefits :

The Company has classified the various benefits provided to employees as under:

Defined Contribution Plan

Provident Fund

During the year, the company has recognised Employers contribution to Provident Fund & Employees' Pension Scheme, 1995 Rs.44,32,776 (P.Y.Rs. 49,47,437) in the Revenue Account (Included in Employees' Remuneration and Welfare Benefits).

Defined benefit Plan & other long term benefits

Valuation in respect of Gratuity have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:-

I. Assumptions:

	31/03/2012	31/03/2011
Discount Rate	8.00%	8.00%
Rate of increase in Compensation levels	6.00%	6.00%

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits is given below :

II. Tables of Fair value of Plan Assets :

	31/03/2012 (₹)	31/03/2011 (₹)
Fair Value of Plan Assets at the beginning of the year	—	—
Expected Return on Plan Assets	—	—
Contributions	26,24,848	1,421,144
Benefits Paid	(26,24,848)	(1,421,144)
Gain / (loss) on Plan Assets	—	—
Fair Value of Plan Assets at the end of the year	—	—

III. Limits of Corridor not considered since total actuarial gain / (loss) is being recognised as on 31-03-2012:

	31/03/2012 (₹)	31/03/2011 (₹)
Actuarial (loss) for the year-Obligation	(11,26,323)	(743,487)
Actuarial gain/(loss) for the year-plan Assets	—	—
Sub-Total	(11,26,323)	(743,487)
Actuarial loss recognised	11,26,323	743,487
Unrecognised actuarial gains/ (losses) at the end of the year	—	—

IV. The Amounts to be recognised in Balance sheet and Income Statement and the related analysis:

	31/03/2012	31/03/2011
	(₹)	(₹)
Present Value of Obligation	2,66,05,000	24,820,000
Fair value of Plan Assets	—	—
Difference	2,66,05,000	24,820,000
Unrecognised Actuarial gains (losses)	—	—
Unrecognised transitional Liability	—	—
Liability Recognised in Balance Sheet	2,66,05,000	24,820,000

V. Net Periodic Cost:

	31/03/2012	31/03/2011
	(₹)	(₹)
Current Service Cost	14,02,919	13,43,063
Interest Cost	18,80,606	17,36,594
Expected Return on Plan Assets	NIL	NIL
Net Actuarial (gain) loss recognised in the year	11,26,323	7,43,487
Expenses Recognised in the Income Statement	44,09,848	38,23,144

VI. Movement in the liability recognised in the Balance Sheet:

	31/03/2012	31/03/2011
	(₹)	(₹)
Opening Net Liability	2,48,20,000	2,24,18,000
Expenses as above	44,09,848	38,23,144
Contributions paid	(26,24,848)	(14,21,144)
Closing Net Liability	2,66,05,000	2,48,20,000

45 CIF Value of Imports :

	31/03/2012	31/03/2011
	(₹)	(₹)
Stores & Spares	6,80,825	7,89,665

46 The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre- revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 have been prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified, regrouped and recasted to conform to this year's classification and presentation.

As per our report of even date
For KHANDELWAL JAIN & CO.,
 Chartered Accountants
 Firm Registration No. : 105049W

For and on behalf of the Board of Directors

(S.S.Shah)
 Partner
 Membership No. : 33632

NALIN BAMZAI
 Managing Director

DR. RAJESH AGRAWAL
 Director-Technical

NIHAR RANJAN DAS
 Company Secretary

Place : Mumbai
 Date : August 28, 2012

CASH FLOW STATEMENT

PARTICULARS	Year Ended 31.03.2012 (₹)	Year Ended 31.03.2011 (₹)
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) before tax as per Statement of Profit & Loss	(17,21,23,537)	(64,31,30,402)
Adjustments for:		
Depreciation and Amortization Expense	9,13,29,215	22,34,81,145
Loss on Sale of Fixed Assets	1,03,574	-
Finance Costs	6,76,60,655	6,68,00,060
Dividend Income	(5,000)	(15,023)
Interest Income	(22,37,304)	(6,23,098)
Sundry Balance Written Off	-	14,420
Sundry Balance Written Back	(3,54,949)	(1,487)
Deferred Income Tax Written Off	-	7,69,26,563
Prior Period Expenses	-	13,93,71,000
Provisions for doubtful advances	-	11,50,00,000
Foreign Exchange Gain / (Loss) (Unrealised)	(10,243)	-
Operating Profit / (Loss) before Working Capital Changes	(1,56,37,589)	(2,21,76,822)
Adjustments for:		
(Increase) / Decrease in Inventories	19,01,034	76,55,178
(Increase) / Decrease in Trade & Other Receivables	6,80,857	(1,80,77,029)
Increase / (Decrease) in Trade & Other Payables and Other Provisions	8,52,42,959	5,25,32,518
Cash Generated from Operations	7,21,87,260	1,99,33,845
Taxes paid	43,03,664	42,58,268
Net Cash Generated from Operating Activities	6,78,83,596	1,56,75,577
B CASH FLOW FROM INVESTING ACTIVITIES:		
Interest Income	23,97,540	6,23,098
Dividend Income	5,000	15,023
Sale of Fixed Assets	4,02,444	1,00,000
Purchase of Fixed Assets	(28,11,299)	(15,77,108)
Net Cash Generated / (Used) from Investing Activities	(6,315)	(8,38,987)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Short Term Borrowings	-	5,08,809
Proceeds from Long Term borrowings	3,48,248	-
Interest paid	(6,76,60,655)	(1,83,62,466)
Net Cash (used in) / from Financing Activities	(6,73,12,407)	(1,78,53,657)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	5,64,873	(30,17,067)
Cash and Cash Equivalents as at beginning of the year	41,52,222	71,69,289
Adjustment for year	-	-
Cash and Cash Equivalents as at the end of the year	47,17,095	41,52,222
Cash and cash equivalent include:		
Cash and bank balances	47,17,095	41,52,222
Total cash and cash equivalents	47,17,095	41,52,222
Balances in fixed deposits (having maturity period of more than 3 months)	-	-
Total cash and bank balances (Refer Note 16(a))	47,17,095	41,52,222

As per our report of even date
For KHANDELWAL JAIN & CO.,
Chartered Accountants
Firm Registration No. : 105049W

For and on behalf of the Board of Directors

(S.S.Shah)
Partner
Membership No. : 33632

NALIN BAMZAI
Managing Director

DR. RAJESH AGRAWAL
Director-Technical

NIHAR RANJAN DAS
Company Secretary

Place : Mumbai
Date : August 28, 2012

KDL BIOTECH LIMITED

Regd. Office & Factory : Village Savroli, Tal: Khalapur, Dist: Raigad, Maharashtra – 410202

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM

Dear Shareholder,

Sub : Green initiative in Corporate Governance – Electronic Mode of service of documents

The Ministry of Corporate Affairs, Govt. of India has taken a “Green Initiative in Corporate Governance” by allowing paperless compliance by the Companies through electronic mode. In accordance with the circular No. 17/2011 dated 21-4-2011 and circular no 18/2011 dated 29-4-2011 issued by the Ministry, companies can now send various notices and documents including Annual Report to its shareholders through electronic mode to the registered e-mail addresses of shareholders as this will reduce paper consumption to a great extent.

Accordingly, the Company proposes to send to its member’s documents like Notices, Balance sheet, Profit and loss Accounts, Directors Report, Auditors Report etc in electronic form, to the email addresses of members provided by them and made available to the Company by Registrar and Share Transfer Agents. You are advised to update by registering changes, if any, in your e- mail address from time to time. Members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses and changes therein from time to time along with their name, address and Folio No. / Client Id No., in respect of their shareholding with: Registrar and Share Transfer Agents, M/s. Bigshare Services Pvt. Ltd. as per the following format.



KDL BIOTECH LIMITED

Regd. Office & Factory : Village Savroli, Tal: Khalapur, Dist: Raigad, Maharashtra – 410202

REGISTRATION FORM FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

M/s. Bigshare Services Pvt. Ltd.
 Unit : KDL BIOTECH LTD.
 Add : E-2/3, Ansa Industrial Estate, Saki Vihar Road,
 Saki Naka, Andheri (E), Mumbai - 400072

I/We, am / are member/s of M/s. KDL BIOTECH LTD. and hereby request to register my e-mail ID in your records to receive the documents such as Notices / Circulars / Documents including Annual Reports etc. in electronic mode pursuant to the circular No. 17/2011 dated 21-4-2011 and Circular No. 18/2011 dated 29-4-2011 by the Ministry of Corporate Affairs Government of India.

Name of First Member: _____

Joint Holder – 1 _____

Joint Holder – 2 _____

E-mail id for registration: _____

Date & Signature (1st holder) _____

Regd. Folio/Client Id No. _____



KDL BIOTECH LIMITED

Regd. Office & Factory : Village Savroli, Tal: Khalapur, Dist: Raigad, Maharashtra – 410202

PROXY FORM

I/We _____ of _____ in the District of _____ being a Member(s) of KDL BIOTECH LIMITED hereby appoint _____ of _____ in the District of _____ or failing him /her _____ of _____ in the District of _____

as my / our Proxy to attend and vote for me/us and on my/our behalf at the Twenty-Fifth Annual General Meeting of the Company to be held on Saturday, the 29th September, 2012 at Rishivan Resort, Survey No. 8/1, Plot No. 1, Khopoli-Pen Road, Ajoshi, Shilphata, Khopoli, Dist. Raigad, Maharashtra - 410203 at 11.30 a.m. and at any adjournment(s) thereof.

Signed by the said _____ this _____ day of _____, 2012

Regd. Folio No. / Client ID No: _____

No. of Shares held _____

Proxy No. _____

Affix
a
Re. 1/-
Revenue
Stamp

Signature of Shareholder

- NOTE:**
- (i) The Proxy in order to be effective should be, duly completed, stamped, signed and must be deposited at the Registered Office of the Company at Village Savroli, Tal: Khalapur, Dist. Raigad, Maharashtra – 410202 not less than 48 hours before the time for holding the aforesaid Meeting.
 - (ii) A Proxy need not be a Member of the Company.

----- TEAR HERE -----

KDL BIOTECH LIMITED

Regd. Office & Factory : Village Savroli, Tal: Khalapur, Dist: Raigad, Maharashtra – 410202

ATTENDANCE SLIP

Folio No. / Client ID No.	
No. of Shares held	

I/We hereby record my/our presence at the 25th Annual General Meeting held on Wednesday, the 29th September, 2012 at Rishivan Resort, Survey No. 8/1, Plot No. 1, Khopoli-Pen Road, Ajoshi, Shilphata, Khopoli, Dist. Raigad, Maharashtra - 410203 at 11.30 a.m.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

- NOTE:**
1. You are requested to fill in, sign and hand this over at the entrance.
 2. If you are attending the Meeting in person or by proxy, your copy of the Balance Sheet may please be brought by you/ your proxy for reference at the Meeting.

BOOK-POST

MARK PAPERS - TEL: (022) 2201 4824

If undelivered, please return to:

KDL BIOTECH LIMITED

Regd. Office & Factory :

Village: Savroli, Taluka: Khalapur,
Dist. Raigad, Maharashtra - 410202