



Piramal Life Sciences
knowledge action care

● ● ● ANNUAL REPORT 2010-2011

Board of Directors

Ajay G. Piramal, Chairman

Dr. (Mrs.) Swati A. Piramal, Vice-Chairperson

Gautam Doshi

Sir Ravinder Maini

Dr. R. A. Mashelkar

Prof. Goverdhan Mehta

N. Santhanam

Dr. Somesh Sharma, Managing Director

Auditors

Price Waterhouse & Co.

Bankers

Axis Bank Limited

Calyon Bank

HDFC Bank Limited

ICICI Bank Limited

Yes Bank Limited

Central Bank of India

IndusInd Bank Limited

Registered Office

Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai 400 013, India.

The Vision

To discover, develop and commercialize innovative drugs to address still unmet medical needs to reduce the burden of disease.

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Chairman's Letter



Dear Shareholders,

Warm greetings to you all.

We are pleased to report that FY2011 was another year of accomplishments for Piramal Life Sciences Limited (PLSL). Committed to the Group's values – knowledge, action and care, we reaffirmed our efforts towards reducing the burden of disease. The year marked a steady movement towards our goal of being the first Company from India to discover, develop and launch a new drug globally.

The environment for drug discovery and development globally has been challenging. Faced with decreasing new drug approvals and increasing R&D spend, most large pharma companies are acquiring R&D assets from smaller, nimble R&D companies. This transformation of the pharmaceutical industry has given rise to new business opportunities in drug discovery for India. In the last few years there has been a growth in the number of pre-clinical research collaborations. Indian companies have transitioned effectively from providing a "cost and speed" based value proposition with regards to clinical trials into more value added areas. From fee for service models, firms have gone into risk sharing and partnership models. R&D companies in India are out-licensing their molecules at much later stages of clinical trials and are even looking at taking drugs all through to market.

Since being demerged from Piramal Healthcare Limited (PHL) as an independent Company in 2007, PSL has made significant progress. The pipeline of R&D programs has increased from nine to twenty four with nine additional programs moving to Phase I/II clinical trials and two additional programs moving to Phase II clinical trials.

The development projects of this pipeline would need strong financial support going forward, given increasing spend on clinical trials. Hence, the Board of PSL has approved the scheme of de-merger of the NCE Research Unit of PSL into PHL. Under the proposed de-merger scheme, all assets and liabilities of the NCE division will be transferred to PHL. Each shareholder of PSL will be entitled to one fully paid up equity share of Rs. 2 each of PHL for every four equity shares of Rs. 10 each held in PSL.

During the year, we commenced Phase II study in Netherlands and India for P1736, a Diabetes molecule. We have received Rs. 132.9 million as the first milestone payment on completion of Phase I trial of P2202 in Canada, for our collaborative research program with Eli Lilly. Now, a Phase II study has been initiated in Canada for P2202. We have also completed a Phase I study of P1201, another drug being developed with Eli Lilly for Diabetes/Metabolic Disorders. Overall, we have made steady progress across different programs in our pipeline.

We wish to express our gratitude to our employees who embody the spirit of PSL and to you, our stockholders, for your ongoing support.

Warm regards,

Ajay G. Piramal
Chairman

Date : 21st June, 2011

Management Discussion & Analysis

Review of the year ended 31 March 2011 :

BUSINESS STRATEGY :

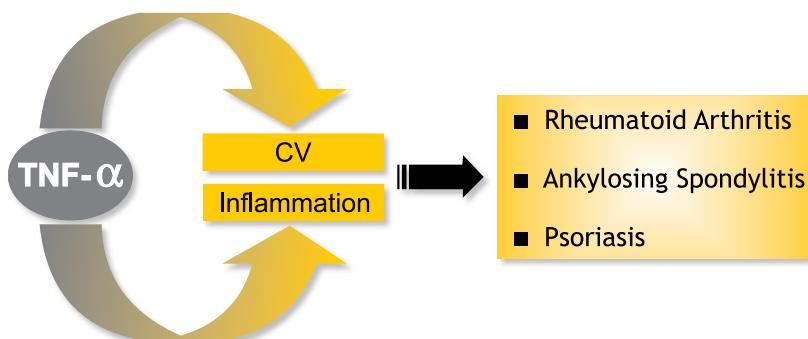
PLSL is a product focused biopharmaceutical company specializing in the discovery and development of novel small-molecule drugs. The Company's strategy is to discover and optimize compounds to meet important unmet clinical needs in the target markets of cancer, metabolic disorder, inflammatory, and infectious diseases. PSL has assembled a world-class scientific team and established a dominant position in drug discovery and development through the use of PSL proprietary technologies. The key elements of PSL's strategy includes:

- Identify a robust portfolio of lead candidates that can be developed to address unmet medical needs in targeted market segments
- Establish seamless development capabilities from discovery through launch and further expedite product path to clinic
- In cases where the candidate involves orphan drug status, niche indications, or accelerated clinical trials, PSL plans to develop the candidate through launch
- Establish corporate partnerships in target markets
 - The Company plans to seek partnerships and collaborations for late stage development and commercialization
- Expand clinical pipeline through in-licensing
 - PSL intends to widen its pipeline by in-licensing drug candidates allowing the Company multiple "shots on goal"
- Manufacturing, marketing and distribution strategy
 - While PSL has established capabilities in these areas, the Company is open to outsourcing to third parties on a need basis

Identify a robust portfolio of lead candidates

PLSL's discovery strategy is to be an "early follower" by working on precedented targets that have been validated by leaders with late-stage, potentially first-in-class development candidates. The Company has chosen not to work on classes of drugs where there are five or more competitors with candidates at a similar level of development. Moreover, in selecting drug candidates PSL hopes to address pathways indicated in multiple applications.

Multiple application of TNF- α as a target



In addition to medicinal chemistry efforts, PSL plans to leverage India's bio-diversity and vast pool of knowledge in traditional medicinal systems such as Ayurveda (an administration of herbal, herbo-mineral or herbo-animal combinations) to source for drug lead molecules. The Company has a unique and diverse collection of natural product extracts from microbes and plants from rare habitats in India, collected over a period of last three decades. With 7,325 plant extracts and 53,536 microbial strains in its library the Company has arguably the largest and most diverse collection of plant extracts and microbial strains in India. PSL's discovery efforts in this segment include evaluation and investigation of medicinal extracts/preparations from herbs and plants as practiced

in rural/tribal areas, or as cited in ancient Ayurvedic texts. PSL希望 to bring herbal medication to the world by applying modern science and clinical validation techniques.

This approach has proven to be significantly less expensive and more rewarding compared to the current, more common strategy of mass-screening vast combinatorial libraries of “druggable” compounds.

PLSL natural product extracts

Natural product extracts	Number
Plant extracts	7,325
Microbial strains	53,536

Establish seamless development capabilities from discovery through launch

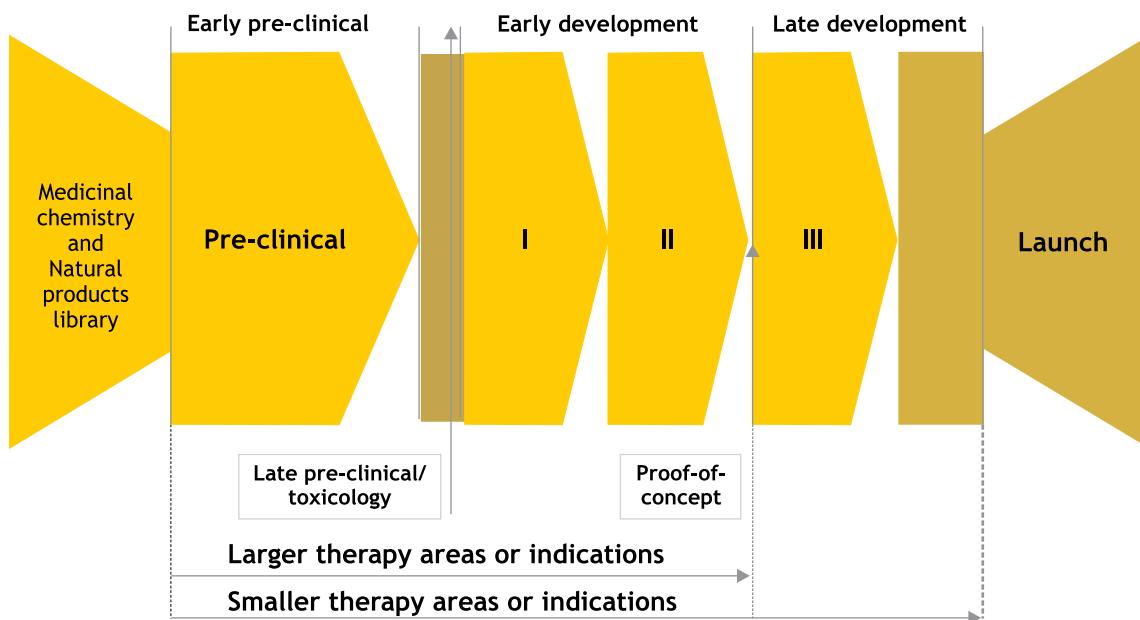
PLSL plans to be a vertically integrated drug development company, with the capability to develop drug candidates from early discovery through clinical development and launch worldwide.

Headquartered in Mumbai, India, PSL has the advantage of a large, “treatment naïve” patient pool, lower clinical trial and overhead expenses, as well as availability of skilled clinicians. As a result, the Company is able to conduct discovery and development operations with a highly reduced expense base in comparison with larger pharmaceutical companies based in the US and Europe.

Discovery → Early Development (I & II) → Late Development (III) → Launch

PLSL believes it has the necessary infrastructure in place to develop molecules through launch and commercialization.

PLSL commercialization strategy



Establish corporate partnerships in target markets

PLSL will develop new chemical entities (NCEs) or plant extracts from early discovery through Phase II clinical trials in India and other countries that afford an opportunity for early commercialization.

Discovery → Early Development (I & II) → Out-license/partnership

In cases where the program or product requires larger clinical trials, PSL will either out-license to global pharmaceutical companies post Proof-of-Concept, or establish a partnership with a pharma company for late-stage development in which the two companies will co-develop the compound on a shared risk and reward basis. PSL will concurrently continue Phase III trials in India.

Expand clinical pipeline through in-licensing

As an innovative pharmaceutical company, PSL has committed to widening its pipeline, with both organic and in-licensed drug candidates. By in-licensing, the Company hopes to enhance the probability of success of its pipeline by increasing its “shots on goal.”

PSL has in-licensing relationships with the following partners, based on the described risk-reward sharing mechanism

- Eli Lilly & Co.
- Merck & Co.
- Pierre Fabre Laboratories (only discovery)
- A top-five global pharmaceutical Company (to be disclosed)

R&D Agreement with Eli Lilly & Co.

In January 2007, PSL signed a drug development agreement with Eli Lilly & Co. to develop and commercialize a select group of Lilly’s pre-clinical drug candidates spanning multiple therapeutic areas. As the initial phase of this agreement, Eli Lilly has out-licensed two patented pre-clinical compounds to PSL indicated in metabolic diseases.

- PSL is responsible for the design and execution of global clinical development through completion of Phase II trials, including process chemistry, formulation, IND-enabling non-clinical toxicology studies and human clinical trials
- Eli Lilly is responsible for Phase III development, registration, and global drug launch (excluding India and certain South Asian countries)
- PSL will receive the following:
 - » Milestone payments (total of US\$100mm) on successful completion of Phase I, II and III
 - » Percentage royalty on global sales upon successful launch
 - » Exclusive marketing rights for India and certain neighboring countries

R&D Agreement with Merck & Co.

In November 2007, Merck and PSL entered into a research and development collaboration agreement to discover and develop new drugs for two new oncology targets provided by Merck.

- PSL will be responsible for carrying out an integrated drug discovery program from lead identification through pre-clinical candidate selection, followed by investigational new drug (IND)-enabling non-clinical studies and human clinical trials demonstrating proof-of-concept, primarily for oncology
- Merck will have an option to advance the most promising drug candidates into late stage clinical trials and to commercialize these drug candidates
- PSL will receive the following:
 - » Up to US\$175mm in milestone payments per target associated with development progress
 - » Royalties on global sales upon successful launch of the product
 - » Marketing rights for India and certain neighboring countries upon successful launch

R&D Agreement with Pierre Fabre Laboratories

In January 2008, PSL entered into a collaboration agreement with Pierre Fabre Laboratories for research in oncology.

- The Pierre Fabre Group will provide its expertise in research and target screening in oncology while PSL will make available its natural products base to facilitate pharmacological characterization of new molecules

Drug Discovery Collaborations

PSL also has a number of drug discovery collaborations with partners including:

- Eli Lilly, USA
- Merck & Co., USA
- Pierre Fabre labs, France
- NIH, USA

- Oncotest GmbH, Germany
- DBT, Govt of India
- National Institute of Oceanography, Goa, India
- Indian Institute of Chemical Biology, Kolkata, India
- IIIM, Jammu-Tawi, India
- IIT, Mumbai, India
- Apollo Hospital, Chennai, India
- NCCS, Pune, India

Manufacturing strategy

PLSL has strong in-house process chemistry capabilities to manufacture up to kilogram quantities of NCE candidates to provide active pharmaceutical ingredients ("API") for GLP toxicology and Phase I clinical trials. API requirements for later stage clinical trials including commercial scale manufacturing will be out-sourced to Indian vendors (including Piramal Healthcare Limited) through a competitive bidding process.

In addition, PSL has in-house pre-formulation and formulation development capabilities. Manufacture of formulated drug products is outsourced to Indian vendors with USFDA approved formulation plants.

Pipeline Overview :

Pipeline : Oncology

Program	Preclinical	Phase I	Phase II	Phase III	Phase IV	Trial Location
P276 CDKs	<i>Head & Neck Cancer</i>		→			India
	<i>Mantle Cell Lymphoma</i>		→			US, India
	<i>Malignant Melanoma</i>		→			Australia, NZ
P276 - with Gem+Carbo	<i>Triple Negative Breast Cancer</i>	→				US, India
P276 - with Gemcitabine	<i>Pancreatic</i>		→			India
P276 - with radiation	<i>Head & Neck Cancer</i>		→			India
P1446 - CDKs		→				Canada
P1446 - CDKs		→				India
P2745	<i>Preclinical</i>	→				India
P7170 - PI3K/mTOR	<i>Preclinical</i>	→				India
PL225B - Merck	<i>Preclinical</i>	→				India
Target Y - Merck	<i>Lead Selection</i>	→				India

Pipeline : Inflammation

Program	Preclinical	Phase I	Phase II	Phase III	Phase IV	Trial Location
Tinefcon® (oral)-TNFα	<i>Rheumatoid Arthritis</i>		→			India
	<i>Rheumatoid Arthritis</i>		→			India
	<i>Psoriasis</i>		→	→		India
Tinefcon® (Topical)-TNFα	<i>Psoriasis</i>		→			India
P3914 - NSAID	<i>Preclinical</i>	→				India
P7170 - PI3K	<i>Preclinical</i>	→				
P979 - TNFα	<i>Preclinical</i>	→				

Note : Tinefcon® is a phytopharmaceutical

Pipeline : Diabetes and Metabolic Disorder

Program	Preclinical	Phase I	Phase II	Phase III	Phase IV	Trial Location
P1736 Non-PPAR γ	Type 2 Diabetes		→			India
P1201 - Lilly		→				Netherland, France
P2202 - Lilly		→				Canada, India
P7435 - DGAT1	Preclinical	→				

Pipeline : Infectious Diseases

Program	Preclinical	Phase I	Phase II	Phase III	Phase IV	Trial Location
NPH 30907 Dermatophyte		→	→			India
PP9706642 Anti-HSV 2		→				India
PM181104 - MRSA/VRE	Preclinical	→				
PM181108	Preclinical	→				

Note: PP9706642 is a phytopharmaceutical

Clinical Stage programs**Oncology-CDK Inhibitors****Disease Background**

Cancer continues to be a killer disease throughout the world and is the second leading cause of death after cardiovascular disease. All multiplying cells have to go through a process called as 'cell cycle'. The Cyclin dependent kinase (Cdk) complexes play an important role in regulation of cell cycle progression. Dysregulation of the cell cycle is considered to be one of the important mechanisms of cancer development. In human cancers, genetic and epigenetic events result in over expression of Cyclins or absent or diminished levels of Cdk inhibitors, which provide tumor cells a selective growth advantage. Inhibiting the Cyclins/Cdks therefore offers a potential mechanism for treatment of cancer.

P276

P276 is a novel potent small molecule flavone derived selective Cdk 4-D1, Cdk1-B and Cdk9-T inhibitor, with potent cytotoxic effects against tumor cell lines. Anti-tumor activity of P276 has also been demonstrated in cellular assays and in rodent tumor models. Phase I study of P276 conducted in India and Canada has been completed. A phase II study in squamous cell carcinoma of head and neck (most common cancer in men in India) is ongoing at several centers in India. Patient recruitment has been completed. In addition, two phase II study in mantle cell lymphoma and malignant melanoma are ongoing in USA, India, and Australia respectively. Furthermore, since most of the cancers require multiple therapeutic modalities for their effective management, we also have initiated studies of P276 in combination with gemcitabine (which is already approved for the treatment of pancreatic cancer) and in combination with radiation for head and neck cancer in India. Patient recruitment has been completed for both of these studies. A third study of P276 in combination with Gemcitabine and Carboplatin for Triple Negative Breast Cancer (TNBC) has been initiated in USA.

P1446

P1446 is a novel, selective, potent and orally active inhibitor of Cdk4 D1, Cdk1 B and Cdk9 T. This molecule would serve as a back-up molecule for P276. Studies with a variety of cancer cell lines suggest that P1446 effectively inhibits proliferation of and induces cytotoxicity in both cisplatin sensitive and resistant cells without any significant cytotoxicity to normal human cells. Oral administration of P1446 resulted in significant inhibition of tumor growth in rodent tumor models. Studies conducted in-house indicate a need of prolonged oral administration of P1446 for sustained effect. The phase I studies of P1446 are ongoing in Canada and India. Patient recruitment has been completed for both of these studies.

Chronic myeloid leukemia – P2745**Disease Background**

Chronic myeloid leukemia or CML, a disease of blood cells, is clinically characterized by an excessive multiplication of variety of cells in the peripheral blood accompanied by overgrowth of the cells even in the bone marrow. The hallmark of CML is the Philadelphia (Ph) chromosome, which is the result of a reciprocal translocation between chromosomes 9 and 22. It encodes for a new, abnormal gene called BCR-ABL that produces BCR-ABL tyrosine kinase, an abnormal protein that leads to the overproduction of immature, poorly functioning white blood cells in CML. CML accounts for almost 15% of all leukemias with 4000-5000 new cases being diagnosed in the US alone every year. Allogeneic stem cell transplantation is the most effective cure for CML till date. However, its widespread application in patients of CML is thwarted due to the limited availability of matching donors and its suitability only to patients less than 65 years of age, who can withstand the toxic effects of transplantation. The current medical therapy of CML includes tyrosine kinase inhibitors such as imatinib mesylate, dasatinib, nilotinib, interferon- α and cytoreductive agents such as hydroxyurea, busulfan, cytarabine and their combinations. Although effective and durable, the emergence of resistance and intolerance to tyrosine kinase inhibitors is the biggest drawback of continued therapy with them. TGF β plays a vital role in the preservation of leukemia initiating cells, and is one mechanism felt responsible for the resistance to Imatinib in CML patients.

P2745

P2745 is a novel, selective, potent and orally active inhibitor of TGF β pathway. Preclinically it has demonstrated cell death and inhibition of cell proliferation in imatinib sensitive as well as resistant cell lines of CML. It has also shown efficacy in the rodent models by decreasing the size of implanted tumor. Further, P2745 shows preclinical activity in hematological malignancies through a mechanism of action separate from bcr-abl fusion kinase inhibition. A phase I study of P2745 in patients of chronic myeloid leukemia who are resistant/intolerant to the current standard of care, has been initiated to determine the safety, tolerability and efficacy of the drug.

Inflammation – Tinefcon (NPS31807)**Disease Background**

Rheumatoid arthritis (RA), is a chronic, systemic, inflammatory disease affecting 1% of general population and leads to significant disability and a consequent reduction in the quality of life. TNF- α is one of the major mediator and has a potential role in the establishment of inflammation in the joints and its eventual destruction. The novel drugs useful in Rheumatoid Arthritis are targeted against TNF- α . At present the more successful treatment options for RA include monoclonal antibodies (Infliximab) and receptor fusion proteins (Etanercept) which apart from having to be administered by injection have significant adverse effects. They are not only very costly but also lead to reactivation of Tuberculosis. Our RA program was initiated to develop a safe oral anti TNF- α drug that can safely be used for long duration early in the course of disease.

Tinefcon (NPS31807)

Tinefcon (NPS31807) is a phytopharmaceutical and is being developed for the treatment of chronic inflammatory disorders where TNF- α plays pivotal role including Rheumatoid Arthritis, Psoriasis, Inflammatory Bowel Disease and Ankylosing Spondylitis. Tinefcon has demonstrated inhibitory activity against TNF- α , IL-1, IL-6 and IL-8 in various cellular and animal experiments. It has shown to be acting by inhibition of an important protein, NFkB, which plays a role in the synthesis / release of TNF- α . We have completed phase II studies of Tinefcon in RA and Psoriasis. A phase IV study of Tinefcon is ongoing. The studies have been planned for other inflammatory disorders.

Metabolic Disorders**Disease Background****Metabolic Syndrome**

The metabolic syndrome is a cluster of the metabolic risk factors: diabetes and raised fasting plasma glucose, abdominal obesity, high cholesterol and high blood pressure. International Diabetes Federation (IDF) has estimated that around 20-25 per cent of the world's adult population have the metabolic syndrome and they are twice as likely to die from and three times as likely to have a heart attack or stroke compared with people without the syndrome. In addition, people with metabolic syndrome have a five fold greater risk of developing Type 2 Diabetes. They would add to the 230 million people worldwide who already have diabetes, one of the most common chronic diseases worldwide. The primary management for the metabolic syndrome is a healthy lifestyle. In people for whom lifestyle change is not enough and who are considered to be at high risk for cardio vascular disease, and diabetes, drug therapy will be required to treat the metabolic syndrome. However, specific pharmacological agents are not available. There is

a definite need for a treatment that could modulate the underlying mechanisms of the metabolic syndrome as a whole and thereby reduce the impact of all the risks factors and the long term metabolic and cardiovascular consequences.

Type 2 - Diabetes Mellitus

Type 2 Diabetes Mellitus is an emerging worldwide health crisis with an incidence rate of 300 million by 2025 as predicted by WHO. Type 2 Diabetes Mellitus (T2DM) or Non-insulin dependent diabetes (NIDDM) accounts for about 90%-95% of the diabetic population. In the US, 20.8 million people, i.e. about 7% of the total population suffers from diabetes. The recent statistics published by the International Diabetes Federation indicates that about 40.9 million in India suffer from Diabetes and the report suggests that the number will increase to another 69.9 million by 2025.

Type 2 Diabetes Mellitus is the most common form of diabetes marked by insulin secretory dysfunction and peripheral tissue insulin resistance leading to increased hepatic glucose production and decreased glucose uptake by the skeletal muscle and adipose tissues. Diabetic patients have particularly increased cardiovascular mortality due to the attendant risk factors of dyslipidemia, hypertension and obesity. A wide variety of oral agents are available for use with or without insulin in the management of T2DM. However, current drugs such as Thiazolidinediones (TZDs) are associated with adverse events such as weight gain, fluid retention, hepatotoxicity and possibly myocardial infarction. Some of the adverse effects of TZD drugs are attributed to the peroxisome proliferator activated receptor (PPAR γ) activation by these agents. Therefore, safer agents that reverse insulin resistance by other (non-PPAR γ activity) mechanisms may be preferred as anti-diabetic therapeutics.

Obesity

Obesity, a condition with chronic nutritional imbalance, is associated with increased deposition of adipose tissue in the body. It is emerging as a global epidemic of concern due to its high association with metabolic co-morbidities. In the US alone, the prevalence of obesity has increased from 15% (1976-1980 NHANES survey) to more than 32% (2003-2004 NHANES survey) in the adult population. It is well known that even a modest weight loss of 5% results in significant reduction of risks due to obesity-related complications. The current treatment recommendations for obesity include lifestyle changes in terms of diet and physical activity for the mildly obese. For the moderately obese, pharmacotherapy in addition to lifestyle changes is the general recommendation, while for the severely obese; surgery is the first treatment of choice. The only two drugs approved for long-term use in obesity are Sibutramine and Orlistat. These drugs are known to affect a weight loss of only 5-10% on chronic administration.

P1736

P1736 is an oral non- PPAR γ insulin sensitizer. Preclinical studies conducted with P1736 have found it to be highly efficacious in increasing glucose uptake, lowering plasma glucose and triglycerides in the rodent models. The pharmacological, pharmacokinetic and toxicity studies paved the way for clinical development of the drug. A randomized, double blind, placebo-controlled, phase I study of P1736 has been completed in healthy volunteers. The safety, tolerability, pharmacokinetics and pharmacodynamics of this drug were determined after single and multiple oral ascending doses. It is a very safe drug. A phase II clinical program in T2DM patients is ongoing in The Netherlands. A phase II clinical program in drug-naïve T2DM patients has also been initiated in India.

P2202

P2202 is being developed for diabetes-metabolic syndrome. It has been shown to lower glucose levels, triglycerides, and total cholesterol in the rodent efficacy model and decrease plaque area in a specific model of atherosclerosis. P2202 may even have monotherapy application for obesity, cognition or depression. A phase I study to determine the safety, tolerability, pharmacokinetics and pharmacodynamics of the P2202 in healthy volunteers, has been completed in Canada. A phase II study has been initiated in Canada.

P1201

P1201 is an orally active compound with selective actions against specific receptors in brain. It has been found to reduce food intake in the rodent model on short term as well as long term administration. This mechanism of action has recently even been clinically validated. A drug being developed against this target has shown efficacy in large phase II studies and is currently undergoing phase III trials in the US. After completing the necessary studies to evaluate the toxicity in animals, we have completed the first phase I study with P1201 in healthy overweight or obese subjects in Europe to determine the safety, tolerability, pharmacokinetics and pharmacodynamics of this drug. A multiple dose study is completed. A phase II clinical study involving three months administration of P1201 is planned.

HUMAN RESOURCES:

Our people are the most important asset at Piramal Life Sciences Limited (PLSL). We value their talent, integrity and dedication. PSL has been highly successful in attracting scientists trained abroad with significant drug development experience in big pharmaceutical and biotech companies. Dr. Somesh Sharma leads the team and has over 35 years experience in academia, biotech, and pharmaceutical industry, in the US. Similarly, critical departments such as Medicinal Chemistry, Pharmacology, Analytical Sciences, Clinical, Process Research, Translational Research and more are led by scientists with decades of drug development experience in multi-national corporations. Over 15% of our scientists have been trained abroad and have global experience. As on 31st March 2011, we had 362 employees focused on drug discovery and development. The company continues to focus on its core values of Knowledge, Action and Care and these are reflected in the action and behavior of our employees.

Human Resources Highlights**Strengthening The Development Departments:**

In our quest to develop a strong clinical pipeline, the emphasis has been towards strengthening the development departments like Clinical, Toxicology, Translational Research. We have brought in expertise in the areas of clinical and translational activities, to further strengthen our inhouse capabilities.

Developing Campus Relationship And Structured Training Programs:

In order to nurture home-bred scientific talent, who could be potential future employees, PSL has developed a relationship with several scientific institutes of repute in India. The scientific student community vies for a training opportunity at PSL. The best talent is picked up for available training/employment opportunities. PSL has also been providing training to students from several renowned international universities of repute, who apply and wish to train at our world class R&D facility.

Collaborative Projects Under Public-Private Partnership:

PLS is involved in projects along with government bodies such as Department of Biotechnology (DBT), Government of India. Many young scientists are receiving scientific and project management training and experience through this initiative.

Opportunities For Development Including Further Studies:

People Development is an important agenda for the organization. Employees wishing to pursue further studies in related fields/discipline are encouraged to do so. PSL has tied up with Mumbai University and Vellore Institute of Technology and offers in-house Ph.D programs. To improve knowledge and skills, employees are sponsored for international conferences and seminars. Employees are also encouraged to present their work in scientific conferences and publish their work in peer reviewed journals.

Awards and Recognition:

The Company has initiated a formal Reward and Recognition program. Teams or individuals with exceptional contribution are felicitated by means of cash award and certificates.

Proposed de-merger of NCE research unit into Piramal Healthcare Limited

Since being de-merged from Piramal Healthcare Limited (PHL) in April 2007, PSL as an independent drug discovery & development Company has made significant progress. The pipeline of R&D programs has increased from nine to twenty four, with nine additional programs moving into Phase I/II clinical trials and two additional program moving into Phase II clinical trials. The development projects from pipeline would need strong financial support going forward. Hence the Board of PSL has approved the de-merger of NCE Research unit of PSL into PHL.

Under the proposed de-merger scheme, each shareholder of PSL will be entitled to one fully paid up equity share of Rs. 2 each of PHL for every four equity shares of Rs. 10 each held in PSL. All assets and liabilities of the NCE division will be transferred to PHL at book value. The herbal products division that markets neutraceutical products to less regulated markets globally will continue to be with PSL.

The de-merger Scheme is subject to the consent of requisite majority of shareholders and creditors of the Company and of PHL. The de-merger Scheme is also subject to the sanction of the High Court of Judicature at Bombay and all other regulatory approvals as may be necessary for the implementation of the de-merger Scheme.

Corporate Governance

Report for the financial year ended 31st March, 2011 on the compliance by the Company with the Corporate Governance requirements under Clause 49 of the Listing Agreement, is furnished below.

1. Company's Philosophy on Corporate Governance

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organisation. The Company endeavors to practice Good Corporate Governance, which leads to long term shareholder value and enhances interest of other stakeholders. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organisation towards creating wealth and shareholder value.

2. Board of Directors

The Company is privileged to have eminent scientists and professionals on its Board. The total strength of the Company's Board as of date is eight (8), comprising one (1) professional executive director, three (3) non-executive directors and four (4) independent directors.

The composition of the Board is given below:

Name of Director	Category* [Designation]	Other Directorships ¹		Membership of other Board Committees ²	
		as Member	as Chairman	as Member	as Chairman
Ajay G. Piramal	NED-Promoter [Chairman]	1	6	—	—
Dr. Swati A. Piramal	NED-Promoter Group [Vice Chairperson]	9	—	1	—
Gautam Doshi	ID	9	—	6	3
Prof. Goverdhan Mehta	ID	1	—	2	—
Dr. R. A. Mashelkar	ID	6	—	3	—
Prof. Sir Ravinder Maini	ID	—	—	—	—
N. Santhanam	NED	3	—	1	—
Dr. Somesh Sharma	ED [Managing Director]	—	—	—	—

Note :

* ED-Executive Director; NED – Non-Executive Director; ID – Independent Director;

¹ This includes directorships in public limited companies and subsidiaries of public limited companies and excludes directorships in private limited companies, overseas companies and companies under section 25 of the Companies Act, 1956.

² This relates to Committees referred to in Clause 49 of the Listing Agreement, viz. Audit Committee and Investors Grievance Committee. However this excludes Remuneration Committee which is not considered for the purpose of computing maximum limits under Clause 49.

3. Attendance of Directors at Board Meetings and Annual General Meeting

The Board of Directors met four (4) times during the financial year, on the following dates:

27th April, 2010

31st July, 2010

23rd October, 2010

5th February, 2011

The Company placed before the Board the budgets, performance of the business and various other information, including those specified under Annexure 1A of Clause 49 of the Listing Agreement, from time to time.

The attendance of Directors at the Board Meetings and the last Annual General Meeting held on 31st July, 2010 was as under:

Name of Director	Board Meetings		AGM
	Held during the year	Attended	
Ajay G. Piramal	4	3	✓
Dr. Swati A. Piramal	4	4	✓
Gautam Doshi	4	4	✓
Prof. Goverdhan Mehta	4	4	✓
Dr. R. A. Mashelkar	4	3	✓
Prof. Sir Ravinder Maini	4	3	✓
N. Santhanam	4	4	✓
Dr. Somesh Sharma	4	4	✓

4. Code of Conduct

The Company has formulated and implemented respective Codes of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company. A declaration signed to this effect by Dr. Somesh Sharma, Managing Director, is appended at the end of this Report. Both the Codes of Conduct are posted on the Company's website.

5. Audit Committee

During the financial year 2010-11, four (4) Audit Committee Meetings were held on the following dates, including before finalisation of annual accounts and adoption of quarterly financial results by the Board:

27th April, 2010

31st July, 2010

23rd October, 2010

5th February, 2011

All the four meetings were attended by all the members.

The constitution of the Committee is given below:

Name	Designation	Category	Profession
Gautam Doshi	Chairman	Independent Director	Chartered Accountant
Prof. Goverdhan Mehta	Member	Independent Director	Scientist
N. Santhanam	Member	Non-Executive Director	Service

The Company Secretary, Mrs. Vandana Chablani, is the Secretary to the Committee.

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

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

- e) To make recommendations to the Board on any matter relating to the financial management of the Company, including the Reports of the Statutory and Internal Auditors;
- f) To undertake such other functions as may be entrusted to it by the Board from time to time;
- g) To review the Company's compliance with applicable statutory and regulatory requirements and adequacy of the monitoring and reporting system for the same.

6. Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee includes nomination of executive and non-executive directors on the Board and making recommendations on annual salaries, performance linked incentives, stock options, perquisites and other employment conditions for the managing director and other executive directors, if any. The Committee takes into consideration job requirements, individual profile, remuneration practices followed by leading companies, information provided by reputed consultants and other relevant criteria while determining the overall remuneration package.

The constitution of the Committee is given below which Committee met once during the year on 27th April, 2010. All the members of the Committee attended the meeting except Dr. R. A. Mashelkar, who could not attend due to prior commitment, but he was consulted and had conveyed his approval on the matters discussed at the meeting.

Name	Designation	Category
Dr. R. A. Mashelkar	Chairman	Independent Director
Gautam Doshi	Member	Independent Director
Prof. Goverdhan Mehta	Member	Independent Director
Ajay G. Piramal	Member	Non-Executive Director

7. Remuneration of Directors

Details of remuneration to the directors for the year ended March 31, 2011 are as follows:

Director	Relationship with other directors	Business relationship with the Company	Sitting fees*	Salary & Perquisites	Performance Linked Incentives	Total
						(Rupees)
Ajay G. Piramal	Husband of Dr. Swati A. Piramal	Promoter	80,000	—	—	80,000
Dr. Swati A. Piramal	Wife of Mr. Ajay G. Piramal	Promoter Group	1,60,000	—	—	1,60,000
N. Santhanam	None	None	2,40,000	—	—	2,40,000
Dr. R. A. Mashelkar	None	None	60,000	—	—	60,000
Prof. Goverdhan Mehta	None	None	1,80,000	—	—	1,80,000
Gautam Doshi	None	None	1,80,000	—	—	1,80,000
Prof. Sir Ravinder Maini	None	None	60,000	—	—	60,000
Dr. Somesh Sharma	None	Managing Director	—	2,59,40,000 ** 73,00,000	—	2,59,40,000 ** 73,00,000

* includes sitting fees paid for Committee Meetings

** represents value of Options granted under the Employees Stock Option Scheme

Notes:

- a) Dr. Somesh Sharma is appointed as Managing Director for a period of 2 years with effect from 9th May, 2010, subject to requisite approvals from Central Government which has been received vide its letter dated 12th May, 2011. The terms of his appointment as approved by the Shareholders are contained in the Agreement dated 3rd August, 2010 executed between the Company and Dr. Somesh Sharma.
- b) 5,09,026 Options have vested in Dr. Somesh Sharma on 14th July, 2010, which have been exercised by him after the financial year ended 31st March, 2011, pursuant to which 5,09,026 shares have been allotted by the Company in respect

of such exercise of Stock Options.

- c) No loans and advances have been given to any Director of the Company.
- d) During the year, Sir Ravinder Maini has been paid a consultancy fee of GBP 9487.53 for services rendered by him in his capacity as a Scientist. In this regard, the Central Government has vide letter dated 30th September, 2009 expressed its opinion under proviso to sub-section (1) of section 309 of the Companies Act, 1956 that Sir Ravinder Maini, has the requisite qualifications for rendering professional services to the Company.
- e) Shareholding of Non-Executive Directors

The shareholding of Non-Executive Directors (including shareholding as joint holder) are given below:

Name	No. of shares held
Ajay G. Piramal	1,20,244
Dr. Swati A. Piramal	44,668
N. Santhanam	8,125
Gautam Doshi	3,601

8. Investors Grievance Committee

Following are the members of Investors Grievance Committee. This Committee met four (4) times during the year, on: 27th April, 2010; 31st July, 2010; 23rd October, 2010 and 5th February, 2011, which were attended by both the members.

Name	Designation	Category
Dr. Swati A. Piramal	Chairperson	Non-Executive Director
N. Santhanam	Member	Non-Executive Director

Mrs. Vandana Chablani, the Company Secretary, is the Compliance Officer.

Investors Grievances

The following table shows the nature of complaints received from shareholders during 2010-11 and 2009-10. There was no complaint pending as on 31st March, 2011.

Nature of Complaints	2010-11	2009-10
Non-receipt of Share Certificates	—	2
Others	2	5
Total	2	7

The complaints are generally replied to within 7 days from their lodgment with the Company.

The Company has designated the email id ‘complianceofficer.plsl@piramal.com’ exclusively for the purpose of registering complaints by investors electronically. This email id has been displayed on the Company’s website ‘www.piramallifesciences.com’.

9. General Body Meetings

The location, dates and time of the Annual General Meetings held during the last 3 years are as follows :

Annual General Meeting (AGM)	Date	Time	Venue	No. of Special Resolutions passed
9th AGM	31st July, 2010	11.30 a.m	Yashwantrao Chavan Pratisthan, Opposite Mantralaaya, Mumbai 400 021.	3
8th AGM	14th July, 2009	11.45 a.m.		1
7th AGM	22nd August, 2008	11.00 a.m		2

Postal Ballot

No resolution has been passed through Postal Ballot during the year 2010-11. At present, there is no proposal to pass any resolution through postal ballot.

10. Note on Directors re-appointment

Prof. Goverdhan Mehta and Sir Ravinder Maini retire by rotation at the ensuing Annual General Meeting (AGM) and are eligible for re-appointment. Brief details concerning these Directors are given below:

Prof. Goverdhan Mehta

Prof. Goverdhan Mehta is 68 years of age. He is a Ph.D (Organic Chemistry) from Poona University/ National Chemical Laboratory; Post-Doctoral Research, the Michigan State University and The Ohio State University USA. Prof. Goverdhan Mehta is an internationally acclaimed researcher in organic chemistry with wide ranging research interests and is also actively involved in global science policy and education issues. He is presently National Research Professor and Lilly-Jubilant Chair at the University of Hyderabad and also Distinguished Research Professor at Institute of Life Sciences, Hyderabad. He was Director of the Indian Institute of Science, Bangalore (1998-2005), Vice Chancellor of the University of Hyderabad (1994-98) and CSIR Bhatnagar Fellow at the Indian Institute of Science (2005-2010).

Prof. Goverdhan Mehta is a fellow of several science academies including the Indian National Science Academy (FNA), Royal Society (FRS) of UK, TWAS (FTWAS) Trieste, Italy, Royal Belgian Academy and a Foreign Member of the Russian Academy of Sciences (RAS), Moscow. Among many prizes and awards he is a recipient of the Centenary Medal of the Royal Society of Chemistry (UK) and the Trieste Prize of TWAS. He has been conferred with the Padma Sri by the Government of India and the 'Chevalier de la Legion d'Honneur' by the Government of France. He is also the recipient of many other awards and prizes in the field of science as well as of numerous honorary doctorate degrees from universities in India and abroad.

His other directorships in public limited companies and subsidiaries of public limited companies in India are:

Sr. No.	Name of the Company	<ul style="list-style-type: none"> • Directorships • Membership of Board Committees referred to in clause 49 of the Listing Agreement
1.	Sun Pharma Advanced Research Company Limited	<ul style="list-style-type: none"> • Director • Member – Audit Committee • Member – Remuneration Committee • Member – Investors Grievance Committee

Sir Ravinder Nath Maini

Sir Ravinder Maini is 73 years of age. He is an internationally renowned Clinical Scientist and Academic Rheumatologist. He is currently Emeritus Professor of Rheumatology, Imperial College, London and was previously Head of the Kennedy Institute of Rheumatology in the Faculty of Medicine in Imperial College and a practicing clinician in the Hammersmith Hospitals Trust. Sir Maini is the recipient of numerous awards including the Crafoord Prize from Royal Swedish Academy of Sciences and Albert Lasker Clinical Medical Research Award for his pioneering scientific work in Rheumatology. Sir Maini was the first to conceive and conduct a clinical study with anti TNF antibody in Rheumatoid Arthritis patients, which stimulated the development and commercialization of three 'blockbuster' biological drugs to treat Rheumatoid Arthritis. Sir Maini is the Founding co-editor in chief of Arthritis Research and Therapy and has nearly 500 scientific publications.

Sir Maini has a number of prestigious UK Fellowships to his credit. He is a Fellow of The Royal Society, Fellow of The Royal College of Physicians, London and Edinburgh, and a Fellow of the Academy of Medical Sciences. Sir Maini is also an Overseas Associate Member of the US Academy of Sciences.

Sir Maini is not a Director in any other company in India.

11. Disclosures

- No transaction of material nature has been entered into by the Company with its Directors or Management and their relatives, that may have a potential conflict with the interests of the Company;
- The Register of Contracts/statement of related party transactions, is placed before the Board/Audit Committee regularly;
- Transactions with related parties are disclosed in Note No. 9 of Schedule 18 to the Accounts in the Annual Report;

- Listing fees for the financial year 2011- 2012 have been paid to the Stock Exchanges where the shares of the Company are listed.

Compliance with Mandatory / Non-mandatory Requirements

- The Company has implemented all the applicable mandatory requirements of Clause 49 of the Listing Agreement.
- The Company has also adopted the non-mandatory requirements as specified in Annexure1D to Clause 49 of the Listing Agreement regarding constitution of remuneration committee and training of Board Members.
- Since there has been no instance of non-compliance by the Company on any matter related to capital markets, the question of penalties or strictures being imposed by SEBI or the Stock Exchanges or any other statutory authority does not arise.

12. Means of Communication

- The annual, half-yearly and quarterly results are posted by the Company on its website www.piramallifesciences.com. These are also submitted to the Stock Exchanges where the Company's shares are listed and published in newspapers in accordance with the Listing Agreement. Other major events are also simultaneously posted on the Company's website for dissemination to investors.
- Management Discussion & Analysis forms part of this Annual Report.

13. General Information for Shareholders**a) Annual General Meeting**

- Date and Time : Tuesday, 9th August, 2011 at 10.45 a.m.
- Venue : Yashwantrao Chavan Pratishthan, Opposite Mantralaya, Mumbai 400 021

b) Financial Calendar

- Financial reporting for
- Quarter ending 30th June, 2011 : by 13th August, 2011
 - Half year ending 30th September, 2011 : by 14th November, 2011
 - Quarter ending 31st December, 2011 : by 14th February, 2012
 - Year ending 31st March, 2012 : by 30th May, 2012
 - Annual General Meeting for the year ending 31st March, 2012 In July / August 2012

c) Dates of book closure

- : Tuesday, 2nd August, 2011 to Tuesday, 9th August, 2011

d) Registered Office

- : Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel, Mumbai 400 013.

e) Listing of Equity Shares on Stock Exchanges

- : Bombay Stock Exchange Limited
(code : 532979);
National Stock Exchange of India Limited
(code : PIRLIFE);

f) Reuters Code

- : PSLSL:BO

g) Bloomberg Code

- : PSLSL:IN

h) Stock market data

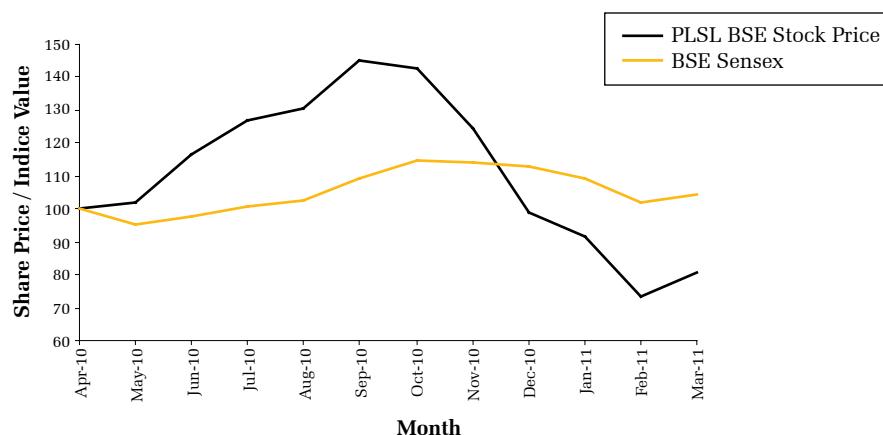
Month	Bombay Stock Exchange				National Stock Exchange			
	High (Rs.)	Low (Rs.)	Average Closing Price (Rs.)	Monthly volume	High (Rs.)	Low (Rs.)	Average Closing Price (Rs.)	Monthly volume
April-2010	132.00	106.30	118.72	6,38,342	130.95	107.00	118.61	8,92,410
May-2010	140.00	106.20	120.77	6,54,764	140.00	105.00	120.83	6,66,204
June-2010	152.45	128.00	138.27	2,30,153	152.90	128.25	138.53	3,37,059
July-2010	169.65	144.50	150.91	2,80,242	168.85	145.00	151.19	2,98,650
Aug-2010	168.20	146.00	155.15	2,61,571	167.15	146.40	155.40	2,11,112
Sept-2010	199.40	146.10	172.01	6,82,965	198.05	141.00	172.17	12,39,342
Oct-2010	190.00	153.00	169.13	1,97,670	189.30	153.05	168.99	3,80,390
Nov-2010	164.90	125.05	147.90	2,61,473	162.75	126.00	146.95	4,40,295
Dec-2010	140.00	108.50	117.73	1,76,485	138.00	103.00	112.38	4,86,707
Jan-2011	123.00	91.55	108.88	1,23,236	123.00	92.10	109.00	2,76,463
Feb-2011	99.95	73.50	87.25	2,75,584	100.55	72.15	87.11	3,40,945
Mar-2011	130.65	78.20	95.87	68,79,521	130.45	80.55	95.80	62,08,213

i) Stock Performance vs BSE Sensex and NSE-50

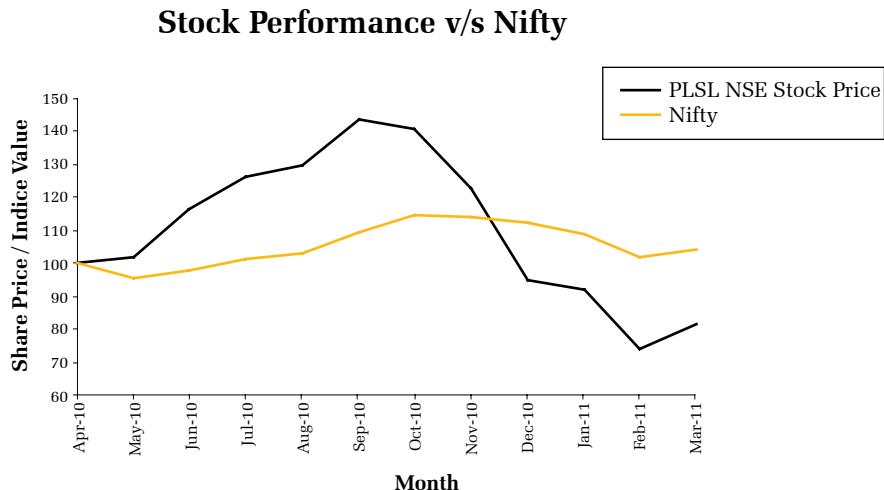
Performance of the Company's Equity Shares on Bombay Stock Exchange Limited and National Stock Exchange of India Limited relative to the BSE Sensitive Index (BSE Sensex) and S&P CNX Nifty (Nifty) respectively is graphically represented in the charts below.

Average monthly closing price of the Company's shares on BSE as Compared to BSE Sensex

Stock Performance v/s BSE Sensex



Average monthly closing price of the Company's shares on NSE as Compared to Nifty



j) Share Transfer Agents

M/s Link Intime India Private Limited are our Share Transfer Agents. Their contact details are given below:

Link Intime India Private Limited
C-13 Pannalal Silk Mills Compound
LBS Marg, Bhandup (West)
Mumbai – 400 078.
Tel.: (022) 2594 6970
Fax: (022) 2594 6969
e-Mail: piramal.irc@linkintime.co.in

203, Davar House
197/199 D. N. Road
Mumbai - 400 001.

k) Share Transfer System (physical segment)

To expedite the share transfer process in the physical segment, authority has been delegated to the Share Transfer Committee, which comprises:

Ajay G. Piramal	Chairman
Dr. Swati A. Piramal	Member
Dr. Somesh Sharma	Member
N. Santhanam	Member

For administrative convenience and to facilitate speedy approvals, authority has also been delegated to the Share Transfer Agents and also to the senior executives to approve share transfers upto specified limits. Share transfers / transmissions approved by the Committee and/or the authorised executives are placed at the Board Meeting from time to time.

In case of shares held in physical form, all transfers are completed within 12 days from the date of receipt of complete documents. As at 31st March, 2011 there were no Equity Shares pending for transfer nor any demat requests were pending.

I) Distribution of Shareholding as on 31st March, 2011

Slab of shareholdings	No. of Shareholders	%	No. of Shares	%
1 to 100	62,468	91.91	13,67,636	5.37
101 to 200	3,043	4.48	4,40,745	1.73
201 to 500	1,511	2.22	4,98,461	1.96
501 to 1000	463	0.68	3,57,496	1.40
1001 to 5000	355	0.52	7,73,801	3.04
5001 to 10000	48	0.07	3,76,117	1.48
10001 to 20000	30	0.04	4,24,028	1.67
20001 to 30000	13	0.02	3,28,705	1.29
30001 to 40000	7	0.01	2,36,060	0.93
40001 to 50000	7	0.01	3,17,692	1.25
50001 to 100000	9	0.01	6,43,917	2.53
Above 100000	20	0.03	1,96,86,656	77.35
Total	67,974	100.00	2,54,51,314	100.00

According to categories of Equity Shareholders as on 31st March, 2011

Sr. No.	Category of Shareholder	Number of Shareholders	Number of shares	%
(A)	Shareholding of Promoter and Promoter Group	17	1,49,62,205	58.79
(B)	Non-Promoter shareholding			
	1. Institutions			
	(a) Mutual Funds / UTI	15	23,62,828	9.29
	(b) Financial Institutions / Banks	16	873	0.00
	(c) Insurance Companies	4	10,72,857	4.22
	(d) Foreign Institutional Investors	8	2,06,914	0.81
	2 Non-Institutions			
	(a) Bodies Corporate	709	22,06,056	8.67
	(b) Individuals			
	(i) holding nominal share capital up to Rs.1 lakh	66,264	32,80,205	12.88
	(ii) holding nominal share capital in excess of Rs.1 lakh	41	10,88,890	4.28
	(c) Any Other			
	(i) Foreign National	2	1078	0.00
	(ii) Clearing Member	204	1,60,132	0.63
	(iii) Trust	3	61	0.00
	(iv) NRIs	473	77,715	0.31
	(v) NRN	218	31,500	0.12
	Sub-Total Non-promoter Shareholding	67,957	1,04,89,109	41.21
	TOTAL	67,974	2,54,51,314	100.00

m) Dematerialisation of shares

As on 31st March 2011, 1,98,18,770 equity shares (77.87% of the total number of shares) are in dematerialised form as compared to 1,97,82,973 equity shares (77.72% of the total number of shares) as on 31st March 2010.

n) Outstanding GDRs/ADRs/Warrants or any convertible instruments

There are no outstanding or any convertible instruments convertible warrants/instruments.

o) Location of Research Center

1, Nirlon Centre, Off Western Express Highway, Goregaon (East), Mumbai - 400 063.

Investors Correspondence**Vandana Chablani**

Company Secretary
Piramal Life Sciences Limited
Piramal Tower Annexe,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai 400 013.
Tel.: 91-22-30467837 • Fax: 91-22- 24902363
E-mail: complianceofficer.plsl@piramal.com

Certification under Clause 49 (I)(D) of the Listing Agreement

All the Board Members and Senior Management personnel have affirmed compliance with the respective Codes of Conduct for Piramal Life Sciences Limited for the financial year ended 31st March, 2011.

For Piramal Life Sciences Limited

Somesh Sharma
Managing Director

Place : Mumbai
Date : 29th April, 2011

Certificate on Corporate Governance

The Members of
Piramal Life Sciences Limited

We have examined the compliance of conditions of Corporate Governance by Piramal Life Sciences Limited for the year ended 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statement 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 clause 49 of the Listing Agreement.

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 N. L. Bhatia & Associates
Practicing Company Secretaries

N. L. Bhatia
Partner
C. P. No. 422

Place : Mumbai
Date : 21st June, 2011

NOTICE

NOTICE is hereby given that the 10th Annual General Meeting of the Members of **Piramal Life Sciences Limited** will be held on **Tuesday, the 9th day of August, 2011 at 10.45 a.m.** at **Yashwantrao Chavan Prathishthan, Gen. Jagannathrao Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021**, to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at and the Profit and Loss Account for the year ended on 31st March, 2011 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Prof. Goverdhan Mehta, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Sir Ravinder Maini, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Books of the Company has been declared closed from **Tuesday, 2nd August, 2011** to **Tuesday, 9th August, 2011** (both days inclusive).

3. Directors

Prof. Goverdhan Mehta and Sir Ravinder Maini are retiring by rotation at this Annual General Meeting and are eligible for re-appointment.

The information to be provided for these Directors under Clause 49 of the Listing Agreement is given in the Corporate Governance Section of this Annual Report.

Prof. Goverdhan Mehta and Sir Ravinder Maini are not related to any director of the Company.

4. Members are requested to note that in case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of photocopy of PAN Card of the transferee(s), surviving holder(s), legal heir(s) and joint holder(s) respectively, along with necessary documents at the time of lodgment of request for these transactions is now mandatory.
5. Section 109A of the Companies Act, 1956 provides for **Nomination** by the shareholders of the Company in the prescribed Form No. 2B which is available on the website of the Company ‘www.piramallifesciences.com’ and also on the website of share transfer agents at www.linkintime.co.in. Shareholders are requested to avail this facility.
6. To support the “Green Initiative in Corporate Governance” taken by The Ministry of Corporate Affairs by allowing paperless compliances and stating that service of notices / documents including Annual Report can be effected by sending the same through electronic mode to the registered e-mail addresses of the shareholders, notices/documents including the Annual Report are now being sent by electronic mode to the shareholders whose e-mail address have been registered with the Company. Members who would like to receive such notices / documents in electronic mode in lieu of physical copy and who have not registered their e-mail addresses so far or who would like to update their e-mail addresses already registered, are requested to register/update their e-mail addresses:
 - a. In respect of electronic shareholding – through their respective Depository Participants;
 - b. In respect of physical shareholding – by sending a request to the Company’s Share Transfer Agent, mentioning therein their folio number and e-mail address.

Registered Office:

Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai 400 013.

Dated: 21st June, 2011

By Order of the Board

Vandana Chablani
Company Secretary

Directors' Report

Dear Shareholders,

We take pleasure in presenting the Annual Report and Audited Accounts for the Year ended 31st March 2011 being 4th Annual Report after the Company's shares were listed on 29th May, 2008.

PERFORMANCE HIGHLIGHTS :

(Rs. in Million)

Year ended March 31	2011	2010	Growth
Income			
Sales and Services	158.1	47.4	233.5%
Other Income	0.9	14.7	(93.9%)
Expenditure			
Total Operating Expenses	1,090.0	1,071.8	1.7%
(Loss) Before Interest, Depreciation and Tax	(931.0)	(1,009.7)	7.8%
Less : Interest Paid (Net)	385.5	249.0	—
(Loss) Before Depreciation and Tax	(1,316.5)	(1,258.7)	(4.6)
Less : Depreciation	113.3	106.2	6.7%
(Loss) Before Tax	(1,429.8)	(1,364.9)	(4.8)
Less: Provision for Taxation			
Deferred Tax	—	(67.0)	—
(Loss) For the Year	(1,429.8)	(1,297.9)	(10.2)
(Loss) Balance brought forward from previous year	(3,323.5)	(2,025.6)	—
Net (Loss)	(4,753.3)	(3,323.5)	(43.0)
Balance carried to Balance Sheet	(4,753.3)	(3,323.5)	—
Earning / (Loss) Per Share (Basic/Diluted) (Rs.) (Face value of Rs. 10/- each)	(56.2)	(51.0)	—

DIVIDEND:

In view of the losses incurred by the Company, the Directors do not recommend any dividend for the Financial Year ended 31st March 2011.

OPERATIONS REVIEW:

During the year, PSL received initial milestone payment for P2202 from Eil Lilly of Rs. 132.9 million; as a result sales for the year grew by 233.5% to Rs. 158.1 million. PSL incurred Operating expenditure of Rs. 1,090.0 million as compared to Rs. 1,071.8 million in FY2010. Net capital expenditure was Rs. 68.9 million in FY2011 where as Rs. 99.8 million in FY2010.

AUDITORS OBSERVATIONS:

The observations by the auditors at para no.10 of Annexure to the Auditors Report are appropriately dealt with in note no.3 of Schedule 18 "Notes to Financial Statements".

RESEARCH & DEVELOPMENT:

Details about our Research & Development (R&D) programme can be found in our Management Discussion and Analysis (MDA) section.

INDUSTRY OUTLOOK:

The global pharmaceutical industry is going through a transformation at every stage of drug development. Patent expiries of blockbuster drugs in recent years, challenge by generic drug manufacturers and diminishing success in new drug approvals along with high drug development costs have raised a question on the flow of innovative drugs for future. In recent years, more stringent regulatory environment has created new and challenging hurdles for a new drug to enter the market.

These factors have forced the drug companies to consider alternate strategies. Companies are mending ways by shifting from fully integrated pharmaceutical company model towards a network model of fully integrated pharmaceutical network. The approach is to engage all major stakeholders in the drug development process, melding core competencies of each component to leverage capabilities, enhance efficiency and improve output. This is evidenced by growing number of partnerships and alliances in the pharmaceutical industry. The recent trend in world economy has changed the focus of pharmaceutical companies towards eastern countries like India which has necessary infrastructure, skills and expertise.

INTERNAL CONTROL SYSTEM:

The Company has a sound internal control system, which ensures that all assets are protected against loss from unauthorized use and all transactions are recorded and reported correctly. The internal control systems are further supplemented by internal audit carried out by an independent firm of Chartered Accountants and periodical review by management. The Audit Committee of the Board addresses issues raised by both, the Internal Auditors and Statutory Auditors.

PROPOSED DE-MERGER OF THE COMPANY'S NCE RESEARCH UNIT INTO PHL

Your Directors have approved the scheme for De-merger of the NCE Research Unit of the Company into Piramal Healthcare Limited ('PHL') ('De-merger Scheme'). Under the proposed De-merger scheme, each shareholder of the Company will be entitled to one fully paid up equity share of Rs. 2/- of PHL for every four equity shares of Rs. 10/- each held in the Company. All assets and Liabilities of the NCE Research Unit will be transferred to PHL at book value. The Scheme also contemplates utilizing the share premium account to adjust the debit balance in the Profit & Loss account to the extent feasible.

The De-merger Scheme is subject to the consent of requisite majority of shareholders and creditors of the Company and of PHL. The De-merger Scheme is also subject to the sanction of the High Court of Judicature at Bombay and all other regulatory approvals as may be necessary for the implementation of the De-merger Scheme.

HUMAN RESOURCES:

Our people are the most important asset at Piramal Life Sciences Limited (PLSL). We value their talent, integrity and dedication. PLSL has been highly successful in attracting scientists trained abroad with significant drug development experience in big pharmaceutical and biotech companies. Dr. Somesh Sharma leads the team and has over 35 years experience in academia, biotech, and pharmaceutical industry, in the US. Similarly, critical departments such as Medicinal Chemistry, Pharmacology, Analytical Sciences, Clinical, Process Research, Translational Research and more are led by scientists with decades of drug development experience in multi-national corporations. Over 15% of our scientists have been trained abroad and have global experience. As on 31st March 2011, we had 362 employees focused on drug discovery and development. The company continues to focus on its core values of Knowledge, Action and Care and these are reflected in the action and behavior of our employees.

Human Resources Highlights**Strengthening The Development Departments:**

In our quest to develop a strong clinical pipeline, the emphasis has been towards strengthening the development departments like Clinical, Toxicology, Translational Research. We have brought in expertise in the areas of clinical and translational activities, to further strengthen our inhouse capabilities.

Developing Campus Relationship And Structured Training Programs:

In order to nurture home-bred scientific talent, who could be potential future employees, PLSL has developed a relationship with several scientific institutes of repute in India. The scientific student community vies for a training opportunity at PLSL. The best talent is picked up for available training/employment opportunities. PLSL has also been providing training to students from several renowned international universities of repute, who apply and wish to train at our world class R&D facility.

Collaborative Projects Under Public-Private Partnership:

PLSL is involved in projects along with government bodies such as Department of Biotechnology (DBT), Government of India. Many young scientists are receiving scientific and project management training and experience through this initiative.

Opportunities For Development Including Further Studies:

People Development is an important agenda for the organization. Employees wishing to pursue further studies in related fields/discipline are encouraged to do so. PLSL has tied up with Mumbai University and Vellore Institute of Technology and offers in-

house Ph.D programs. To improve knowledge and skills, employees are sponsored for international conferences and seminars. Employees are also encouraged to present their work in scientific conferences and publish their work in peer reviewed journals.

Awards and Recognition:

The Company has initiated a formal Reward and Recognition program. Teams or individuals with exceptional contribution are felicitated by means of cash award and certificates.

Any shareholder interested in obtaining a copy of the statement of particulars of employees referred to in section 217(2A) of the Companies Act 1956, may write to the Company Secretary at the registered office of the Company. The statement is also available for inspection by the members on any working day (except Saturday) upto one day prior to the date of the meeting at the registered office of the Company between 10.00 a.m. to 5.00 p.m.

Stock Options disclosures pursuant to the applicable requirements of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are given in the Annexure to the Report. The Company has received a certificate from the Company's Auditors that the Piramal Life Sciences Limited-Employee Stock Options Scheme has been implemented in accordance with the said Guidelines and the resolution passed by the shareholders. The Certificate would be placed at the Annual General Meeting for inspection by members.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under section 217(2AA) of the Companies Act, 1956 we hereby state:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2011 and its loss for the year ended on that date;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that the Directors have prepared the annual accounts on a going concern basis.

GROUP:

As per the intimations from the Promoters, the names of the Promoters and the entities comprising 'group' as defined in the Monopolies and Restrictive Trade Practices Act,1969 (MRTP) are given for the purpose of SEBI (Substantial Acquisitions of Shares and Takeovers) Regulations, 1997 in the Annexure to this Report.

DIRECTORS:

Prof. Goverdhan Mehta and Sir Ravinder Maini retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment which the Board recommends.

Dr. Somesh Sharma was appointed as Managing Director for a period of 2 years with effect from 9th May, 2010, subject to requisite approvals from Central Government which has been received vide its letter dated 12th May, 2011.

CORPORATE GOVERNANCE:

The Company has complied with the applicable provisions of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance compliance is included as a part of the Annual Report alongwith the Certificate from Mr. N.L. Bhatia, Practicing Company Secretary.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION :

Particulars required under Section 217 (1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure to this Report.

AUDITORS:

Shareholders are requested to appoint the Auditors. Messrs. Price Waterhouse & Co., Mumbai retire as Auditors of the Company at the ensuing Annual General Meeting and are eligible for reappointment.

ACKNOWLEDGEMENTS:

We take this opportunity to thank the employees for their dedicated service and contribution to the Company. We also thank our bankers, business associates and shareholders for their support towards conduct of operations of the Company.

By Order of the Board

Ajay G. Piramal

Chairman

Mumbai : 21st June, 2011

Annexure to Directors Report

I. Particulars under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended 31st March 2011

Conservation of Energy

During the Year, the Company introduced following measures to conserve energy.

- Piramal Life Sciences Ltd. got 2nd Prize awarded by Tata Power for the Energy Conservation carried out during previous year. The Company won this award after a tough competition among all industries in Mumbai.
- Regular detailed analysis of energy consumption done using Audit software. This helped in rationalization of utility usage
- New Energy efficient pumps were introduced in Air-conditioning plant. Old pumps were replaced. The actual payback period for new pumps would be less than one year.

FORM A

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
A. Power and Fuel Consumption		
1. Gas / Electricity		
(a) (i) Gas		
Unit (000 M3)	559	528
Total Amount (Rs. In Lakhs)	84.10	81.83
Rate/Unit (Rs.)	15.04	15.49
(ii) Electricity		
Unit (000)	4315	3680
Total Amount (Rs. In Lakhs)	272.30	271.00
Rate/Unit (Rs.)	6.31	7.37
(b) Own Generation		
(i) Diesel Generator	—	—
Unit (000)	—	—
Total Amount (Rs. in Lakhs)	—	—
Rate/Unit (Rs.)	—	—
(ii) Steam Turbine / Generator	—	—
Unit (000)	—	—
Total Amount (Rs. in Lakhs)	—	—
Rate/Unit (Rs.)	—	—
2. Coal		
Qty. (Tonnes)	—	—
Total Cost (Rs. in Lakhs)	—	—
Cost / Unit (Rs.)	—	—
3. Furnace Oil		
Qty. (K. Ltrs)	—	—
Total Cost (Rs. in Lakhs)	—	—
Average / K. Ltrs. (Rs.)	—	—
4. Other / Internal Generation		
Qty.	—	—
Total Cost	—	—
Average Rate	—	—
B. Consumption per unit of Production (Rs. in Lakhs)		

The operations of the Company not being power intensive and since it is engaged in "Research and Development" activities, disclosure of consumption figure per unit of production is not meaningful.

Form B

1. Specific areas in which R&D work is being carried out by the company

The Company is carrying on discovery and development of new drug to address unmet medical needs. The therapeutic areas of focus are:

- **Oncology**

Cyclin Dependent Kinase Inhibitors and PI3 Kinase Inhibitors

- **Inflammation**

TNR - Production / Release Inhibitors and safer NSAIDs

- **Diabetes/Metabolic Disorders**

Insulin Sensitizers (non-PPARy) and DGT1.

- **Anti-Infectives**

Antibacterials and Antivirals

2. Benefits derived as a result of the above

Commercialization of NCEs will address major health problems by offering new drugs to satisfy still unmet medical needs in India and rest of the world.

3. Future plan of Action

PLSL will continue to advance its compounds in the following manner:

- P-276: embark on clinical trials in various Cancers
- P-1446: Conduct phase II study for different cancers
- P2202: conduct phase II study in Canada & India
- P1736: Conduct a phase II study in T2DM patients in India

4. Expenditure on R&D

(Rs. in Million)

- Capital	68.9
- Recurring	<u>1,429.8</u>
- Total	<u>1,498.7</u>

5. Technology Absorption, Adaptation and Innovation

1. Development molecules in clinical trials as drugs for specific therapeutic areas in cancer, diabetes, inflammation & infectious disease
2. Discover new chemical and bio resources as leads for novel therapeutics
3. Develop new strategies for improving predictions of the success of new molecules at early discovery or development using state of the art technologies

6. Foreign Exchange Earnings and Outgo

During the year, foreign exchange earnings were Rs.158.1 Million as against outgo of Rs.492.9 Million.

II. Group coming within the definition of 'group' as defined in Monopolies and Restrictive Trade Practices Act,1969 (MRTP)

The persons and entities which constitute the Group coming within the definition of 'group' as defined in MRTP which exercises, or is established to be in a position to exercise, control, directly or indirectly, over the Company, include the following:

Mr. Ajay G. Piramal	PHL Fininvest Private Ltd
Dr. (Mrs.) Swati A. Piramal	Piramal Architects & Engineers Pvt. Ltd.
Mr. Anand Piramal	Piramal Commercial Estates LLP
Mrs. Lalita G. Piramal	Piramal Developers Pvt. Ltd.
Ms. Nandini Piramal	Piramal Enterprises Ltd
Ajay G. Piramal (HUF)	Piramal Glass Ltd
Gopikisan Piramal (HUF)	Piramal Healthcare Ltd.
Adelwise Investments Pvt. Ltd	Piramal International Pvt. Ltd
Akshar Fincom Pvt. Ltd	Piramal Management Services Pvt. Ltd.
Alpex Holdings Pvt. Ltd	Piramal Pharmaceutical Development Services Pvt. Ltd
Alpex Power Pvt. Ltd	Piramal Projects and Constructions Pvt Ltd
Assable Buildcon LLP	Piramal Realty Pvt. Ltd (formerly known as Alpex International Ltd)
BMK Laboratories Pvt. Ltd	Piramal Residences Pvt. Ltd.
Cavaal Fininvest Pvt. Ltd.	Piramal Systems & Technologies Pvt. Ltd.
Glass Engineers Pvt. Ltd.	Piramal Texturising Pvt. Ltd.
Gliders Buildcon LLP	Piramal Water Pvt. Ltd
Gopikishan Piramal Pvt. Ltd	PRL Developers Pvt. Ltd.
INDIAREIT Fund Advisors Pvt. Ltd	Propiedades Realties Pvt. Ltd
IndiaVenture Advisors Pvt. Ltd	The Ajay G. Piramal Foundation
Nicholas Piramal Pharma Pvt. Ltd.	The Sri Gopikrishna Trust
Oxygen Bio Research Pvt. Ltd.	The Sri Govinda Trust
Paramount Pharma Pvt. Ltd	The Sri Hari Trust
PDL Realty Pvt. Ltd.	The Sri Krishna Trust
PEL Fininvest Pvt. Ltd.	The Swastik Safe Deposit & Investments Ltd.
PEL Management Services Pvt. Ltd.	Topzone Mercantile LLP
PEL InfraConstructions & Developers Pvt. Ltd.	Vulcan Investments Pvt. Ltd.
PHL Capital Pvt. Ltd.	

The above disclosure has been made, inter-alia, for the purpose of Regulation 3(1)(e) of SEBI (Substantial Acquisitions of Shares and Takeovers) Regulations, 1997

III. Disclosures Regarding Stock Options

The following ESOP Trusts have been established for the benefit of the employees of the Company, including for operation of ESOP Schemes and grant of stock options under such schemes:

- a) Piramal Life Sciences Limited Senior Employees Stock Options Trust (herein referred to as "ESOP Trust A"), is a separate ESOP Trust. The shares held by this Trust, which would be given to employees against exercise of Stock Options, are existing shares and not new shares. Accordingly, there would be no accounting impact in the books of account of the Company for Stock Options granted/exercised through this Trust, neither would there be any increase in the share capital of the Company nor any impact on the Earnings Per Share or other ratios relating to share capital, since these are not new shares but existing shares.
- b) PSL Company ESOP Trust (herein referred to as "ESOP Trust B"), is an ESOP Trust established by the Company and in respect of which, the Company shall be allotting new shares, either directly to the employees or to this Trust from time to

time, which in turn would be issued by this Trust to employees against exercise of Stock Options. Accordingly all Stock Options that are granted/exercised through this Trust would be subject to appropriate accounting treatment to be given in the books of account of the Company in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the SEBI ESOP Guidelines"). Similarly, all shares that would be issued by this Trust against exercise of these Options, would result in an increase in the share capital of the Company, they being new shares issued by the Company.

Both the above Trusts have adopted the ESOP Scheme of the Company i.e. the Piramal Life Sciences Limited – Employee Stock Option Scheme.

Following are the details, pursuant to the SEBI ESOP Guidelines requiring disclosures to be made in connection with the ESOP Scheme of the Company, for Options granted to the Company's Employees during the financial year ended 31st March, 2011.

Sr. No.	Details	'ESOP Trust A'	'ESOP Trust B'
(i)	Options Granted during FY 2011	During the year under review, no Options have been granted by the above Trust.	During the year under review, no Options have been granted by the above Trust.
(ii)	Pricing Formula	The Option price is determined by the Trustees of the respective Trusts on the basis of the price not being higher than the higher of: (a) market price on the date of grant; or (b) average of the price prevailing for the share during the 3 (three) months immediately preceding the date on which the Option is offered to the Employee; or (c) The Company has not issued shares within three months prior to the option.	
(iii)	Options Vested during FY2011	NIL	5,09,026
(iv)	Options Exercised during FY 2011	NIL	NIL
(v)	Total number of shares arising as a result of exercise of options	Not Applicable	Not Applicable
(vi)	Options Lapsed during FY 2011	None	None
(vii)	Variation of terms of Options during FY 2011	None	None
(viii)	Total number of Options in force	50,000	5,09,026
(ix)	Employee-wise details of options granted - senior managerial personnel - employees who receives a grant in any one year of option amounting to 5% or more of options granted during that year - identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	No Options granted during FY 2011	No Options granted during FY 2011
	Diluted Earnings Per Share (EPS) pursuant to the issue of shares on exercise of Options	Not Applicable.	Not Applicable. Since no Options have been exercised during FY 2011

Note: After this financial year ended 31st March, 2011, 5,09,026 Stock Options have been exercised by Dr. Somesh Sharma pursuant to which 5,09,026 shares have been allotted. Consequent to this, the equity share capital of the Company has been increased from 2,54,51,314 equity shares to 2,59,60,340 equity shares.

AUDITORS' REPORT TO THE MEMBERS OF PIRAMAL LIFE SCIENCES LIMITED

1. We have audited the attached Balance Sheet of Piramal Life Sciences Limited (the "Company") as at March 31, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. 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 it appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors as on March 31, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of loss for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Price Waterhouse & Co.**

Firm Registration Number: 007567S
Chartered Accountants

Partha Ghosh

Partner

Membership Number F-55913

Mumbai, Dated: April 29, 2011

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Piramal Life Sciences Limited on the financial statements for the year ended March 31, 2011

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses (iii)b to (iii)d of paragraph 4 of the order are not applicable to the Company for the current year.
(b) The Company has taken unsecured loans, from one company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs. 34700 lakhs and Rs. 34700 lakhs respectively.
(c) In our opinion, the rate of interest and other terms and conditions of such loan are not *prima facie* prejudicial to the interest of the Company.
(d) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts as stipulated and is also regular in payment of interest, where 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 for the purchase of inventory, fixed assets and for sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.

9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

The particulars of dues of Income Tax as at March 31, 2011 which have not been deposited on account of a dispute are as follows:

Name of the statute	Name of the dues	Amount (Rs. Lakhs)	Period to which the amount relates	From where the dispute is pending
Income-tax Act, 1961	TDS Demand on 40(a)(ia) disallowance	11.99	2008-2009	CIT(Appeals)

10. The Company has accumulated losses as at March 31, 2011 and it has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, we report that the Company has used funds of Rs. 35,625 lakhs raised on short-term basis for long-term investment.
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 during the year.
19. The Company has not issued any debentures.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For Price Waterhouse & Co.

Firm Registration Number: 007567S
Chartered Accountants

Partha Ghosh

Partner

Membership Number F-55913

Mumbai, Dated: April 29, 2011

Balance Sheet as at March 31, 2011

	Schedule No.	As at March 31, 2011 Rs. in Million	As at March 31, 2010 Rs. in Million
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	254.5	254.5
Reserves and Surplus	2	1,607.1	1,599.8
		1,861.6	1,854.3
Secured Loans	3	375.0	675.0
Unsecured Loans	4	4,470.0	2,600.0
	TOTAL	6,706.6	5,129.3
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		1,444.2	1,380.4
Less : Depreciation		599.5	489.0
Net Block		844.7	891.4
Capital Work-In-Progress		1,201.2	918.0
		2,045.9	1,809.4
Current Assets, Loans and Advances			
Inventories	6	67.1	47.3
Sundry Debtors	7	13.0	10.6
Cash and Bank Balances	8	42.4	91.7
Loans and Advances	9	114.4	100.4
		236.9	250.0
Less: Current Liabilities and Provisions			
Current Liabilities	10	307.7	233.3
Provisions	11	21.8	20.3
		329.5	253.6
Net Current Assets			(3.6)
Profit & Loss Account (Debit Balance)		4,753.3	3,323.5
	TOTAL	6,706.6	5,129.3
NOTES TO THE FINANCIAL STATEMENTS	18		

Schedules referred to above and notes attached thereto form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants

Partha Ghosh
Partner
Membership No. F-55913
Mumbai, April 29, 2011

Ajay G. Piramal Chairman

Somesh Sharma Managing Director

N Santhanam Director

Rajesh Laddha

Chief Financial Officer

Vandana Chablani

Company Secretary

Profit and Loss Account for the Year Ended March 31, 2011

	Schedule No.	Year ended March 31, 2011 Rs. in Million	Year ended March 31, 2010 Rs. in Million
INCOME			
Sales and Services		158.1	61.7
Other Income	12	0.9	0.4
		159.0	62.1
EXPENDITURE			
Materials	13	15.6	26.4
(Increase)/Decrease in WIP/Finished Goods	14	(1.6)	—
Staff Cost	15	336.3	283.4
Other Expenses	16	739.7	762.0
		1,090.0	1,071.8
(LOSS) BEFORE INTEREST, DEPRECIATION AND TAX		(931.0)	(1,009.7)
Less : Interest Paid (Net)	17	385.5	249.0
(LOSS) BEFORE DEPRECIATION AND TAX		(1,316.5)	(1,258.7)
Less : Depreciation		113.3	106.2
(LOSS) BEFORE TAX		(1,429.8)	(1,364.9)
Less: Provision for Taxation		—	—
Deferred Tax		—	(67.0)
Fringe Benefits Tax		—	—
		—	(67.0)
(LOSS) FOR THE YEAR		(1,429.8)	(1,297.9)
Balance Loss Brought Forward		(3,323.5)	(2,025.6)
BALANCE CARRIED TO BALANCE SHEET		(4,753.3)	(3,323.5)
Earning / (Loss) Per Share (Basic) (Rs.) (Face value of Rs. 10/- each)		(56.2)	(51.0)
Earning / (Loss) Per Share (Diluted) (Rs.) (Face value of Rs. 10/- each)		(56.2)	(51.0)
(Refer Note 15, Sch. 18)			
NOTES TO THE FINANCIAL STATEMENTS	18		

Schedules referred to above and notes attached there to form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our report of even date.

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants

Partha Ghosh
Partner
Membership No. F-55913
Mumbai, April 29, 2011

Ajay G. Piramal Chairman

Somesh Sharma Managing Director

N Santhanam Director

Rajesh Laddha

Chief Financial Officer

Vandana Chablani

Company Secretary

Cash Flow Statement for the Year Ended March 31, 2011

	Year Ended March 31, 2011 Rs. in Million	Year Ended March 31, 2010 Rs. in Million
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before tax	(1,429.8)	(1,364.9)
Adjustments for:		
Depreciation	113.3	106.2
Interest Expense	385.6	249.0
Interest Income	(0.1)	—
Assets Written Off	—	40.8
Amortisation of Employee Stock Compensation Expenses	7.3	17.7
Loss on Sale of Fixed Assets	2.2	2.9
Unrealised foreign exchange (gain) / loss	1.9	1.3
Operating (Loss) Before Working Capital Changes	(919.6)	(947.0)
Adjustments For Changes In Working Capital :		
– (INCREASE) in Sundry Debtors	(2.7)	(5.3)
– (INCREASE) in Other Receivables	(13.8)	(28.4)
– (INCREASE) in Inventories	(19.8)	(44.8)
– INCREASE / (DECREASE) in Current Liabilities & Provisions	(29.9)	(156.6)
Cash Generated From Operations	(985.8)	(1,182.1)
– Taxes Paid	(2.4)	(0.9)
Net Cash (Used in) Operating Activities (A)	(988.2)	(1,183.0)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(68.9)	(99.8)
Capital Work in Progress	(283.2)	(335.0)
Proceeds from Sale of Fixed Assets	0.1	0.2
Interest Received	0.1	—
Net Cash (Used in) Investing Activities (B)	(351.9)	(434.6)

	Year Ended March 31, 2011 Rs. in Million	Year Ended March 31, 2010 Rs. in Million
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings		
Receipts	—	1,000.0
Payments	(300.0)	(75.0)
Proceeds from Short Term Borrowings		
Receipts	6,845.0	4,098.1
Payments	(4,975.0)	(3,098.0)
Interest Paid	(279.2)	(237.9)
Net Cash From Financing Activities (C)	1,290.8	1,687.2
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	(49.3)	69.6
Cash and Cash Equivalents As At 31.03.2010	91.7	22.1
Cash and Cash Equivalents As At 31.03.2011	42.4	91.7
Cash and Cash Equivalents Comprise:		
Cash and Cheques on hand	0.1	0.2
Balance with Scheduled Banks	42.3	91.5
	42.4	91.7

Notes :

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard - 3 issued by the Institute of Chartered Accountants of India.
2. Figures in bracket indicate cash outflow.
3. Previous year figures have been regrouped and recasted wherever necessary to confirm to current year's classification.

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse & Co.

Firm Registration Number: 007567S
Chartered Accountants

Ajay G. Piramal Chairman

Partha Ghosh

Partner

Membership No. F-55913

Mumbai, April 29, 2011

Somesh Sharma Managing Director

Rajesh Laddha

Chief Financial Officer

N Santhanam Director

Vandana Chablani

Company Secretary

Schedules forming part of the Balance Sheet as at March 31, 2011

	As at March 31, 2011 Rs. in Million	As at March 31, 2010 Rs. in Million
1. SHARE CAPITAL		
AUTHORISED		
3,00,00,000 (3,00,00,000) Equity Shares of Rs. 10/- each	300.0	300.0
	300.0	300.0
ISSUED & SUBSCRIBED		
2,54,51,314 (2,54,51,314) Equity Shares of Rs. 10/- each	254.5	254.5
TOTAL	254.5	254.5
NOTE:		
Of the above: 2,09,01,314 (Previous year 2,09,01,314) Equity Shares of Rs. 10/- each fully paid up issued to the Shareholders of Piramal Healthcare Limited pursuant to the scheme of demerger. Allotment of 446 Equity Shares has been kept in abeyance in respect of 4462 Rights Equity Shares of Piramal Healthcare Limited (PHL) pending receipt of necessary documentation for establishing title to the said Rights Shares of Piramal Healthcare Limited (PHL).		
2. RESERVES AND SURPLUS		
CAPITAL RESERVE		
As per last Balance Sheet	118.9	118.9
SHARE PREMIUM ACCOUNT		
As per last Balance Sheet	1,463.2	1,463.2
Employees Stock Option		
Employees Stock Options Outstanding	25.0	—
Add : Grant of Option	—	25.0
Less : Conversion of Option	—	—
Less : Cancellation of Option	—	—
	25.0	25.0
Deferred Employee Stock Compensation	7.3	—
Add : Grant of Option	—	25.0
Less : Amoritisation of ESOP Expenses (Refer Note 1(ix) & 18, Sch. 18)	(7.3)	(17.7)
Less : Cancellation of Option	—	—
	—	7.3
Net Employee Stock Option	25.0	17.7
TOTAL	1,607.1	1,599.8

Schedules forming part of the Balance Sheet as at March 31, 2011

		As at March 31, 2011 Rs. in Million		As at March 31, 2010 Rs. in Million						
3. SECURED LOANS										
Term Loan from Bank		375.0		675.0						
[Secured by way of 1) first charge on all Stock in trade whether present and future consisting of raw materials, finished goods, goods in process of manufacturing and other merchandise whatsoever being movable properties. 2) All book-debts outstanding monies receivables, claims and bills which are now due and owing or which may at any time hereafter during the continuance of this security become due and owing to the borrower in the course of its business. 3) All movable plant and machinery both present and future.]										
[(Payable within a year Rs. 300.0 Million) (Previous Year Rs. 300.0 Million)]										
		375.0		675.0						
4. UNSECURED LOANS										
Banks		1,000.0		2,600.0						
Others		3,470.0		—						
[(Payable within a year Rs. 3,470.0 Million) (Previous Year Rs. 1,600.0 Million)]										
TOTAL		4,470.0		2,600.0						
5. FIXED ASSETS		(Rs. in Million)								
Particulars	COST			DEPRECIATION / AMORTISATION						
	Opening as at 01.04.2010	Additions	Deductions	As at 31.03.2011 (A)	Opening as at 01.04.2010	For the year	Deductions	As at 31.03.2011 (B)	As at 31.03.2011 (A-B)	As at 31.03.2010
Intangible Assets										
Computer Software	68.1	4.1	—	72.2	36.4	11.0	—	47.4	24.8	31.7
Tangible Assets										
Building	367.0	5.4	—	372.4	247.4	52.4	—	299.8	72.6	119.6
Plant & Machinery	873.5	58.7	5.1	927.1	180.9	44.5	2.8	222.6	704.5	692.6
Furniture & Fixtures & Office Equipment	70.2	0.7	—	70.9	23.8	5.3	—	29.1	41.8	46.4
Motor Vehicle / Transport	1.6		—	1.6	0.5	0.1	—	0.6	1.0	1.1
Grand Total	1,380.4	68.9	5.1	1,444.2	489.0	113.3	2.8	599.5	844.7	891.4
Previous Year	1,326.8	99.8	46.2	1,380.4	385.1	106.2	2.3	489.0		
Capital Work in Progress (including Development Cost and Capital Advances) (Refer Note 1(iv) & 4, Sch.18)									1,201.2	918.0
									2,045.9	1,809.4

Depreciation for the year is amounting to Rs. 113.3 Million (Previous Year : Rs. 106.2 Million) on assets used for Research and Development. During the year Company incurred Rs. 63.2 Million (Previous Year Rs. 99.8 Million) towards capital expenditure for Research and Development. (Refer Note 16, Sch.18).

Refer Note 1(ii) (a), Sch. 18

Refer Note 1(ii) (b), Sch. 18

Refer Note 1(ii) (c), Sch. 18

Schedules forming part of the Balance Sheet as at March 31, 2011

	As at March 31, 2011 Rs. in Million	As at March 31, 2010 Rs. in Million
6. INVENTORIES (As certified by the Management)		
Raw Materials & Packing Materials [(Goods-in-transit Rs. NIL Million) (Previous Year Rs. 45.7 Million)]	65.5	47.3
Finished Goods	1.6	—
TOTAL	67.1	47.3
7. SUNDAY DEBTORS		
i. Over six months		
Unsecured - Considered good	2.4	—
ii. Others		
Unsecured - Considered good	10.6	10.6
TOTAL	13.0	10.6
8. CASH AND BANK BALANCES		
Cash on hand	0.1	0.2
Balance with Scheduled Banks		
– Current Account	42.3	91.5
TOTAL	42.4	91.7
9. LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received Unsecured & Considered Good	57.7	77.2
Advance Tax	5.4	3.0
Other Deposits	51.3	20.2
TOTAL	114.4	100.4
10. CURRENT LIABILITIES		
Sundry Creditors		
– Due to Micro, Small and Medium Enterprises (Refer Note 13, Sch. 18)	—	—
– Others	181.3	212.5
Interest Accrued but not due	126.4	20.0
Advance from Customers	—	0.8
TOTAL	307.7	233.3
11. PROVISIONS		
Provision for Fringe Benefits Tax (Net)	2.2	2.2
Provision for Employees Retirement Benefits (Refer Note 1 (v) & 7, Sch.18)	19.6	18.1
TOTAL	21.8	20.3

Schedules forming part of the Profit and Loss Account for the Year Ended March 31, 2011

	Year ended March 31, 2011 Rs. in Million	Year ended March 31, 2010 Rs. in Million
12. OTHER INCOME		
Lease Income	0.1	—
Miscellaneous Income	0.8	0.4
TOTAL	0.9	0.4
13. MATERIALS		
Purchase of Finished Goods	15.6	26.4
TOTAL	15.6	26.4
14. (INCREASE) / DECREASE IN WIP/FINISHED GOODS		
Opening Stock in Finished Goods	—	—
Less:		
Closing Stock in Finished Goods	1.6	—
TOTAL	(1.6)	—
15. STAFF COST		
Salaries, Wages and Bonus (Refer Note 1 (v) 7 & 18, Sch.18)	294.1	250.4
Contribution to Gratuity, Provident and Other Funds (Refer Note 1 (v) & 7, Sch.18)	16.9	16.4
Staff Welfare	25.3	16.6
TOTAL	336.3	283.4
16. OTHER EXPENSES		
Laboratory Materials	230.4	213.7
Clinical Expenses	62.9	39.6
Power, Fuel & Water Charges	36.9	36.6
Repairs and Maintenance		
Buildings	19.6	20.3
Plant and Machinery	34.6	32.1
Others	0.5	0.3
	54.7	52.7
Rent		
Premises	72.6	64.8
Other Assets	2.5	2.8
	75.1	67.6
Rates & Taxes	11.2	12.6
Travelling Expenses	35.5	38.1
Legal and Professional Charges	75.3	53.7
Books & Periodicals	40.5	37.1
Advertisement Expenses & Business Promotion	5.4	66.0
Printing & Stationery	6.8	8.0
Car Expenses	11.5	11.3
Telephone	3.2	4.1
Postage	4.4	3.1
Subscription	0.2	0.5
Audit Fees	2.2	1.8
Insurance	0.6	2.0
Freight	0.8	1.1
Director's Fees	1.0	0.8
Loss on sale of Assets	2.2	2.9
Exchange Loss (Net)	1.1	0.4
Assets written off	—	40.8
Service Charges Paid	77.2	66.2
Others	0.6	1.3
TOTAL	739.7	762.0

Schedules forming part of the Profit and Loss Account for the Year Ended March 31, 2011

	Year ended March 31, 2011 Rs. in Million	Year ended March 31, 2010 Rs. in Million
17. INTEREST		
Interest Paid on Fixed Loans	264.0	226.0
Interest Paid on Inter Corporate Deposits	121.6	23.0
	385.6	249.0
Less : Interest Received Others	0.1	—
TOTAL	385.5	249.0

18. NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Accounting

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable Accounting Standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

ii) Fixed Assets and Depreciation

a) Fixed Assets

Intangibles

Brands and Business Application Software (intended for long term use) are recorded at their acquisition cost and in case of assets acquired on merger, at their carrying values.

Tangibles

All fixed assets are stated at cost of acquisition, less accumulated depreciation. In the case of fixed assets acquired for new projects / expansion, interest cost on borrowings and other related expenses incurred upto the date of completion of project are capitalised.

b) Depreciation

Intangibles

Computer Software is being depreciated on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956.

Tangibles

Depreciation on fixed assets has been provided on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on Building has been provided on the basis of lease period.

Depreciation on additions / deletions of assets during the year is provided on a pro-rata basis.

c) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

iii) Revenue recognition

Sales are recognized upon delivery of products and are recorded inclusive of excise duty but are net of trade discounts and sales tax.

iv) Research and Development Cost

The research and development cost is accounted in accordance with Accounting Standard - 26 'Intangible Assets'.

Research

Research costs, including patent filing charges, technical know-how fees, testing charges on animal and expenses

Schedule 18 (Contd.)

incurred on development of a molecule till the stage of Pre-clinical studies and till the receipt of regulatory approval for commencing phase I trials are treated as revenue expenses and charged off to the Profit and Loss Account of respective year.

Development

Development costs (costs incurred when the lead molecule enters phase I trial and after obtaining regulatory approval for conducting phase I studies) relating to design and testing of a new or improved materials, products or processes are recognized as an intangible assets and are carried forward under Capital Work in Progress until the completion of the project as it is expected that such assets will generate future economic benefits. During the course of the studies, if it is observed that the studies are not proceeding as per expectations, the same are discontinued and the amount classified under Capital Work in Progress is charged off to Profit and Loss Account.

v) Retirement Benefits

The Company has Defined Contribution Plan for its employees' retirement benefits comprising of Provident Fund, Superannuation Fund and Pension which are administered through its trustees. The Company and eligible employees make monthly contributions to the Provident Fund trust equal to specified percentage of the covered employees' salary. The interest rate payable by the Provident Fund trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good any shortfall, if any, between the return from the investments of the trust and the notified interest rates. The Company contributes to Superannuation Fund and Employees' Pension Scheme 1995 and has no further obligations to the plan beyond its monthly contribution.

The Company has Defined Benefit Plan comprising of Gratuity Fund, Leave Encashment and Long Term Service Award. The Company contributes to the Gratuity Fund, which is administered through its trustees. The liability for the Gratuity, Leave Encashment and Long Term Service Award is determined on the basis of an independent actuarial valuation done at the year-end. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method. The obligations are measured as the present value of estimated future cashflows discounted at rates reflecting the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors. The expected rate of return of the plan assets is the Company's expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations. Plan assets are measured at fair value as at the Balance Sheet date.

vi) Valuation of Inventories

Raw materials and packing materials are valued at cost. Finished goods are valued at lower of cost or net realisable value. Net realizable value is the estimate of the selling price in the ordinary course of business as applicable.

vii) Foreign Currency Transaction

The transactions in foreign exchange are accounted at the exchange rate prevailing on the date of transactions. Gain or loss resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currency are recognised in the Profit and Loss Account.

viii) Taxes on Income**Current Tax**

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred Taxation

Deferred Tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallise.

ix) Employee Stock Option Schemes

In accordance with the Securities and Exchange Board of India guidelines, the excess of the Intrinsic value of shares, at the date of grant of options under the Employee Stock Option Schemes, over the exercise price is treated as employee compensation and amortised over the vesting period.

x) Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of 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 that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Schedule 18 (Contd.)

	As at March 31, 2011 Rs. in Million	As at March 31, 2010 Rs. in Million
(a) Estimated Amount of outstanding contracts / Capital Commitment	33.1	7.0
(b) Contingent Liability w.r.t Income Tax	1.2	NIL

3. The accumulated loss of the Company as at March 31, 2011 is Rs. 4753.3 million as against Net Worth (Share Capital and Reserves) of Rs. 1861.6 million. Although the Net worth of Company is fully eroded, Management has prepared financial statements on going concern basis based on various finance options, future projections approved by the Company and its future cash flow from development of molecules, some of which are in Phase I/II studies. Considering the success of Phase I/II studies, the Company is of the opinion that the studies may be completed successfully. The Company has the product development option whereby it can sell it at development stage or engage a partner for further development. The Company is also considering other options, strategic funding, partnership / outsourcing of development of molecules. Also, the Company has been able to secure funding / corporate guarantee for its requirements from Piramal Healthcare Limited, its associate company for the next 12 months. Accordingly, no adjustment is required to be made to the assets of the Company.
4. The Company is engaged in development of novel molecules. After successful pre clinical studies, the Company makes application to requisite regulatory authorities for conducting Phase I studies. The Company enters into agreement with different Clinical Research Organisations (CRO) for conducting Phase I studies on human volunteers. The expenses related to Phase I studies are relating to design and testing of a new or improved materials, products or processes and payments made to CROs. These expenses are recognized as an intangible asset and are carried forward under Capital Work in Progress until the completion of the project as it is expected that such assets will generate future economic benefits.

Currently major developments programs are in Phase I/II studies. In Oncology, P276 is in Phase II study and P1446 is in Phase I, In Diabetes and Metabolic Disorder, P1736 -05 is in Phase II , P2202 is in Phase I and P1201 -07 is in Phase I and Inflammation, NPS 31807 has completed Phase II study, Psoriasis – Tinefcon (topical) is in Phase II. During the year company has received from M/s Eli Lilly initial milestone payment of USD 3 Million (Rs. 132.9 Millions) against development of P2202. The Company has the product development option whereby it can sell / transfer it at development stage or engage a partner for further development. For certain studies, on development, the Company will be entitled for milestone payments. Development expenses which are incurred after approval for conducting Phase I study are included in Capital work in Progress.

5. There is no virtual certainty supported by convincing evidence that future taxable income will be available. Accordingly no Deferred Tax Asset and Deferred Tax Liability has been created.
6. There are no derivative / forward contracts outstanding as on March 31, 2011.

7. **Employee Benefits :**

The disclosures required as per the revised AS - 15 are as under:

Brief description of the Plans:

The Company has various schemes for long term benefits such as Provident Fund, Superannuation, Gratuity, Leave Encashment and Long Term Service Award. In case of funded schemes, the funds are administered through trustees. The Company has made necessary application to Income Tax Authorities for approval of Provident fund and Superannuation trust. The Company's defined contribution plans are Provident Fund, Superannuation and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions. The Company's defined benefit plans include Gratuity, Leave Encashment and Long Term Service Award. The Guidance on implementing Accounting Standard (AS - 15) (Revised 2005) "Employee Benefits" issued by the Accounting Standards Board (ASB) states that provident fund set up by employers which require interest shortfall to be met by the employers needs to be treated as defined benefit plan. However, as at the year end no shortfall remains unprovided for. As advised by an independent actuary, it is not practical or feasible to actuarially value the liability considering that the rate of interest as notified by the Government can vary annually. Further the pattern of investment for investible funds is as prescribed by the Government. Accordingly other related disclosures in respect of provident fund have not been made. Since the company has not yet got its own approved Trust for Provident Fund and Superannuation as per the scheme of demerger, it continues paying its contribution to approved Trust of Piramal Healthcare Limited.

Schedule 18 (Contd.)**I. Charge to the Profit and Loss Account based on contributions:**

(Rs. in Million)

	Year Ended March 31, 2011	Year Ended March 31, 2010
Employer's contribution to Provident Fund	12.3	8.5
Employer's contribution to Employees' Pension Scheme 1995	2.3	2.3
Employer's contribution to Superannuation Fund	2.3	2.2

Included in Contribution to Gratuity, Provident and Other Funds (Refer Sch.15)

II. Disclosures for defined benefit plans based on actuarial reports as on March 31, 2011.**A. Change in Defined Benefit Obligation**

(Rs. in Million)

	Year Ended March 31, 2011		Year Ended March 31, 2010	
	Gratuity	Long Term Service Award	Gratuity	Long Term Service Award
	(Funded)	(Non-Funded)	(Funded)	(Non-Funded)
Present Value of Defined Benefit Obligation as at beginning of the year	23.3	0.6	18.5	0.5
Interest Cost	1.9	0.0	1.5	—
Current Service Cost	2.8	0.2	2.4	0.2
Benefits Paid	(4.3)	0.0	(0.9)	—
Actuarial (gain) / loss	1.0	(0.2)	1.8	(0.1)
Present Value of Defined Benefit Obligation as at the end of the year	24.7	0.6	23.3	0.6

B. Changes in the Fair Value of Assets

(Rs. in Million)

	Year Ended March 31, 2011		Year Ended March 31, 2010	
	Gratuity	Long Term Service Award	Gratuity	Long Term Service Award
	(Funded)	(Non-Funded)	(Funded)	(Non-Funded)
Fair Value of Plan Assets as at beginning of the year	21.6	—	16.7	—
Expected Return on Plan Assets	1.7	—	1.6	—
Contributions by the employer	4.0	—	3.5	—
Benefits Paid	(4.3)	—	(0.9)	—
Actuarial gain / (loss)	4.0	—	0.7	—
Fair Value of Plan Assets as at end of the year	27.0	—	21.6	—

C. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

(Rs. in Million)

	Year Ended March 31, 2011		Year Ended March 31, 2010	
	Gratuity	Long Term Service Award	Gratuity	Long Term Service Award
	(Funded)	(Non-Funded)	(Funded)	(Non-Funded)
Present Value of Funded Obligation as at end of the year	24.7	—	23.3	—
Fair Value of Plan Assets as at end of the year	27.0	—	21.6	—
Funded Liability/(Assets) recognized in the Balance Sheet (Refer Sch. 11)	(2.3)	—	1.7	—
Present Value of Unfunded Obligation as at end of the year	—	0.6	—	0.6
Unrecognised Actuarial gain / (loss)	—	—	—	—
Unfunded Liability/(Assets) recognised in the Balance Sheet (Refer Sch. 11)	—	0.6	—	0.6

Schedule 18 (Contd.)

D. Amount recognised in the Balance Sheet

(Rs. in Million)

	Year Ended March 31, 2011		Year Ended March 31, 2010	
	Gratuity	Long Term Service Award	Gratuity	Long Term Service Award
	(Funded)	(Non-Funded)	(Funded)	(Non-Funded)
Present Value of Defined Benefit Obligation as at the end of the year	24.7	0.6	23.3	0.6
Fair Value of Plan Assets as at end of the year	27.0	—	21.6	—
Net Liability / (Assets) recognised in the Balance Sheet (Refer Sch. 11)	(2.3)	0.6	1.7	0.6

E. Expenses recognised in Profit and Loss Account

(Rs. in Million)

	Year Ended March 31, 2011		Year Ended March 31, 2010	
	Gratuity	Long Term Service Award	Gratuity	Long Term Service Award
	(Funded)	(Non-Funded)	(Funded)	(Non-Funded)
Current Service Cost	2.8	0.2	2.4	0.2
Past Service Cost	—	—	—	—
Interest Cost	1.9	—	1.5	—
Expected Return on Plan Assets	(1.7)	—	(1.6)	—
Settlements Cost / (Credit)	—	—	—	—
Net Actuarial (Gain) / Loss	(3.0)	(0.2)	1.1	(0.1)
Total Expenses recognised in the Profit and Loss Account*	—	—	3.4	0.1

*Included in Salaries, Wages and Bonus, Contribution to Gratuity, Provident and Other Funds (Refer Sch.15)

F. Actual Return on Plan Assets

(Rs. in Million)

	Year Ended March 31, 2011		Year Ended March 31, 2010	
	Gratuity	Long Term Service Award	Gratuity	Long Term Service Award
	(Funded)	(Non-Funded)	(Funded)	(Non-Funded)
Expected Return on Plan Assets	1.7	—	1.6	—
Actuarial gain / (loss) on Plan Assets	4.0	—	0.7	—
Actual Return on Plan Assets	5.7	—	2.3	—

G. Asset Information

(%)

	Year Ended March 31, 2011		Year Ended March 31, 2010	
	Gratuity	Long Term Service Award	Gratuity	Long Term Service Award
	(Funded)	(Non-Funded)	(Funded)	(Non-Funded)
Debt	100.0	—	100.0	—

Schedule 18 (Contd.)

- H. Principal actuarial assumptions used:

	Year Ended March 31, 2011		Year Ended March 31, 2010	
	Gratuity (Funded)	Long Term Service Award (Non-Funded)	Gratuity (Funded)	Long Term Service Award (Non-Funded)
	Discount Rate (per annum)	8.25%	8.25%	8.00%
Expected Rate of return on Plan Assets (per annum)	8.00%	—	8.00%	—

- I. Experience Adjustments:

(Rs. in Million)

	Year Ended March 31, 2011		Year Ended March 31, 2010	
	Gratuity (Funded)	Long Term Service Award (Non-Funded)	Gratuity (Funded)	Long Term Service Award (Non-Funded)
	Define Benefit Obligation	24.7	0.6	23.3
Plan Assets	27.0	—	21.6	—
Deficit / (Surplus)	(2.3)	0.6	1.7	0.6
Experience adjustment on plan liabilities loss / (gain)	1.7	—	2.4	—
Experience adjustment on plan assets gain / (loss)	4.0	—	0.7	—

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

- J. Expected employer's contribution for the next year is Rs. 3.5 Million for Gratuity.

- K. The liability for Leave Encashment (Non – Funded) as at year-end is Rs. 21.3 Million (Previous year Rs. 15.8 Million).

The expected rate of return on plan assets is based on market expectations at the beginning of the year. The rate of return on long-term government bonds is taken as reference for this purpose.

There is no change in accounting estimates due to applicability of AS-15 (Revised) as the parameters considered in the FY 2010-11 are same as the one considered in FY 2009-10 apart from assumptions used for Principal Actuarial.

8. The Company is mainly engaged in Pharmaceutical Research and Development business which is considered the Primary reportable business segment as per AS - 17 "Segment Reporting" issued by Institute of Chartered Accountants of India.
9. Related Party Disclosures, as required by Accounting Standard – 18 "Related Parties Disclosures" issued by the Institute of Chartered Accountants of India are given below:

A. Controlling Companies

- The Ajay G. Piramal Foundation*
- Paramount Pharma Private Limited*
- Piramal International Private Limited*
- The Swastik Safe Deposit & Investments Limited*
- PHL Holdings Private Limited*

B. Other related parties where common control exists

- Piramal Glass Limited*
- Piramal Enterprises Limited
- Piramal Realty Private Limited (formerly known as Alpex International Limited)*
- Piramal Healthcare Limited

Schedule 18 (Contd.)

- C. Key Management Personnel
- Ajay G. Piramal*
 - Swati A. Piramal*
 - Nandini Piramal#*
 - Anand Piramal#*
 - N. Santhanam*
 - Dr. Somesh Sharma

Relative of Mr.Ajay G. Piramal and Dr.Swati A. Piramal

*There are no transactions with the above related parties during the year.

(Rs. in Million)

Details of Transactions	Key Management Personnel	
	2011	2010
Remuneration/Sitting Fees		
– Dr. Somesh Sharma	33.2	42.8
– Others	1.0	0.8
TOTAL	34.2	43.6

(Rs. in Million)

Details of Transactions	Associate	
	2011	2010
Purchase of Goods / Services		
– Piramal Healthcare Limited	37.4	88.4
– Piramal Enterpises Limited	77.2	66.2
TOTAL	114.6	154.6
Reimbursement of Expenses / Other Payments (including deputation charges)		
– Piramal Healthcare Limited	11.3	40.1
TOTAL	11.3	40.1
Finance received		
– Piramal Healthcare Limited (Inter Corporate Deposit)	4,995.0	707.5
TOTAL	4,995.0	707.5
Interest Paid		
– Piramal Healthcare Limited	121.5	18.8
TOTAL	121.5	18.8
Outstanding Balance (payable)		
– Piramal Healthcare Limited	3,487.6	34.6
TOTAL	3,487.6	34.6

Schedule 18 (Contd.)

		(Rs. in Million)	
10.	Managerial Remuneration	As at March 31, 2011	As at March 31, 2010
A. To Managing Director			
a. Salaries	17.7	19.0	
b. House Rent Allowance	5.0	—	
c. Contribution to Provident Fund	2.1	—	
d. Other Perquisites	1.1	6.1	
e. Employee Stock Option Scheme	7.3	17.7	
	33.2	42.8	
B. Director's Sitting Fees		1.0	0.8
Total Managerial Remuneration		34.2	43.6
C. Computation of Net Profit u/s 198 / 349 of the Companies Act, 1956			
(Loss) before Tax and Exceptional Items	(1,429.8)	(1,364.9)	
Add: Managerial Remuneration	34.2	43.6	
Loss on Sale of Assets (Net)	2.2	2.9	
Assets written off	—	40.8	
Net Profit u/s 198 / 349 of the Companies Act, 1956	(1,393.4)	(1,277.6)	

The Board of Directors, at its Meeting held on 27th April, 2010 has re-appointed Dr. Somesh Sharma as Managing Director of the Company w.e.f 09th May 2010, subject to requisite approval of Central Government for re-appointment and remuneration.

		(Rs. in Million)	
11.		As at March 31, 2011	As at March 31, 2010
a. Value of imports calculated on CIF basis:			
i. Raw Materials / Laboratory Materials	36.9	43.5	
ii. Capital Goods	322.1	313.6	
b. Expenditure in Foreign Currency			
i. Professional Fees	36.9	12.7	
ii. Subscription	31.1	28.9	
iii. Clinical expenses	21.2	35.1	
iv. Salaries	17.7	19.0	
v. Others	27.0	12.1	
c. Earning in Foreign Currency			
– Export of Goods on FOB basis	22.3	47.4	
– Service Income	135.8	14.3	

		(Rs. in Million)	
12.	Auditors' Remuneration consist of:	As at March 31, 2011	As at March 31, 2010
Statutory Auditors:			
a. Audit Fees	1.9	1.8	
b. Certification Fees / Other Services (Previous Year Rs. 19,854/-)	0.2	0.0	
c. Reimbursement of Out of pocket Expenses (Previous Year Rs. 29,798/-)	0.1	0.0	
Total	2.2	1.8	

13. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

14. The Company's significant leasing arrangements are mainly in respect of residential / office premises and motor vehicles. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other Expenses" in Sch.16.

These leasing agreements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms. The Company has placed a refundable deposit of Rs. 51.3 Million (Previous Year Rs. 20.2 Million) in respect of these leasing arrangements. Future lease rentals payable in respect of motor vehicles and office premises on lease:

Payable	(Rs. in Million)	
	As at March 31, 2011	As at March 31, 2010
Not Later than one year	20.8	2.4
Later than one year but not later than five years	45.8	5.0
Later than five years	—	—

15. (i) Earning Per Share (EPS) – EPS is calculated by dividing the loss attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below:

	For the year ended March 31, 2011	For the year ended March 31, 2010
1. Loss after tax (Rs. in Million)	(1429.8)	(1297.9)
2. Weighted Number of Shares (nos.) – Basic	25,451,314	25,451,314
3. EPS (Rs.)	(56.2)	(51.0)
4. Diluted Earning Per Share (Rs.) (Refer Note 15(ii) below)	(56.2)	(51.0)
5. Face value per share (Rs.)	10.0	10.0

- (ii) As per Para 41 of AS – 20 "Earning Per Share", Potential shares are anti-dilutive when their conversion to equity shares would decrease loss per share from continuing ordinary activities. Accordingly, the effect of anti-dilutive potential equity shares are ignored in calculating Diluted Earning Per Share.

16. Details of additions to fixed assets and Revenue Expenditure for Department of Scientific & Industrial Research approved research and development facilities/division of the Company for the year ended March 31, 2011 are as follows :-

Description	(Rs. in Million)
For the year ended March 31, 2011	
Revenue Expenditure	820.5
Capital Expenditure	63.2
Less: Sale proceeds of the assets	0.1
Net addition to fixed assets	63.1

17. Quantitative Information of goods traded during the year.

(Rs. in Million)

Category	UOM	Opening Stock		Purchases		Sales		Closing Stock	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Traded									
Liquids	Ltrs.	—	—	12143.9 (59475.2)	2.0 (13.1)	11054.9 (59475.2)	3.1 (21.0)	10890.0	0.2 —
Capsules	Mios	—	—	17.0 (16.6)	13.0 (12.5)	15.2 (16.6)	17.9 (24.8)	1.8	1.4 —
Tablets	Mios	—	—	0.4 (0.2)	0.6 (0.5)	0.4 (0.2)	1.3 (0.8)	—	—
Powder	Kgs.	—	—	10.0 (824.0)	— (0.3)	10.0 (824.0)	— (0.8)	—	—
Total		—	—		15.6 (26.4)		22.3 (47.4)		1.6 —

Note : Sales and Purchase exclude free samples issued.

18. **Employees Stock Option Schemes**

Pursuant to approval of Shareholders in Annual General Meeting dated August 22, 2008 and Board of Directors in their meeting dated May 9, 2008, the Employee Stock Option Scheme, 2008 has been formed.

At Board Meeting held on July 14, 2009, 254,513 options each has been granted for financial year 2008-2009 and 2009-2010 at Exercise Price of Rs. 10. Vesting period of one year has been completed. However the said options have not been exercised as on Balance Sheet date, as it can be exercised within a period of five years from the date of vesting.

The shares against exercise of these Options would be issued out of the new shares proposed to be allotted by the Company in respect of which, in principle approval has been received from Bombay Stock Exchange and National Stock Exchange of India.

Date of Grant	Year	Number of Options Granted	Exercise Price	Intrinsic Price
July 14, 2009	2008-09	254,513	Rs. 10/-	Rs. 59.2
July 14, 2009	2009-10	254,513	Rs. 10/-	Rs. 59.2

The Company applies the intrinsic value based method of accounting for determining the compensation cost for its Employee Stock Option Scheme. The intrinsic value of share on the date of grant was Rs. 59.2. Difference between exercise price and intrinsic value has been amortised over the vesting period and charged to Profit and Loss Account Rs. 7.3 Million (Previous Year Rs. 17.7 Million) and included in Staff cost.

Particulars	March 31, 2011	March 31, 2010
Options outstanding at the beginning of the Year	509026	—
Options Granted during the Year	—	509,026
Forfeited during the Year	—	—
Excercised during the Year	—	—
Expired during the Year	—	—
Outstanding at the end of the Year	509,026	509,026

19. There are no amounts due and outstanding to be credited to Investor Education Protection Fund.

20. The figures for the year ended March 31, 2010 have been regrouped, wherever necessary.

Signatures to Schedule 1 to 18 which form an integral part of the Financial Statements

For Price Waterhouse & Co.

Firm Registration Number: 007567S
Chartered Accountants

Ajay G. Piramal Chairman

Partha Ghosh

Partner

Membership No. F-55913

Mumbai, April 29, 2011

Somesh Sharma Managing Director

Rajesh Laddha

Chief Financial Officer

N Santhanam Director

Vandana Chablani

Company Secretary

Additional Information pursuant to Part IV of Schedule VI to the Act

Balance Sheet Abstract And Company's General Business Profile

I Registration Details

Registration No. **1 3 2 5 2 3**

State Code **1 1**

Balance Sheet Date **3 1 0 3 1 1**
Date Month Year

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

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities including shareholders fund

7 0 3 6 1 8 1

Total Assets

7 0 3 6 1 8 1

Sources of Funds

Paid up Capital

2 5 4 5 1 3

Reserves & Surplus

1 6 0 7 0 9 8

Secured Loans

3 7 5 0 0 0

Unsecured Loans

4 4 7 0 0 0 0

Application of Funds

Net Fixed Assets

2 0 4 5 9 5 1

Investments

N I L

Net Current Assets

- 9 2 7 6 2

Miscellaneous Expenditure

N I L

Accumulated Losses

4 7 5 3 3 2 3

IV Performance of Company (Amount in Rs. Thousands)

Turnover

1 5 9 0 1 6

Total Expenditure

1 5 8 8 9 3 7

+ - Profit / Loss Before Tax
and exceptional items

- 1 4 2 9 8 2 1

+ - Profit / Loss After Tax

- 1 4 2 9 8 2 1

Earnings per Share in Rs.
(Loss for the year / Paid up Equity)

- 5 6 . 2 0

Dividend Rate %

N I L

V Generic Names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No.

Product Description

R E S E A R C H A N D D E V E L O P M E N T

Information for Shareholders

Registered Office

Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel, Mumbai 400 013, India
Website: www.piramallifesciences.com

Listing of Equity Shares on Stock Exchanges

Bombay Stock Exchange Ltd.
(code 532979)

National Stock Exchange of India Ltd.
(code PIRLIFE)

Share Transfer Agents

Link Intime India Private Limited
C-13 Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai – 400 078
Tel.: (022) 25946970
Fax: (022) 25946969
E-Mail: piramal.irc@linkintime.co.in

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Investors Correspondence

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Company Secretary

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Piramal Life Sciences
knowledge action care

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