

**ANNUAL REPORT
2008-2009**



DENIS
CHEM LAB LIMITED

ANNUAL REPORT 2008-2009

Board of Directors : Shri Dinesh B. Patel Chairman
Dr. Himanshu C. Patel Managing Director
Shri Priyavadan C. Randeria Director
Shri Chinubhai N. Munshaw Director
Shri Paul Schoemaker Director
Dr. Gaurang Dalal Director
Shri Laxmiraj M. Rathod Alternate Director
Smt. Anar H. Patel Director

Bankers : The Kalupur Commercial Co. Op. Bank Ltd.
Stadium Road Branch, Navrangpura,
Ahmedabad - 380 009.

Auditors : Shah & Shah Associates
Chartered Accountants
Ahmedabad

Registered Office & Factory : Block No. 457,
Village : Chhatral
Taluka : Kalol (N.G.) - 382 729
District : Gandhinagar

Registrar & Share Transfer Agent : Pinnacle Shares Registry (P) Limited
Near Ashoka Mills, Naroda Road,
Ahmedabad - 380 025

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NOTICE

NOTICE is hereby given that the TWENTY EIGHTH Annual General Meeting of the members of DENIS CHEM LAB LIMITED will be held at the Registered Office of the Company situated at Block No. 457, Village: Chhatral, Taluka: Kalol (N.G.), Dist. Gandhinagar – 382 729 on 23rd September, 2009 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2009, the Balance Sheet as at that date and the Report of the Board of Directors and Auditor thereon.
- (2) To appoint a Director in place of Smt. Anar H. Patel who retires by rotation and being eligible, offers herself for re-appointment.
- (3) To appoint a Director in place of Shri Paul Schoemaker, who retires by rotation and being eligible, offers himself 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.
- (5) To declare dividend for the year ended on 31-03-2009 and to be approved.
- (6) To reappoint the Managing Director Shri Himanshu C. Patel and to fix his remuneration.
- (7) To appoint Nrupa Patel, Company Secretary, in whole time practice u/s. 383 of the Companies Act, 1956 as secretary to issue compliance certificate under said section for year 2009-10 and further to authorize Managing Director to fix their fees for the said work.

Registered Office : By Order of the Board
Block No. 457, For Denis Chem Lab Ltd.
Village : Chhatral,
Ta. : Kalol (N.G.)
Dist. : Gandhinagar Shri Dinesh B. Patel
Date : 25.06.2009 Chairman

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 AT THE MEETING AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- (2) The Register of Members and Share Transfer Books of the Company will remain closed from 14-09-2009 to 23-09-2009 (both days inclusive).
- (3) The Company has transferred the Unclaimed Dividend to the General Revenue Account of the Central Government for and up to the financial year 2000-2001. Concerned shareholders are being informed about the particulars of such transfer. Consequent upon amendment in section 205A of

the Companies Act, 1956 and introduction of Section 205C, by the Companies (Amendment) Act, 1999, now the amount of dividend remaining unclaimed for a period of seven years (7) shall be transferred to the Investors Education and Protection Fund. It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.

- (4) Members desiring to seek any information of the Annual Accounts to be explained at the meeting are requested to send their queries in writing to the Company at the Regd. Office so as to reach at least 7 days before the date of meeting to make the required information available.
- (5) In order to prevent the possibility of interception in transit and fraudulent encashment of Dividend Warrants sent to Members, Members are requested to inform Bank Account No. & Name of their Bankers, which would be incorporated in the Dividend Warrants. Information may be sent in this respect to the Registered Office of the Company at the earliest.

Members, who hold share in the de-materialized form and want to change/correct the bank account details should send the same immediately to the concerned Depository participant. Members are also requested to give the MICR code of their Depository participant. The Company will not entertain any direct request from members for deletion/changes in the bank account details furnished by Depository Participants of the Company.

Members are requested to :

- (i) Bring their copy of the Annual Report to the Meeting as the practice of distributing copies of accounts in the meeting has been discontinued.
- (ii) Intimate, if shares are held in the same name or in the same order and names but in more than one account to enable the Company to club the said accounts into one account.
- (iii) Fill the attendance slip for attending the meeting [members as well as proxies (if any)].
- (iv) Bring the Client ID, DP ID Numbers for easy identification of attendance at the meeting for the members who hold shares in dematerialized form.

Notify immediately the change of address, if any, to the Registrar & Share Transfer Agent.

Registered Office : By Order of the Board
Block No. 457, For Denis Chem Lab Ltd.
Village : Chhatral,
Ta. : Kalol (N.G.)
Dist. : Gandhinagar Shri Dinesh B. Patel
Date : 25.06.2009 Chairman

DIRECTOR'S REPORT

To
Dear Shareholders,

Yours Directors have pleasure in presenting before you the 28th Annual Report and the Audited Accounts for the year ended 31st March, 2009.

Particulars	Current Accounting Year Ended 31-03-09	(Rs. in Lacs) Previous Accounting Year Ended 31-03-08
GROSS PROFIT BEFORE INTEREST, DEPRECIATION AND TAX (PBDIT) & EXTRA ORDINARY ITEMS.	328.23	292.93
Less: Interest	125.89	102.81
PROFIT BEFORE DEPRECIATION & TAX	202.34	190.12
Less: Depreciation	114.81	94.16
PROFIT BEFORE TAX	87.53	95.96
Less: Extra Ordinary Items		
(a) Provision for Tax	28.50	11.00
(b) Provision for Fringe Benefit Tax	2.00	2.25
(c) Deferred Tax Liability/ Assets for the year.	(13.91)	49.05
PROFIT/ LOSS AFTER DEPRECIATION, INTEREST AND TAX	70.94	33.65
Add: Balance brought forward from previous year	73.36	63.05
SURPLUS AVAILABLE FOR APPROPRIATION	144.30	96.70
APPROPRIATIONS:		
(1) Proposed Dividend	18.10	16.53
(2) Provision for Dividend Tax	3.08	2.81
(3) Final Dividend paid for the year 2007-08	0.78	—
(4) Corporate Dividend Tax paid on above	0.13	—
(5) General Reserve	4.00	4.00
(6) Balance Carried to Balance Sheet	118.21	73.36
Total	144.30	96.70

DIVIDEND:

The gross profit for the year ended 31st March, 2009 is Rs.328.23 Lacs and is more than last year's figure of Rs. 292.93 Lacs. The net profit before tax for the noted period is Rs. 87.53 Lacs as compared with a profit of Rs. 95.96 Lacs for last year due to higher depreciation. The surplus available for appropriation is Rs. 144.30 Lacs. In view of this, your Directors are pleased to recommend a dividend of Rs. 1.4 per equity share for the noted period subject to statutory approvals as may be required. The total dividend outgo will be thus about Rs. 18.10 Lacs.



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REVIEW OF OPERATIONS:

During the year 2008-09 the Company has achieved sales turnover (including job work) totaling Rs. 26.61 Crores that is 44.30 % higher than the comparable figure for last year, i.e. Rs. 18.44 crores. The production of the company has improved substantially for 2008-09. The manufacturing facility was inspected by Food and Drug Control Administration (FDCA), Gandhinagar in January, 2008 and was certified to be as per World Health Organization- Good Manufacturing Practices (WHO-GMP). The Company's manufacturing license has also been renewed till the year 2012. The company has received export business due to this certification and which will increase substantially in future. During 2008-09, due to the tight control on the manufacturing costs, the company was able to improve its profitability and further measures are still under implementation for a further reduction in the operating costs so that better profitability can be achieved for 2009-10.

FUTURE PLANS:

The Company has introduced I.V fluids in plastic bottles using Blow Fill Seal (BFS) technology and this new facility was commissioned in 2007-08. This has added to the company's turnover substantially with better margins. The company plans to double its mfg. capacity for plastic bottles during 2009-10 & steps are being taken for implementation of the same. The company is also planning to implement a project for manufacture of I.V.fluids using imported technology in which stretch blow molded P.P. bottles shall be used.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, the Directors', based on the representation received from the operating management, confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b) Appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the financial year ended on 31-03-2009 and for the profit and loss account for the year ended on 31-03-2009.
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis.

DIRECTORS:

Smt.Anar H.Patel and Shri Paul Schoemaker retire from the Board by rotation in accordance with Article 60 of the Articles of Association of the Company, and being eligible offer themselves for reappointment.

FIXED DEPOSITS:

As at the end of financial year under review, no fixed deposits which were due for repayment remained unclaimed by the deposit holders.

INSURANCE:

All the properties of the Company and insurable interest are adequately insured against the risks of fire, riot, strike, malicious damage etc. as per the consistent policy of the Company.

PERSONNEL:

As required by the Provisions Section 217 (2A) of the Companies Act 1956 read with companies (Particulars of Employees) Rules 1975 as amended, there are no employees covered under the above provision.

GRATUITY:

The company has entered into an agreement with Life Insurance Corporation of India for covering its Gratuity liability and has thus provided for the same. A Gratuity Trust Fund has been created with Life

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Insurance Corporation of India and amount of gratuity liability up to 31-03-2009 has been deposited with this Gratuity Trust Fund .

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

The Particulars as required under the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 are given in the Annexure attached to the Report.

AUDITORS:

M/s. Shah & Shah Associates, the Auditor of the Company will retire at the ensuing Annual General Meeting but as they are eligible for re-appointment, your Directors recommend their re-appointment as Auditor of the Company for the year 2009-10 at such remuneration as may be fixed by the shareholders.

INDUSTRIAL RELATIONS:

Your Directors are happy to report that Industrial relations remained satisfactory during the year under review.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the services of the staff, officers and executives for sustaining the operations of the Company during year under review. Your Directors also acknowledge with gratitude the co-operation, assistance and support to the company given by bankers and financial institutions during the year. Your Directors also express their thanks to company's stockiests, retailers and other customers for their continued patronage and to the shareholders for their confidence reposed in the Company.

For and on behalf of the Board

Date : 25.06.2009
Place : Ahmedabad

Shri Dinesh B. Patel
Chairman

ANNEXURE TO THE DIRECTORS' REPORT:

Particulars required to be reported as per Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

(A) CONSERVATION OF ENERGY:

(a) ENERGY CONSERVATION MEASURES TAKEN:

The Company has renovated the A.C. plant ducting to reduce the energy losses as well as insulated various storage vessels to prevent heat losses. The Company has installed Lignite / Coal based Boiler in place of furnace oil based boiler which will reduce fuel cost substantially. The company has insulated all steam pipelines & vessels so as to minimize heat losses.

(b) ADDITIONAL INVESTMENT AND PROPOSALS FOR REDUCTION OF CONSUMPTION OF ENERGY:

The Company is planning to install special servo motors for reducing electricity consumption.

(c) IMPACT OF THE ABOVE MEASURES:

The measures taken above will help in considerable saving in cost per unit of energy.

(d) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION:

Details of total energy consumption and energy consumption per unit of production as per FORM - A prescribed in the rules is as under.



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(1) Power & Fuel Consumption :	2008-09	2007-08
(i) Electricity:		
(a) Purchased Unit (KWH)	1526564	1017918
Total Amount (Rupees)	8525597	5057524
Rate / unit (Rs. in per KWH)	5.58	4.97
(b) Own Generation	25312	16433
Through Diesel General		
Total Litres.	5625	3885
Unit per Ltr of Diesel Oil	4.50	4.23
Cost/Unit (Rs.)	8.61	9.20
(ii) Lignight/Coal(kgs)	1915285	—
Total Amount (Rupees)	3917243	—
Avg. Rate (In Rs. Per Litre)	2.05	—

(2) Consumption per unit of Production:

	<u>Standard Unit</u>	<u>2008-09</u>	<u>2007-08</u>
(i) Electricity (in Units)			
I.V. Solution	Bottle	00.06	00.06
(ii) Diesel Oil (in Ltrs.)			
I.V. Solution	Bottle	00.0002	00.001
(iii) Lignite/Coal			
I.V. Solution	Bottle	00.16	—

(B) TECHNOLOGY ABSORPTION:

Efforts made in Research and Development and Technology Absorption as per FORM-B prescribed in the Rules is as under:

(i) Research & Development (R & D)

- (a) Specific areas in which R&D carried out by the Company. : New product development and improvement in Quality.
- (b) Benefits derived as a result of the above R&D : Increase in the range of products in its volume of contribution in increased sales turnover.
- (c) Future plan of action : To maintain improved quality of products through quality control.
- (d) Expenditure on R&D : Marginal

(ii) Technology absorption, adoption and innovation. : The Company does not envisage any technology absorption.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO : F.O.B. Value : Rs. Nil Lacs of Export Value
C.I.F. Value : Rs. 16.47 Lacs of Import value.

AUDITORS' REPORT

To,
The Members of DENIS CHEM LAB LIMITED

We have audited the attached Balance Sheet of M/s. DENIS CHEM LAB LIMITED, as at 31st March, 2009, the Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether 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 presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. 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;
2. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of these books.
3. The Balance sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
4. In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except what is stated in para 6(a) and (b) below.
5. Based on the written representations received from the Directors and taken on record by the Board of Directors of the company and according to the information and explanation given to us, none of the Directors of the company are, prima-facie, as at 31st March, 2009, disqualified from being appointed as directors of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with and subject to notes thereon of Schedule 18, and in particular;
 - a) **Note No. 3: regarding accounting for leave encashment as and when claimed by the employees, the amount of which could not be ascertained;**
 - b) **Note No. 4: regarding confirmation of balances of debtors, creditors, Loans & Advances and some bank balances; and**

- c) **Note No. 5: regarding non provision of doubtful debts of Rs. 24,58,597/-**

give the information required by the companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India;

- a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
- b) in the case of Profit & Loss Account, of the Profit for the year ended on that date and;
- c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956 (the order) and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:

1. The company is in the process of compiling and preparing records showing full particulars, including quantitative details and situation of fixed assets. As per the explanation provided to us, the fixed assets have been physically verified by the management at the end of the year. However in the absence of records of fixed assets; material discrepancies, if any could not be found on such verification the said fixed assets. The company did not dispose off its substantial part of fixed assets during the year.
2. As per explanation provided to us, inventories have been physically verified by the management at regular intervals during the year.
In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
The company has maintained proper records of inventories.
As explained to us, the discrepancies noticed on physical verification of inventory as compared to the book records were no material and the same have been properly dealt with in the books of account.
3. The company has neither granted nor taken unsecured loan, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub clauses (a), (b), (c), (d), (e) and (g) of clause 4(iii) of the Order are not applicable.
4. In our opinion and as per explanation given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of Audit, we have not observed any major weaknesses in the internal control system.
5. On the basis of audit procedures performed by us and according to the information, explanations and representations given to us, we are of the opinion that,



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the transactions made in pursuance of contracts or arrangements that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 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 market prices prevailing at the relevant time as evaluated on the basis of quotations obtained from parties/prices charged by the company in case of similar transactions during the year.

- 6. As the company has not accepted or renewed any deposit from the public, the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA of the Companies Act, 1956 and rules framed there under are not applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- 7. The company has appointed a firm of Chartered Accountants to carry out internal audit. Based on their report submitted to the management, in our opinion, there is a scope for increasing the coverage so as to make it commensurate with its size and nature of its business.
- 8. We are of the opinion that the books of accounts and records required to be maintained by the company pursuant to the rules made by the Central Government for maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 have not been maintained.
- 9. Based on our audit procedure and according to information and explanation provided to us, the company is generally regular in depositing undisputed statutory dues of Sales Tax, Income Tax, Excise Duty and other statutory dues with the appropriate authority.

According to information and explanation given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March, 2009 for a period of more than six months from the date of becoming payable except a sum of Rs. 83092/- required to be deposited to Investor Education and Protection Fund towards unpaid dividends of earlier years.

According to information and explanation provided to us, there are no dues of undisputed Sales Tax, Income Tax, Custom duty, Wealth Tax, or Cess outstanding as at the end of the year.

Disputed liability in respect of	Dispute pending before	Financial Year to which it relates	Amount Involved (Rs.)
Sales Tax Act	Dy. Commissioner of Commercial Tax, Gandhinagar	2005-06	80,34,728/-

- 10. The company does not have any accumulated losses at the end of the financial year and has not incurred cash loss during the financial year covered by our audit and also in the immediately preceding financial year.
- 11. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.
- 12. Based on our examination of documents and records and as per information given to us; the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13. The Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Therefore, the provisions of Clauses 4 (xiii) of the order are not applicable to the Company.
- 14. In our opinion and according to the information and explanations given to us, the company does not deal or trade in shares, securities, debentures and other investments. However it holds investment in shares of other body corporates and the same are held in its own name.
- 15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from any bank or financial institutions.
- 16. On the basis of review of utilization of funds pertaining to term loans on overall basis and related information as made available to us, the term loans taken by the company were applied during the year for the purpose for which they were obtained.
- 17. According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we are of the opinion that the Company has not utilized its short term resources for the long term investments.
- 18. The company has made issue of convertible warrants on preferential basis to parties covered in the register maintained u/s 301 of the Companies Act, 1956 out of which part allotment of shares have been made during the year. The issue, allotment and pricing of the warrants/shares have been made in accordance with the guidelines laid down in this regard by SEBI and hence the prices at which the shares have been issued, are not prima facie prejudicial to the interest of the company.
- 19. There are no debentures issued by the Company during the year and therefore the requirement of creation of security or charge is not applicable.
- 20. The Company has not raised any money during the year by public issue.
- 21. In our opinion and as per the information and explanation provided to us, no fraud on or by the company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

For SHAH & SHAH ASSOCIATES
Chartered Accountants

NIMISH B. SHAH
Partner

Mem. No. 30102

Place : Ahmedabad
Date : 25.06.2009

BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	Schedule No.	As at	
		31/03/09 Rupees	31/03/08 Rupees
SOURCES OF FUNDS :			
Shareholders' Funds			
Share Capital	1	12,367,500	11,805,340
Reserves & Surplus	2	33,395,353	27,666,630
		45,762,853	39,471,970
Preferential Warrants :			
Fully Convertible (See note-12)		1,405,400	216,220
Loan Funds :			
Secured Loans	3	79,852,152	101,529,180
Unsecured Loans	4	7,351,832	9,556,132
		87,203,984	111,085,312
Deferred Tax Liability (Net)		5,591,096	6,982,730
	Total	139,963,333	157,756,232
APPLICATION OF FUNDS:			
Fixed Assets :			
Gross Block (At cost)	5	143,765,229	138,805,729
Less : Depreciation		64,031,955	52,550,825
Net Block		79,733,274	86,254,904
Add: Capital Work-in-Progress		209,792	—
		79,943,066	86,254,904
Investments	6	1,975,000	1,712,500
Current Assets, Loans & Advances			
Inventories	7	17,086,825	21,292,720
Sundry Debtors	8	60,480,903	42,516,018
Cash & Bank Balance	9	11,854,758	23,041,888
Loans & Advance	10	16,177,722	14,249,965
		105,600,208	101,100,591
Less :			
Current Liabilities & Provisions :			
Current Liabilities	11	45,117,825	29,378,130
Provisions		2,437,116	1,933,633
		47,554,941	31,311,763
Net Current Assets		58,045,267	69,788,828
	Total	139,963,333	157,756,232

Significant Accounting Policies and
Notes forming parts of accounts

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Signature to the Balance Sheet

As per our attached report of even date

For **SHAH & SHAH ASSOCIATES**

Chartered Accountants

Nimish B. Shah

Partner

Membership No.: 30102

Place : Ahmedabad.

Date : 25th June, 2009.

Dr. Himanshu C. Patel

Managing Director

Priyavandan C. Randeria

Director

Dr. Gaurang Dalal

Director

Dinesh B. Patel

Chairman

Chinubhai N. Munshaw

Director

Mrs. Anar H. Patel

Director

Laxmiraj M. Rathod

Director

Place : Ahmedabad.

Date : 25th June, 2009.



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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009

PARTICULARS	Schedule No.	For the year 2008-2009 Rupees	For the year 2007-2008 Rupees
INCOME			
Sales	12	222,450,349	138,020,752
Conversion Charges		43,668,489	46,425,913
Other Income	13	3,613,232	2,937,300
Variations in Stocks	14	(3,998,149)	3,268,123
Total		265,733,921	190,652,088
EXPENDITURE			
Cost of Materials	15	162,395,088	116,449,971
Manufacturing & Other Admn. Exps.	16	70,514,806	44,909,185
Interest	17	12,589,148	10,281,084
Depreciation		11,481,129	9,416,267
Total		256,980,171	181,056,507
PROFIT BEFORE TAX		8,753,749	9,595,581
Less: Provision for Taxation:			
Provision for tax (including FBT) (net of excess/short provision of earlier years)		3,050,000	1,325,000
Deferred Tax Liability/(Asset)		(1,391,634)	4,905,246
Profit For the Year		7,095,383	3,365,335
Add : Balance brought forward		7,336,315	6,304,613
Surplus available for Appropriation		14,431,698	9,669,948
APPROPRIATIONS :			
Proposed Dividend		1,810,152	1,652,748
Corporate Dividend Tax		307,635	280,885
Final Dividend paid for the year 2007-08 (Refer Note)		78,702	—
Corporate Dividend Tax paid on above		13,410	—
Transferred to General Reserve		400,000	400,000
Balance carried to Balance Sheet		11,821,798	7,336,315
		14,431,697	9,669,948

Significant Accounting Policies and
Notes forming parts of accounts 18

Signature to the Balance Sheet

As per our attached report of even date

For **SHAH & SHAH ASSOCIATES**

Chartered Accountants

Nimish B. Shah

Partner

Membership No.: 30102

Place : Ahmedabad.

Date : 25th June, 2009

Dr. Himanshu C. Patel

Managing Director

Priyavardan C. Randeria

Director

Dr. Gaurang Dalal

Director

Dinesh B. Patel

Chairman

Chinubhai N. Munshaw

Director

Mrs. Anar H. Patel

Director

Laxmiraj M. Rathod

Director

Place : Ahmedabad.

Date : 25th June, 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	For the year ended on 31st March, 2009		For the year ended on 31st March, 2008	
	Rupees	Rupees	Rupees	Rupees
Cash Flow form operating activities :				
Net profit before tax		8,753,749		9,595,581
Adjustment for				
Depreciation	11,481,129		9,416,267	
Profit on Sales of Fixed Assets	—		(85,146)	
Profit on Sales of Investments	—		(227,856)	
Dividend/Interest Income	(1,084,035)		(2,066,748)	
Net Interest Outflow	12,589,148		10,281,084	
		22,986,242		17,317,601
Operating Profit Before Working				
Capital Changes		31,739,992		26,913,182
Adjustment for				
Sundry Debtors	(17,964,885)		(286,342)	
Inventories	4,205,895		(2,956,401)	
Current Liabilities	15,739,695		(22,830,454)	
Other Current Assets	(2,071,590)		(8,751,830)	
		(90,885)		(34,825,027)
Cash from Operations		31,649,107		(7,911,845)
Interest paid		(12,589,148)		(10,281,084)
Corporate Tax & FBT Paid		(2,586,838)		(776,205)
Net Cash Outflow from Operating Activities A		16,473,121		(18,969,134)
Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(5,169,292)		(29,248,892)	
Investments in Equity Shares	(262,500)		(1,462,500)	
Dividend/Interest Income	1,084,035		2,066,748	
Sale Proceeds of Fixed Assets	—		135,009	
Sale Proceeds of Investments	—		18,170,426	
Net Cash used in investing activities B		(4,347,757)		(10,339,209)
Cash Flow from Financing Activities				
Increase/(Decrease) in Secured Loans (Net)	(21,677,029)		47,649,943	
Increase/(Decrease) in Unsecured Loans (Net)	(2,204,300)		235,548	
Dividend Paid (incl. corporate Dividend Tax)	(2,025,745)		(1,315,396)	
Preferential Warrant	1,189,180		216,220	
Equity Shares (on conversion of warrants)	562,160		562,160	
Share Premium on Equity Shares	843,240		843,240	
Net Cash used in Financing Activities C		(23,312,494)		48,191,715
Net Increase/(Decrease) in Cash				
And Cash Equivalents (A+B+C)		(11,187,131)		18,883,372
Cash and Cash Equivalents at the				
begining of the year		23,041,888		4,158,516
Cash and Cash Equivalents at the				
end of the year		11,854,758		23,041,888

Signature to the Balance Sheet

As per our attached report of even date
For **SHAH & SHAH ASSOCIATES**

Chartered Accountants

Nimish B. Shah

Partner

Membership No.: 30102

Dr. Himanshu C. Patel

Managing Director

Priyavadan C. Randeria

Director

Dr. Gaurang Dalal

Director

Dinesh B. Patel

Chairman

Chinubhai N. Munshaw

Director

Mrs. Anar H. Patel

Director

Laxmiraj M. Rathod

Director

Place : Ahmedabad.

Date : 25th June, 2009

Place : Ahmedabad.

Date : 25th June, 2009

**SCHEDULES FORMING PART OF THE ACCOUNTS**

PARTICULARS	As at 31/03/09		As at 31/03/08	
	Rupees	Rupees	Rupees	Rupees
SHARE CAPITAL :				
SCHEDULE - 1				
Authorised :				
70,00,000 Equity Shares of Rs. 10/- each		70,000,000		70,000,000
Issued & Subscribed :				
12,36,750 (P.Y. 11,80,534) Equity Shares of Rs. 10/- each fully paid		12,367,500		11,805,340
Total		12,367,500		11,805,340
RESERVES & SURPLUS :				
SCHEDULE-2				
1. CAPITAL RESERVE :				
i. On forfeiture of equity shares				
Balance as per last Balance Sheet	14,500		14,500	
ii. Cash Subsidy				
Balance as per last Balance Sheet	1,183,950	1,198,450	1,183,950	1,198,450
iii. Security Premium				
Balance as per last Balance Sheet	18,440,940		17,597,700	
Addition during the year	843,240	19,284,180	843,240	18,440,940
2. GENERAL RESERVE :				
Balance as per last Balance Sheet	690,925		290,925	
Add : Transferred from Profit & Loss A/c	400,000	1,090,925	400,000	690,925
3. PROFIT & LOSS ACCOUNT :				
Balance as per annexed account		11,821,798		7,336,315
Total		33,395,353		27,666,630

DENIS CHEM LAB LIMITED

PARTICULARS	As at		As at	
	Rupees	31/03/09 Rupees	Rupees	31/03/08 Rupees
SECURED LOANS :		SCHEDULE-3		
Term Loans:				
From Small Industrial Development Bank of India (SIDBI)	30,225,000		38,100,000	
From Kalupur Commercial Co. Operative Bank Limited	2,499,347		—	
		32,724,347		38,100,000
Working Capital Loan:				
From Kalupur Commercial Co. Operative Bank Limited	46,951,069		46,469,042	
From ICICI Bank Limited	—		16,600,112	
		46,951,069		63,069,154
2. Amount due under Hire Purchase Agreement: (Secured against Motor Car Purchased thereunder)		176,736		360,026
Total		79,852,152		101,529,180

Note:

1. Term Loan from Small Industrial Development Bank Of India and Kalupur Commercial Co. Operative Bank Ltd; are secured against equitable mortgage of land and factory building.
2. (a) Working capital from The Kalupur Commercial Co-Op Bank Ltd is secured against equitable mortgage of another land and exclusive charge by way of stocks of Raw Materials, Work in process, finished goods, consumable stores and spares and such other movable including book debts. Further, it is also secured against personal guarantee of the Managing director of the Company.

(b) Working Capital Term Loan from ICICI Bank, is secured against Lien over Fixed Deposits held by the Company.

UNSECURED LOANS :		SCHEDULE - 4	
Stockist Deposits	2,859,000		5,370,000
From Banks & Others (See note-13)	4,492,832		4,186,132
Total	7,351,832		9,556,132


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FIXED ASSETS
SCHEDULE : 5

Sr. No.	Particulars	GROSS BLOCK (AT COST)			DEPRECIATION PROVIDED				NET BLOCK		
		As at 01/04/08	Additions during the Year	Deduction during the Year	As at 31/03/09	Up to 31/03/08	For the Year	On Deduction	Up to 31/03/09	As at 31/03/09	As at 31/03/08
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Free hold land	1,039,292	—	—	1,039,292	—	—	—	—	1,039,292	1,039,292
2	Factory Building	35,117,089	1,950,609	—	37,067,698	13,369,970	2,269,827	—	15,639,797	21,427,901	21,747,119
3	Plant & Machineries	90,825,459	1,938,464	—	92,763,923	33,950,806	8,076,572	—	42,027,378	50,736,544	56,874,653
4	Laboratory Equipments	2,337,100	310,008	—	2,647,108	962,144	217,480	—	1,179,624	1,467,484	1,374,956
5	Electrical Installations	5,741,839	118,380	—	5,860,219	1,233,161	628,556	—	1,861,717	3,998,502	4,508,678
6	Furniture & Fixtures	2,116,759	269,270	—	2,386,029	1,620,743	123,757	—	1,744,500	641,529	496,016
7	Computers	96,880	44,940	—	141,820	31,172	42,979	—	74,151	67,669	65,708
8	Vehicle	1,531,311	327,829	—	1,859,140	1,382,829	121,958	—	1,504,787	354,353	148,482
	Total	138,805,729	4,959,500	—	143,765,229	52,550,825	11,481,129	—	64,031,954	79,733,275	86,254,904
	Previous Year	87,153,300	52,188,017	535,588	138,805,729	43,620,283	9,416,267	485,725	52,550,825	86,254,904	—

PARTICULARS

	As at 31/03/09	As at 31/03/08
Rupees	Rupees	Rupees

INVESTMENT : (At Cost)
SCHEDULE - 6
(Trade, Long Term, Unquoted)
A. Equity Shares :

69,000 (P.Y. 58,500) Equity Share of Rs. 25/- each, of The Kalupur Comm. Co-Op Bank Ltd.

1,725,000

1,462,500

25,000 Equity Share of Denis Finance Limited Rs. 10/- each, Fully paid*

250,000

250,000

1,975,000

1,712,500

Total

1,975,000

1,712,500

Aggregate Cost of Unquoted Investments

1,975,000

1,712,500

*ceased to be subsidiary company w.e.f.12th August,2008

INVENTORIES :
SCHEDULE - 7
(As valued and certified by Managing Director)

Stores & Chemicals	325,079	811,154
Raw Materials	8,124,235	7,845,906
Finished Goods	7,604,116	9,736,641
Work-in-process	1,033,395	2,899,019
Total	17,086,825	21,292,720

DENIS CHEM LAB LIMITED

PARTICULARS	As at		As at	
	Rupees	31/03/09 Rupees	Rupees	31/03/08 Rupees
SUNDRY DEBTORS : SCHEDULE-8				
(Unsecured, Considered Doubtful):				
Outstanding for a period exceeding six months		2,458,597		2,458,597
(Unsecured, Considered Good):				
Others		58,022,306		40,057,421
Total		60,480,903		42,516,018
CASH & BANK BALANCES : SCHEDULE-9				
Cash on hand		691,075		418,588
Balances With Scheduled Banks :				
In Current Accounts	5,943,353		2,678,050	
In Margin Money Deposit Accounts	5,160,330		1,834,250	
In Fixed Deposit Account (Pledged with Banks to secure Overdraft Facility/Lodged with Government Authorities)	60,000	11,163,683	18,111,000	22,623,300
Total		11,854,758		23,041,888
LOANS & ADVANCES : SCHEDULE-10				
(Unsecured, considered good)				
Advances recoverable in cash or in kind or for value to be received		9,942,088		8,528,891
Sundry Deposits		4,846,596		4,003,235
Loans to Staff		1,124,814		760,214
Balance with Excise Authorities		264,224		813,792
Advance Income Tax & TDS (net of provision)		—		143,833
Total		16,177,722		14,249,965
CURRENT LIABILITIES & PROVISIONS : SCHEDULE-11				
a. Current Liabilities :				
Sundry Creditors		43,849,974		28,570,496
Overdraft as per books of accounts		343,006		309,700
Advances from Customers		263,935		—
Unpaid Dividend*		321,558		254,259
Interest accrued on Stockist Deposits		339,352		243,675
		45,117,825		29,378,130
b. Provisions :				
Proposed Dividend		1,810,152		1,652,748
Corporate Dividend Tax		307,635		280,885
Provision for Income Tax (Net of Advance taxes paid)		319,329		—
		2,437,116		1,933,633
Total		47,554,941		31,311,763

* includes Rs.83,092/- (Previous year Rs. 60,576/-) required to be deposited to Investors' Education and Protection Fund as per the Provisions of Section 205(2A) of The Companies Act, 1956.



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PARTICULARS	For the year 31/03/09		For the year 31/03/08	
	Rupees	Rupees	Rupees	Rupees

SALES :	SCHEDULE-12			
---------	-------------	--	--	--

	Value Rs.	Value Rs.
1. Transfusion Solution in Bottles (20509955 nos. of Bottles)	222,195,916	137,783,804
2. Bulk Drugs	236,723	12,500
3. Traded Goods	17,710	224,448
Total	222,450,349	138,020,752

OTHER INCOME :	SCHEDULE-13	
----------------	-------------	--

Insurance claim Received	73,500	—
Interest Received (Gross)	1,040,160	2,066,748
Rent Income	240,000	160,000
Syndry Balances written off	2,180,422	397,550
Dividend Received on Mutual Fund	43,875	—
Miscellaneous income	35,275	—
Profit on Sale of Fixed Assets	—	85,146
Profit on Sale of Mutual Fund	—	227,856
Total	3,613,232	2,937,300

VARIATIONS IN STOCKS	SCHEDULE-14	
----------------------	-------------	--

Stock at Commencement of the Year:		
Finished Goods	9,736,641	7,197,187
Work in Process	2,899,019	2,170,350
	12,635,660	9,367,537
Stock at end of the Year:		
Finished Goods	7,604,116	9,736,641
Work in Process	1,033,395	2,899,019
	8,637,511	12,635,660
Total	(3,998,149)	3,268,123

DENIS CHEM LAB LIMITED

PARTICULARS	For the year		For the year	
	Rupees	31/03/09 Rupees	Rupees	31/03/08 Rupees

COST OF MATERIALS : SCHEDULE-15**Consumption of Raw Materials & Packing Materials :**

Stock at commencement of the Year	7,845,906		8,496,735	
Add : Purchases	162,673,417		115,495,006	
	170,519,323		123,991,741	
Less : Stock at end of the year	8,124,235		7,845,906	
		162,395,088		116,145,835
Purchase for resale		—		304,136
Total		162,395,088		116,449,971

MANUFACTURING & OTHER ADMINISTRATIVE EXPENSES : SCHEDULE-16

1. Stores Consumption		2,197,331		2,312,804
2. Laboratory Chemicals		106,953		132,788
3. Power & Fuel		13,411,691		7,682,645
4. Rent		360,000		285,000
5. Rates & Taxes		143,509		26,993
6. Insurance		183,464		113,118
7. Payments to & provision for Employees:				
Salaries, Wages and Bonus	14,744,594		13,158,829	
Contribution to Provident Fund & other funds	4,564,319		2,337,644	
Staff Welfare	208,519		253,928	
		19,517,432		15,750,401
8. Loading Unloading Expenses		631,374		—
9. Contract manufacturing charges		—		1,728,192
10. Repairs & Maintenance:				
Building	438,154		13,379	
Machinery	1,239,246		1,165,668	
Others	167,339		107,922	
		1,844,739		1,286,969



PARTICULARS	For the year 31/03/09		For the year 31/03/08	
	Rupees	Rupees	Rupees	Rupees
MANUFACTURING & OTHER ADMINISTRATIVE EXPENSES :				
SCHEDULE-16 CONTD....				
11. Freight & Octroi:				
On Inward Materials	3,554,460		1,184,001	
On Outward Materials	12,887,011		1,388,751	
		16,441,471		2,572,752
12. Travelling & Conveyance Expenses		5,779,533		4,743,318
13. Excise Duty Expenses		4,116		1,934,984
14. Printing & Stationary, Postage & Telephone		732,047		798,608
15. Motor Car Expenses		118,104		115,374
16. Advertisement		40,593		248,008
17. Sales Promotion Expenses		1,029,459		1,080,162
18. Commission/Handling Charges		2,255,165		177,888
19. Discount		806,205		140,459
20. Breakages & Damages		332,594		206,119
21. General Charges		4,579,027		3,572,603
	Total	70,514,807		44,909,185

INTEREST		SCHEDULE - 17	
On Term Loan	3,966,911		2,710,524
On Working Capital Loan	7,851,093		4,530,838
On Other Loan	771,144		3,039,722
	Total	12,589,148	10,281,084

(I) SIGNIFICANT ACCOUNTING POLICIES:

(a) Basic of Accountings:

The financial statements are prepared in accordance with :

- i) the generally accepted Accounting principles in India under the historical cost,
- ii) convention on accrual basis of accounting and comply with,
- iii) the mandatory accounting standards and statement issued by the institute of Chartered Accountants of India (ICAI) and the Provisions of the Companies Act, 1956.

(b) Fixed Assets and Depreciations:

- i. Fixed Assets are stated at cost less accumulated depreciation. The cost includes all expenses incurred in connection with the acquisition of the fixed assets.
- ii. Depreciation on Fixed Assets has been provided at the rates prescribed in the Schedules XIV to the Companies Act, 1956, as amended on pro rata basis with reference to the actual date of purchase/installation on Written Down Value Method.

(c) Impairment of Assets:

Impairment of assets is recognised when there is any indication of impairment.

(d) Investments:

Long term investments are stated at cost.

(e) Valuation of Inventories:

Raw materials, packing materials, and work –in-process are valued at cost. Finished Goods are valued at cost or net realisable value whichever is lower. Cost includes excise duty and is net of credit availed under Cenvet scheme.

(f) Excise Duty:

The excise duty in respect of closing inventory of finished goods is included as part of inventory.

(g) Revenue Recognition:

Sales are recognised up on delivery of products and are recorded inclusive excise duty but net of discount, rate differences and outward freight re-imbursed to the customers. Dividend on investments is recognised only when the right of receipt is established.

(h) Transaction in Foreign Currency:

Foreign exchange transactions are recorded at the rate of exchange on the date of respective transactions. Assets and Liabilities denominated in foreign currency are converted in to rupees at the rate of exchange prevailing as on balance sheet date.

(i) Stores and Spares:

Stores and spares consumed include spares utilised for repairs and maintenance of machinery.

(j) Cenvat Credit:

Consumption of materials is arrived at after considering credit availed under CENVAT scheme under central excise rules. Cenvat availed on Capital Goods is reduced from the cost of the Fixed assets.



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(k) Retirement Benefits:

During the year Company has paid 100 % of its total Gratuity Liability up to 31st March, 2009 and charged the same to revenue accounts. Such amount has been invested with Life Insurance Corporation of India under Employee Group Gratuity Scheme. Leave Encashment payable to the employees are paid when claimed.

Contribution to Provident Fund and Employee State Insurance Scheme is charged to revenue.

(l) Research & Development Expenses:

Expenditure on Research & Development on revenue account is charged to Profit & Loss account. Assets acquired for Research & Development activities are capitalised and depreciated in the same manner as other fixed assets.

(m) Provisions for Taxation:

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the company.

Deferred Tax Assets and Liabilities are recognised on Future Tax consequences attributable to the timing differences that result between the profit offered for Income Tax and Profit as per Financial Statement. Deferred Tax assets and Liabilities are measured as per the tax rates/laws that have been enacted by the balance sheet date.

II. NOTES FORMING PART OF ACCOUNTS:

1) Contingent Liability not provided for:

	As At 31-03-2009 Rupees	As At 31-03-2008 Rupees
(a) In respect of counter guarantee given by the bank	45,63,250	10,00,000
(b) In respect of Show Cause notice issued by Commissioner of Central Excise-III, Ahmedabad in respect of the excisable goods manufactured and cleared without payment of Central Excise duty during the period from 4th May, 2000 to 31st March, 2006 for which stay of demand has been taken by the Company.	Nil	9,70,06,578
(c) In respect of disputed demand for Sales Tax for Financial year 2005-06	80,34,728	Nil
(d) In respect of Bill Discounted with the banks	47,93,570	Nil
2) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs 1,11,74,300 /- (Previous Year Rs. 59,25,956/-)		
3) No provision has been made in the books of accounts for leave encashment. The amount in respect of the same is not ascertainable.		
4) Balances of Debtors, Creditors and Loans and Advances and that of some bank accounts in the Balance Sheet are subject to confirmation. In the opinion of the management of the Company, provisions for all known liabilities except as stated in (3) above has been made in the books of accounts. Further, the current assets and liabilities are stated at the value realisable in the ordinary course of business.		

DENIS CHEM LAB LIMITED

- 5) No provision has been made for doubtful debt of Rs.24,58,597/- as in the opinion of the management efforts are made in recovery process and there are good chances for recovery of the same.
- 6) Profit & Loss Account Includes:

Sr. Particulars No.	2008-2009 Rupees	2007-2008 Rupees
(i) Remuneration of auditor		
Audit fees	84,270	84,270
For certification work	5,618	5,618
Tax audit fees	33,708	33,708
Total	1,23,596	1,23,596
(ii) Remuneration to Managing Director		
Salary	24,00,000	20,00,000
Contribution to Provident Fund	1,29,600	1,15,200
Perquisites	63,840	22,848
Total	25,93,440	21,38,048

- 7) Under the Micro, Small and Medium Enterprises Development Act, 2006; certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The company is in the process of compiling relevant information from its suppliers about their coverage under the Act. Since the relevant information is not properly available, no disclosures have been made in the accounts.
- 8) Loans & Advances includes a sum of Rs.9,60,721/- (Previous year – Rs. 9,60,721/-) paid to sales tax authorities, Gujarat on account of supplies made under specific contract by Lucknow sales depot to UP state Govt. under tenders during the period from 1999-2000 to 2004-2005, for which local sales tax has already been paid. As the company has already paid local sales tax on such supplies at the rate, which is higher than Central Sales Tax, no provision has been made for amount paid to sales tax authorities, Gujarat. Based on the opinion of the legal counsel and merits of the case the management perceives that there will not be any additional sales tax liability on account of above sales.
- 9) The component of deferred tax liabilities/assets provided as on 31st March, 2009, is as under:

Sr. Particulars No.	As at 31-03-09 Rupees	As at 31-03-08 Rupees
A. Deferred Tax Liabilities :		
On account of timing difference in depreciable assets.	57,80,201	69,82,730
On account of disallowances of Certain expenses		
B. Deferred Tax Assets:		
Expenses allowable against taxable income in future year	1,89,105	—
Net Deferred Tax liability	55,91,096	69,82,730

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10) The management of the company has carried out an exercise to ascertain impairment of Fixed assets. In the opinion of the management of the company there are no indications of impairment of assets as at 31/03/2009 and therefore no effect of impairment is required to be given in the books of accounts.

11) **Preferential Warrants:**

As per resolution passed in the Extra Ordinary General Meeting of the shareholders on 22nd December, 2007 1,68,648 warrants has been issued to the Promoters on preferential basis to be converted in to equity shares over a period of eighteen months. Out of this 1,12,432 warrants have been converted in to equity shares (incl. 56,216 warrants converted during the year).

12) **Unsecured Loans:**

Unsecured loan from banks includes a sum of Rs.44,92,832/- (Previous year Rs.41,86,132/-) borrowed from the different banks for the purpose of the business of the company sanctioned in the personal capacity of Managing Director of the company.

13) Information required by paragraph 3 and 4 part-II of Schedule-VI of the Companies Act, 1956.

a) Capacity and actual production :

	Licensed Capacity		Installed Capacity		Production	
	08-09	07-08	08-09	07-08	08-09	07-08
(i) Transfusion Solution in Bottles (Nos.)	N.A.	N.A.	21840000	21840000	16166042	14139124
(ii) Plastic Bottles(Nos.)	N.A.	N.A.	18720000	18720000	8839312	2551760

Note: Production quantities are inclusive of quantities on job work basis.

b) Opening & Closing Stocks In respect of Finished Goods:

	Unit	2008-09		2007-08	
		Qty	Rupees	Qty	Rupees
Opening Stock:					
Solution in Bottles	Nos.	1115719	97,36,641	980844	94,28,759
Total		1115719	97,36,641	980844	94,28,759
Closing Stock:					
Solution in Bottles	Nos.	1361795	76,04,116	1115719	97,36,641
Total		1361795	76,04,116	1115719	97,36,641

DENIS CHEM LAB LIMITED

c) Raw Material Consumed:

	Unit	2008-09		2007-08	
		Qty	Rupees	Qty	Rupees
Dextrose Anhydrous	Kgs	249031	97,72,731	162456	65,79,450
Glass/Plastic Bottles	Nos.	52432794	1,77,63,313	11605123	4,43,68,085
Rubber Stopper	Nos.	16633630	2,75,81,793	25005232	1,45,30,968
Lactic Acid	Kgs	8517	10,01,151	2269	2,11,115
Plastic Granules	Kgs	214475	1,94,16,443	72500	63,72,517
Others		—	8,68,59,657	—	4,43,87,835
			16,23,95,088		11,64,49,971

d) Value of Raw Materials, Store & Spares Consumed:

	Rupees	2008-09	Rupees	2007-08
		% of Total		% of Total
(i) Raw Material				
Imported	16,47,290	1.02	11,37,356	00.98
Indigenous	16,07,47,798	98.98	11,53,12,615	99.02
Total	16,23,95,088	100.00	11,64,49,971	100.00
(ii) Stores & Spares				
Imported	—	—	—	—
Indigenous	21,97,331	100.00	23,12,804	100.00
Total	21,97,331	100.00	23,12,804	100.00

15) C.I.F.Value of Imports in respect of Goods: Rs.16,47,290/- Nil (P. Y. Rs. 11,37,356/-)

16) Foreign exchange outgo on account of Remittance of Dividend of Rs. 5,68,176/- (Previous year Rs. 5,68,176/-) to M/s.Vaessen Schoemaker Holdings B.V. Holland on 4,05,840 shares.

17) RELATED PARTY DISCLOSURES:-

(a) Name of the Related Parties:-

I. Associate Company

: Denis Finance Limited
(Subsidiary company up to 12/08/2008)
Sintex Industries Ltd.
Sintex International Ltd.

**ANNUAL REPORT 2008-2009**

II. Key Management Personnel & their relatives: Dr. Himanshu C. Patel

Dr. Himanshu C. Patel (HUF)

III. Directors

: Shri Dinesh B. Patel

Shri Priyavadan C. Randeriya

Shri Chinubhai N. Munshaw

Shri Paul Schoemaker

Shri L.M. Rathod

Dr. Gaurang Dalal

Mrs. Anar H. Patel

(b) Transactions with the Related Parties during the year

	Related party referred to in I above	Related party referred to in II above	Related party referred to in III above
Rent	—	—	3,60,000 (2,25,000)
Sitting Fees	—	—	24,000 (31,000)
Purchases	52,55,255 (53,90,515)	81,10,502 (36,24,550)	—
Sales	26,775 (1,09,170)	—	—
Remuneration	—	25,93,440 (21,38,048)	—
Balance Receivable as at Balance Sheet Date	— (3,31,261)	15,93,616 (11,17,723)	—

Note: The amount in bracket represents the figures in respect of previous year.

The related party as well as transaction shown above is as certified by the Managing Director of the Company.

18) The figures of previous year have been regrouped wherever necessary.

Signature to Schedules 1 to 18

Signature to the Balance Sheet

As per our attached report of even date
For **SHAH & SHAH ASSOCIATES**
Chartered Accountants

Nimish B. Shah
Partner
Membership No.: 30102

Place : Ahmedabad.
Date : 25th June, 2009

Dr. Himanshu C. Patel
Managing Director
Priyavadan C. Randeria
Director
Dr. Gaurang Dalal
Director

Dinesh B. Patel
Chairman
Chinubhai N. Munshaw
Director
Mrs. Anar H. Patel
Director
Laxmiraj M. Rathod
Director
Place : Ahmedabad.
Date : 25th June, 2009

DENIS CHEM LAB LIMITED

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

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

1	Registration Details		
	Registration No.	:	3843
	State Code No.	:	04
	Balance Sheet Date	:	3/31/2009
2	Capital raised during the year		
	Public Issue (Issue through the prospectus)	:	Nil
	Right Issue	:	Nil
	Bonus Issue	:	Nil
	Private Placement	:	Nil
3	Position of Mobilisation and Employment of Funds		
	Total Liabilities	:	139963
	Total Assets	:	139963
	Source of Funds		
	Paid up capital	:	12368
	Reserves and Surplus	:	33395
	Pref. Shares	:	1405
	Secured Loans	:	79852
	Unsecured Loans	:	7352
	Deferred Tax Liability	:	5591
	Application of Fund		
	Net Fixed Assets	:	79943
	Investments	:	1975
	Net Current Assets	:	58045
4	Performance of Company		
	Turnover (Including Conversion Charges)	:	265734
	Total Expenditure	:	256980
	Profit /(Loss) before tax	:	8,754
	Profit /(Loss) after tax	:	7095
	Earning per share (Rs.)	:	5.74
	Dividend Rate	:	14%
5	Generic Name of Principal Products, Services of the Company		
	Item Code (ITC Code)	:	300320
	Product Description	:	Large Volume Parenterals
	Item Code (ITC Code)	:	282890-01
	Product Description	:	Bulk Drugs

Signature to the Balance Sheet

As per our attached report of even date
For **SHAH & SHAH ASSOCIATES**
Chartered Accountants**Nimish B. Shah**
Partner
Membership No.: 30102Place : Ahmedabad.
Date : 25th June, 2009**Dr. Himanshu C. Patel**
Managing Director
Priyavadan C. Randeria
Director
Dr. Gaurang Dalal
Director**Dinesh B. Patel**
Chairman
Chinubhai N. Munshaw
Director
Mrs. Anar H. Patel
Director
Laxmiraj M. Rathod
Director
Place : Ahmedabad.
Date : 25th June, 2009



DENIS CHEM LAB LIMITED

Regd. Office : 457, Village : Chhatral, Ta.: Kalol, Dist.: Gandhinagar-382 729

ATTENDANCE SLIP

DP ID*	
--------	--

Registered Folio No.	
----------------------	--

Client ID*	
------------	--

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I/We hereby record my/our presence at the 28th ANNUAL GENERAL MEETING being held on Wednesday the 23rd September, 2009 at 10.30 a.m. at the Registered Office at the Company.

NAME OF THE SHAREHOLDER (IN BLOCK CAPITALS) :

SIGNATURE OF THE SHAREHOLDERS OR PROXY

_____ L.F. NO. _____

- Note :
1. Please sign this attendance slip and hand it over at the Attendance Verification Counter at the entrance of the meeting hall.
 2. No gifts/company products shall be given at the meeting.
 3. This attendance is valid only in case shares are held on the date of meeting.
- * Applicable for investors holding shares in electronic form.



DENIS CHEM LAB LIMITED

Regd. Office : 457, Village : Chhatral, Ta.: Kalol, Dist.: Gandhinagar-382 729

PROXY FORM

DP ID*	
--------	--

Registered Folio No.	
----------------------	--

Client ID*	
------------	--

I/We _____
of _____

_____ being a member/members of DENIS CHEM LAB LIMITED

hereby appoint (1) _____ of _____
or failing him (2) _____ of _____
or failing him (3) _____ of _____

as my/our proxy to attend and vote for me/us and on my/our behalf at the 28th ANNUAL GENERAL MEETING of the Company to be held on Wednesday the 23rd September, 2009 at 10.30 a.m. and/or at any adjournment thereof.

AS WITNESS my/our hand(s) this _____ day of _____ 2009.

Their respective signature are as under

1. _____
2. _____
3. _____

Signed by the said

Affix
Revenue
stamp of
1.00 Rs.

- Note :
1. The Proxy need not be a member.
 2. The Proxy Form signed across revenue stamp should reach the Company's Registered Office at least 48 hours before the scheduled time of meeting.
 3. Please fill in full particulars.
 4. Company reserves the right to ask for identification of the proxy.
 5. Proxy cannot speak at the meeting or vote on a show of hands.

* Applicable for investors holding shares in electronic form.

BOOK - POST

If undelivered please return to

DENIS CHEM LAB LIMITED

Village : Chhatral, Taluka : Kalol (N.G.)

District: Gandhinagar - 382 729

GANAPATI, A'bad. Ph-(079) 2656811, 30024853