



ANNUAL REPORT 2008-09

MAKERS LABORATORIES LIMITED



Five Years' Highlights

(Rs. Lacs)

	2004-05	2005-06	2006-07	2007-08	2008-09
Total Income*	3629.38	3389.18	4427.65	4790.71	4233.22
Profit Before Tax	70.63	35.60	137.65	168.09	364.52
Profit After Tax	55.49	21.26	86.93	(20.36)	238.62
Share Capital	434.55	434.55	434.55	434.55	434.55
Reserves & Surplus	434.34	455.66	532.62	510.55	749.16
Net Worth	868.89	890.21	967.17	945.10	1183.72
Net Block	720.94	685.79	640.82	311.60	308.37
Earnings Per Share (Rs.)	1.28	0.49	2.00	(0.47)	5.49
Book Value per Share (Rs.)	20.00	20.49	22.26	21.75	27.24

* Net of Excise Duty and Sales Tax

BOARD OF DIRECTORS

K. C. Jain	-	Director
Sudarshan Loyalka	-	Director
Dr. Rajeshwar Singh	-	Director
Prashant Godha	-	Executive Director
Purnima Jain	-	Whole-time Director

AUDITORS

Agarwal & Mangal
Chartered Accountants
14/16, Popatwadi,
1st Floor, Kalbadevi Road,
Mumbai - 400 002.

BANKERS

AXIS Bank Ltd.

REGISTERED OFFICE

54 D, Kandivli Industrial Estate
Kandivli (West),
Mumbai 400 067.

ADMINISTRATIVE OFFICE

126, Kandivli Industrial Estate,
Kandivli (West), Mumbai 400 067.

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai-400 078.

WORKS

A-163, Phase-1,
MIDC, Dombivli (East) - 421 203.
Dist. Thane,
Maharashtra.

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NOTICE is hereby given that the 24th ANNUAL GENERAL MEETING of Makers Laboratories Limited will be held at Plot No. 47, Kandivli Industrial Estate, Charkop, Kandivli (West), Mumbai- 400 067 on Friday, 21st August, 2009 at 11.00 a.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S. V. Loyalka who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Ms. Purnima Jain who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint Auditors until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT in partial modification of Resolution no. 6 passed at the Annual General Meeting of the Company held on 7th September, 2007 and in accordance with the provisions of sections 198, 269, 309, 310, Part II, Section II (B) of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accord its approval for the revised terms of remuneration and perquisites payable to Ms. Purnima Jain, Wholtime Director with effect from 1st October, 2008 for the remainder of the tenure of her appointment as set out in the supplemental agreement dated 10th November, 2008 entered between the Company and Ms. Purnima Jain, a copy whereof initialled by the Chairman for the purpose of identification is placed before the meeting, which agreement is hereby specifically sanctioned."

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

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, Part II, Section II (B) of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accord its approval to the appointment of and remuneration and perquisites payable to Mr. Prashant Godha as the Executive Director of the Company for a period of 5 years commencing 20th May, 2009 on the terms and conditions as set out in the agreement dated 29th April, 2009 entered between the Company and Mr. Prashant Godha, a copy whereof initialled by the Chairman for the purpose of identification is placed before the meeting, which agreement is hereby specifically sanctioned."

NOTES

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (2) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 13th August, 2009 to Friday, 21st August, 2009 both days inclusive.
- (3) Members are requested to:
 - (a) intimate to the Company's Registrar & Transfer Agent, M/s Link Intime India Pvt. Ltd. / their Depository Participant ("DP"), changes, if any, in their registered address at an early date;
 - (b) quote their Registered Folio No. and/or DP Identity and Client Identity number in their correspondence; and

- (c) bring their copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting.
- (4) A brief note on Directors retiring by rotation and eligible for re-appointment is furnished in the Report on Corporate Governance.
- (5) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to special business is annexed hereto.
- (6) All documents referred to in the notice are available for inspection by the members at the registered office of the Company on all working days till the date of the Annual General Meeting and shall also be placed before the members at the said Annual General Meeting.

Registered Office:
54D, Kandivli Industrial Estate
Kandivli (West)
Mumbai – 400 067

Mumbai
16th June, 2009

By Order of the Board
For **Makers Laboratories Limited**

Prashant Godha
Executive Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**Item No. 5**

At the meeting of the Board of Directors of the Company held on 31st October, 2008, it has been decided, subject to the approval of the members at the ensuing general body meeting, to increase the remuneration payable to Ms. Purnima Jain, Whole-time Director w.e.f. 1st October, 2008 for the remainder period of her appointment as Whole-time Director of the Company.

The Agreement referred to in the resolution at item 5 of the accompanying notice sets out the revised terms of remuneration and other terms and conditions applicable to Ms. Purnima Jain for the remainder period of her appointment as Whole-time Director.

The abstract of the terms and conditions of her revised terms of remuneration as containing in the said Agreement are as follows:

1. Period : Originally appointed as Wholetime Director for a period of 5 years with effect from October 30, 2006
2. Revised Remuneration : Revised remuneration for the remainder period of appointment with effect from 1st October, 2008
 - (a) Salary of Rs. 72,100/- (Rupees Seventy Two Thousand One Hundred Only) per month in the scale of Rs. 72,100 - Rs.1,00,000 p.m.
 - (b) Commission: Such remuneration by way of commission, in addition to the above salary and perquisite, calculated with reference to the net profits of the Company in a particular financial year and as may be determined by the Board of Directors of the Company, subject to the overall ceilings stipulated under Sections 198, 269 and 309 of the Companies Act, 1956. The specific amount payable to the Whole-time Director will be based on certain performance criteria to be laid down by the Board and will be payable annually after annual accounts have been adopted by the shareholders.
 - (c) Perquisites: In addition to the salary, the Whole-time Director shall be entitled to the following perquisites:

The perquisites are classified into three categories as under:

CATEGORY 'A'

- i) Housing I: The expenditure incurred by the Company on hiring furnished accommodation for the Whole-time Director will be subject to the following ceiling:
30% (Thirty per cent) of the Salary, over and above ten percent payable by the Whole-time Director.
Housing II: In case the accommodation is owned by the Company, ten percent of salary of the Whole-time Director shall be deducted by the Company.
Housing III: In case no accommodation is provided by the Company, the Whole-time Director shall be entitled to house rent @ 30% of the salary.
- ii) Leave Travel Concession: For the Whole-time Director and her family, once in a year incurred in accordance with any rules specified by the Company subject to a ceiling of one month salary.
- iii) Re-imburement of Medical / Hospitalisation / Medical Insurance: Actual expenses incurred for self and dependent family members in accordance with any rules specified by the Company. The Company shall take such mediclaim policy by paying the premium as it may deem fit to partly cover this expenditure
- iv) Personal Accident Insurance premium as per the rules of the Company.

Explanation: For the purpose of this category 'family' means the spouse, the dependant children and dependant parents of Whole-time Director.

CATEGORY 'B'

- i) Provident Fund: Company's contribution to Provident Fund shall be as per the scheme applicable to the employees of the Company. Contribution to provident fund will not be included in the computation of perquisites to the extent it is not taxable under the Income-tax Act.

- ii) Gratuity: As per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
- iii) Encashment of Leave: Encashment of Leave at the end of the tenure of the appointment will not be included in the computation of perquisites.

CATEGORY 'C'

- i. Car: The Company shall provide car with driver for use of the Whole-time Director. The expenses of petrol and maintenance of the car will be borne by the Company.
- ii. Telephone: Telephone at the residence of Whole-time Director / use of mobile phone not to be considered as perquisites. Personal long distance calls on telephone/ mobile phone shall be billed by the Company to the Whole-time Director.
- 3. In the event of no profit or inadequacy of profits, the Company shall pay the aforesaid remuneration by way of salary and perquisites as minimum remuneration to the Whole-time Director.
- 4. The Whole-time Director shall be entitled to reimbursement of entertainment expenses incurred by her for the purpose of the business of the Company and approved by the board.
- 5. The Whole-time Director shall exercise and perform such powers and duties as the Board shall from time to time, determine, and subject to any directions and restrictions from time to time, given and imposed by the board and further subject to the superintendence control and direction of the Board.
- 6. The Whole-time Director shall ensure complete secrecy of all confidential information entrusted to her and shall not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the Company or its business other than information which is already public.

Except Ms. Purnima Jain, Whole-time Director, none of the other Directors of the Company may be considered to be interested or concerned in passing of this resolution.

I General Information as required under Schedule XIII to the Companies Act, 1956		
1.	Nature of industry	Pharmaceuticals
2.	Date or expected date of commencement of commercial production	The Company is already in the business of manufacturing / marketing of pharmaceuticals.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4.	Financial performance based on given indicators	The details of the financial performance of the Company for the last 5 financial years are given in the 2 nd cover page of the Annual Report 2008-09 accompanying this notice.
5.	Export performance and net foreign exchange collaborations	The Company is not in export business and has no foreign collaborations
6.	Foreign investments or collaborators, if any	None
II Information about the appointee		
1.	Background details	Ms. Purnima Jain, aged 58 years is Commerce and law graduate and has experience of over 25 years in the field of commercial and general management. She has been with the Company since February, 1989 and held the position of General Manager – Commercial before her appointment as Wholetime Director.

	2.	Past remuneration	She has been working with the Company since 1989 and held the position of General Manager – Commercial before being appointed as Whole-time Director.
	3.	Recognition or awards	None
	4.	Job profile and her suitability	Her qualification and vast experience in the Pharma Industry is of benefit to the Company and she is the suitable candidate to hold office of Wholetime Directorship in the Company in-charge, inter-alia, of commercial and marketing function.
	5.	Remuneration proposed	As per the explanatory statement provided to item No. 5 of the accompanying notice.
	6.	Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin.)	The remuneration paid / to be paid to the Wholetime Director is in line with the industry standard of similar size of Company.
	7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	None.
III Other information			
	1.	Reasons of loss or inadequate profits	Though the margins are now improving, the same was under pressure due to competition from small manufacturers in the earlier years.
	2.	Steps taken or proposed to be taken for improvement	Necessary steps are taken to improve the profitability like cost containment, new product addition, increasing the geographical reach of Company's marketing activities etc.
	3.	Expected increase in productivity and profits in measurable terms	It is expected that the Company should do reasonably well in financial terms and increase the profitability within the next 2-3 years.
IV Disclosures			
	1.	The shareholders of the company shall be informed of the remuneration package of the managerial person	Given under explanatory statement in the accompanying notice.
	2.	The following disclosures shall be mentioned in the Board of Directors' Report under the heading 'Corporate Governance', if any, attached to the annual report :- i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors ii) Details of fixed component and performance linked incentives along with the performance criteria iii) Service contracts, notice period, severance fees	Disclosed in Corporate Governance Report forming part of this Annual Report. Furnished in the explanatory statement forming part of this notice. As per explanatory statement forming part of this notice and Corporate Governance Report accompanying this notice.

	iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable	Not applicable since the Company has no scheme for grant of any stock option either to the Directors or to the employees.
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Item No. 6

At the meeting of the Board of Directors of the Company held on 29th April, 2009, Mr. Prashant Godha has been re-appointed as the Executive Director of the Company for a further period of 5 years with effect from 20th May, 2009.

This re-appointment is subject to compliance with sections 198, 269, 309, Part II, Section II (B) of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and also subject to the approval of the shareholders. Accordingly, an agreement setting out terms and conditions of his re-appointment including remuneration payable to him was entered into by the Company with Mr. Prashant Godha, Executive Director on 29th April, 2009.

The Agreement referred to in the resolution at item 6 of the accompanying notice sets out the remuneration and other terms and conditions applicable to Mr. Prashant Godha upon his re-appointment as the Executive Director.

The abstract of the terms and conditions of his re-appointment as containing in the said Agreement are as follows:

1. Period: 5 years with effect from 20th May, 2009.
2. Remuneration:
 - a) Salary of Rs.1,50,000/- (Rupees One Lac Fifty Thousand only) per month with such increments as may be decided by the Board.
 - b) Commission: Such remuneration by way of commission, in addition to the above salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year and as may be determined by the Board of Directors of the Company, subject to the overall ceilings stipulated under Sections 198 and 309 of the Companies Act, 1956. The specific amount payable to the Executive Director will be based on certain performance criteria to be laid down by the Board and will be payable annually after annual accounts have been adopted by the shareholders.
 - c) Perquisites: In addition to the salary and commission, the Executive Director shall be entitled to the following perquisites:

The perquisites are classified into three categories as under:

CATEGORY 'A'

- i) Housing I: The expenditure incurred by the Company on hiring furnished accommodation for the Executive Director will be subject to the following ceiling:
Forty per cent of the Salary, over and above ten per cent payable by the Executive Director.
Housing II: In case the accommodation is owned by the Company, ten per cent of the salary of the Executive Director shall be deducted by the Company.
Housing III: In case no accommodation is provided by the Company, the Executive Director shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing I.
Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-Tax Rules, 1962. This shall, however, be subject to a ceiling of ten per cent of the salary of the Executive Director.
- ii) Medical, Hospitalization and Health-care expenses Reimbursement: Actual expenses incurred for the Executive Director and his family to be paid in accordance with any rules specified by the Company.
- iii) Leave Travel Concession: For the Executive Director and his family, once in a year incurred in accordance with any rules specified by the Company upto an amount of Rs.1,00,000/- per annum.
- iv) Club Fees: Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
- v) Personal accident insurance: Premium as per the rules of the Company.

CATEGORY 'B'

- i) Provident Fund: Company's contribution to Provident Fund shall be as per the scheme applicable to the employees of the Company.
- ii) Superannuation Fund: Company's contribution to Superannuation Fund shall be in accordance with the rules of the scheme as may be framed by the Company.

Contribution to provident fund and superannuation fund will not be included in the computation of perquisites to the extent these either singly or put together are not taxable under the Income-tax Act.
- iii) Gratuity : As per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
- iv) Encashment of Leave: Encashment of Leave at the end of the tenure of the Executive Director will not be included in the computation of perquisites.

CATEGORY 'C'

- i. Car: Provision of car with driver for use on Company's business is not to be considered as perquisites. Use of car for private purpose shall be billed by the Company to the Executive Director.
- ii. Telephone: Telephone(s) at the residence of the Executive Director and mobile phone(s) for official use is not to be considered as perquisites. Personal long distance calls on telephone(s) / mobile phone(s) shall be billed by the Company to the Executive Director.
- 3. In the event of no profit or inadequacy of profits, the Company shall pay the aforesaid remuneration by way of salary and perquisites as minimum remuneration to the Executive Director.
- 4. The Executive Director shall be entitled to annual privilege leave on full salary for a period of thirty days and such leave shall be allowed to be accumulated for not more than ninety days during his tenure of appointment.
- 5. The Executive Director shall be entitled to :
 - a) the reimbursement of entertainment expenses actually and properly incurred by him in the course of the legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and
 - b) the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively on the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors.
- 6. As long as Mr. Prashant Godha functions as the Executive Director, he shall not be paid any sitting fee for attending the Meetings of the Board of Directors or Committee thereof.

Except Mr. Prashant Godha, Executive Director, none of the other Directors of the Company may be considered to be interested or concerned in passing of this resolution.

I		General Information as required under Schedule XIII to the Companies Act, 1956	
	1.	Nature of industry	Pharmaceuticals
	2.	Date or expected date of commencement of commercial production	The Company is already in the business of manufacturing / marketing of pharmaceuticals.
	3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
	4.	Financial performance based on given indicators	The details of the financial performance of the Company for the last 5 financial years are given in the 2 nd cover page of the Annual Report 2008-09 accompanying this notice.

	5.	Export performance and net foreign exchange collaborations	The Company is not in export business and has no foreign collaborations
	6.	Foreign investments or collaborators, if any	None
II Information about the appointee			
	1.	Background details	Mr. Prashant Godha aged 34 years is a promoter Whole-time Director overall in-charge of the management of the Company. He is a graduate in Commerce and has experience of over 10 years in pharmaceutical marketing and general management.
	2.	Past remuneration	Mr. Prashant Godha has been with the Company since he started his career in the year 1998. His past remuneration is as approved by the shareholders of the Company and reported in the Corporate Governance Report.
	3.	Recognition or awards	None
	4.	Job profile and his suitability	His qualification and vast experience in the Pharma Industry is of immense benefit to the Company and he is the suitable candidate to hold office of Executive Directorship in the Company.
	5.	Remuneration proposed	As per the explanatory statement provided to item No. 6 of the accompanying notice.
	6.	Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin.)	The remuneration paid / to be paid to the Executive Director is in line with the industry standard of similar size of Company.
	7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	None.
III Other information			
	1.	Reasons of loss or inadequate profits	Though the margins are now improving, the same was under pressure due to competition from small manufacturers in the earlier years.
	2.	Steps taken or proposed to be taken for improvement	Necessary steps are taken to improve the profitability like cost containment, new product addition, increasing the geographical reach of Company's marketing activities etc.
	3.	Expected increase in productivity and profits in measurable terms	It is expected that the Company should do reasonably well in financial terms and increase the profitability within the next 2-3 years.
IV Disclosures			
	1.	The shareholders of the company shall be informed of the remuneration package of the managerial person	Given under explanatory statement in the accompanying notice.

2.	The following disclosures shall be mentioned in the Board of Directors' Report under the heading 'Corporate Governance', if any, attached to the annual report :-	
	i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors	Disclosed in Corporate Governance Report forming part of this Annual Report.
	ii) Details of fixed component and performance linked incentives along with the performance criteria	Furnished in the explanatory statement forming part of this notice.
	iii) Service contracts, notice period, severance fees	As per explanatory statement forming part of this notice and Corporate Governance Report accompanying this notice
	iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable	Not applicable since the Company has no scheme for grant of any stock option either to the Directors or to the employees.

Registered Office:
54-D, Kandivli Industrial Estate
Kandivli (West)
Mumbai – 400 067

By Order of the Board
For **Makers Laboratories Limited**

Prashant Godha
Executive Director

Mumbai
16th June, 2009

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the 24th Annual Report and Audited Accounts for the financial year ended 31st March, 2009.

FINANCIAL RESULTS

	For the year ended 31.03.2009 (Rs.Lacs)	For the year ended 31.03.2008 (Rs.Lacs)
Sales and other income (net of excise duty & sales tax)	4,233.22	4,790.71
Profit before financial cost, Depreciation and taxation	425.91	254.96
Less : Financial Cost	48.36	58.43
Depreciation	13.03	28.44
Profit before tax	364.52	168.09
Less : Provision for taxation		
Current	131.00	66.00
Deferred	(9.77)	(17.86)
Fringe Benefit Tax	8.05	7.75
Less: Short Tax provision of earlier years	0.49	-
Profit after Tax (before exceptional item)	234.75	112.20
Add: Exceptional Item		
Depreciation of previous year written back	3.87	-
Profit after tax (after exceptional item and before extraordinary item)	238.62	112.20
Less: Extra Ordinary Item		
Loss on account of Sale and Closure of Palghar Unit	-	132.56
Net Profit / (Loss)	238.62	(20.36)
ADJUSTMENTS		
Balance of profit brought forward	304.12	324.48
Amount Available for Appropriation	542.74	304.12
APPROPRIATIONS		
General Reserve	419.38	-
Proposed Dividend	-	-
Tax on dividend	-	-
Balance carried forward to Balance Sheet	123.36	-
	542.74	304.12

Management Discussion and Analysis

a) Financial Performance and Operations Review

Sales and other income for the financial year under report amounted to Rs. 4,233.22 lacs as compared with Rs. 4,790.71 lacs for the previous year.

During the financial year under report, your Company has made a net profit after tax and extraordinary item of Rs.238.62 lacs as compared to a net loss after tax and extra ordinary items of Rs.20.36 lacs in the previous financial year.

The increased net profit was mainly on account of closure and sale of loss making formulations manufacturing unit of the Company situated at Palghar in the previous year and focus on sales of generic formulations having better margins.

Your Company is continuously adding new products and improving the distribution channel in the Indian market.

b) Opportunities, Threats, Risk and Concerns

The Indian generic formulations market is currently in the growth phase. It is expected that use of generic formulations will gradually increase in India. However, cut throat competition, quality issues of generics manufactured in the country and non existence of organised generic formulations distribution and retailing system are a cause of concern and is hampering the growth of generic formulations market.

c) Internal Control Systems

The Company has an adequate internal control system including suitable monitoring procedures commensurate with its size and the nature of the business. The internal control systems provide for all documented policies, guidelines, authorisation and approval procedures. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit committee of the Board.

d) Human Resources

Your Company continued to have cordial and harmonious relations with its employees at all levels.

Your Company has adopted TQM culture across the organisation in all Line and Staff functions at all the locations. The TQM culture has helped your Company in achieving productivity improvement, cost reduction and waste elimination through employee involvement at all levels.

Your Company has 131 permanent employees as at 31st March, 2009.

e) Cautionary Statement

Certain statements in the Management Discussion and Analysis may be forward looking within the meaning of applicable securities law and regulations and actual results may differ materially from those expressed or implied. Factors that would make differences to Company's operations include competition, price realisation, changes in government policies and regulations, tax regimes and economic development within India.

COMPLIANCE CERTIFICATE

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

DIVIDEND

With a view to conserve the resources of the Company, your Directors do not recommend any dividend on equity shares for the year under review.

DIRECTORS

Mr. S. V. Loyalka and Ms. Purnima Jain retire as directors by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Mr. Prashant Godha is re-appointed as the Executive Director of the Company for a further period of 5 years with effect from 20th May, 2009 and the necessary resolution in this regard is being proposed at the ensuing Annual General Meeting for the approval of the members.

A brief note on Directors retiring by rotation and eligible for re-appointment is furnished in the Report on Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards has been followed;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2009 and of the profit of the Company for the year;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

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

A report on Corporate Governance together with a certificate of its compliance from the Statutory Auditors, forms part of this report.

FIXED DEPOSITS

Your Company has not accepted any deposits from the public during the year under review.

AUDITORS AND AUDIT REPORT

M/s Agarwal & Mangal, Chartered Accountants, retire as auditors and, being eligible, offer themselves for re-appointment.

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

PARTICULARS OF EMPLOYEES

During the year under Report, the Company had no employees covered under Section 217(2A) of the Companies Act, 1956.

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

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

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for the co-operation and support extended to the Company by Axis Bank Ltd. Your Directors also place on record their appreciation of the continued hard work put in by employees at all levels.

For and on behalf of the Board

Mumbai
16th June, 2009

K. C. Jain
Director

Prashant Godha
Executive Director

Annexure I

Information pursuant to the Companies (Disclosure of particulars in Report of the Board of Directors) Rules, 1988

1. CONSERVATION OF ENERGY

(i) **Energy conservation measures taken :**

During the year under review all possible efforts were made to ensure optimum conservation of electricity and fuel at the Plants of the Company.

(ii) **Additional investments and proposals being implemented for reduction of energy consumption :**

Nil

(iii) **Impact of the above measures :**

Not applicable

(iv) **A. Power and fuel Consumption:**

	<u>2008-09</u>	<u>2007-08</u>
a) Electricity :		
(i) Purchased :		
Units (KWH)	3,35,244	3,10,380
Total Amount (Rs. in lacs)	15.42	15.61
Rate / Unit (Rs.)	4.60	5.03
(ii) Own Generation :		
Through Diesel Generator		
Units (KWH)	34,910	25,884
Units per Ltr. Of Diesel Oil (KWH)	1.95	1.74
Cost of Diesel per KWH (Rs.)	19.42	20.22
b) Light Diesel Oil (LDO) :		
Quantity (K.Ltrs.)	104.590	117.741
Total Amount (Rs. in lacs)	46.00	36.79
Average Rate/Ltr. (Rs.)	43.98	31.25
c) Others (Rs. in lacs) :		
Hytherm Oil	-	-
LPG	-	-
Oxygen/Nitrogen/Freon Gas	-	-

B. Consumption per unit of Production:

In view of the varied nature of the products and packs, the compilation of accurate consumption per unit of production is not feasible.

2. TECHNOLOGY ABSORPTION

Research & Development

(A) Specific areas in which R&D work was carried out by the Company:

None

(B) Benefits derived as a result of the above R & D:

None

(C) Future Plan of Action :

None

(D) Expenditure on R & D:

None

(E) Imported technology (imported during last 5 years):

The Company has not imported any technology during the last 5 years.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

None

For and on behalf of the Board

Mumbai
16th June, 2009

K. C. Jain
Director

Prashant Godha
Executive Director

CIN No: L24230MH1984PLC033389

Authorised Capital: Rs. 6,00,00,000/-

Compliance Certificate

To,
The Members
MAKERS LABORATORIES LIMITED
54 D, Kandivli Industrial Estate,
Kandivli (West), Mumbai 400 067

We have examined the registers, records, books and papers of **MAKERS LABORATORIES LIMITED** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2009**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained the registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and the entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made therein.
3. The Company being a Public Limited Company, comments that a Private Limited Company has minimum prescribed paid-up capital, maximum number of members, invitation to public to subscribe for shares and acceptance of deposits from persons other than its members, directors or their relatives, are not required.
4. The Board of Directors duly met 5 (Five) times on 30.05.2008, 18.06.2008, 31.07.2008, 31.10.2008 and on 30.01.2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. (No circular resolution was passed)
5. The Company closed its Register of Members from 13.08.2008 to 22.08.2008 and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31st March, 2008 was held on 22.08.2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors and/ or persons or firms or companies referred to in the Section 295 of the Act during the financial year.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or the previous approval of the Central Government.
12. The Board of Directors has approved the issue of duplicate share certificates during the financial year.
13. The Company has delivered all the certificates on lodgment of securities for transfer/ transmission or any other purpose in accordance with the provisions of the Act. There was no allotment of securities during the year.
 - (i) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (ii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year. There were no unpaid dividends in the Company.

- (iii) There are no unpaid dividends, application money due for refund, matured deposits, matured debentures or the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
- (iv) The Company has complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancies during the financial year.
 15. The Company has not appointed Managing Director/ Wholetime Director/ Manager during the financial year.
 16. The Company has not appointed any sole selling agents during the financial year.
 17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities prescribed under the various provisions of the Act during the financial year.
 18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 19. The Company has not issued any shares, debentures or securities during the financial year.
 20. The Company has not bought back any shares during the financial year.
 21. There was no redemption of preference shares or debentures during the financial year.
 22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
 24. The amount borrowed by the Company from financial institutions & banks during the financial year ending 31st March, 2009 is within the borrowing limits of the company.
 25. The Company has made loans and investments or given guarantees or provided securities to other bodies corporate in compliance of the provisions of the Act and has made necessary entries in the register kept for the purpose.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
 27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
 30. The Company has not altered its Articles of Association during the year under scrutiny.
 31. There were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
 32. The Company has not received any money as security from its employees during the financial year.
 33. The Company has deposited both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For Parikh & Associates

P. N. Parikh

Company Secretary

C. P. No. : 1228

Mumbai

16th June, 2009

Annexure 'A'**Statutory Registers as maintained by the Company**

1. Register of Members u/s 150 of the Act.
2. Minutes Book of Board Meetings u/s 193 of the Act. (In loose leaf)
3. Minutes Book of Audit Committee Meetings (In loose leaf)
4. Minutes Book of Shareholders' Grievance Committee Meetings (In loose leaf)
5. Minutes Book of Remuneration Committee Meetings (In loose leaf)
6. Minutes Book of General Meetings u/s 193 of the Act. (In loose leaf)
7. Books of Accounts u/s 209 of the Act are being audited by the Statutory Auditors of the Company.
8. Register of Contracts u/s 301 of the Act.
9. Register of particulars of Directors etc. u/s 303 of the Act.
10. Register of Disclosure of Interest u/s 301 of the Act.
11. Register of Directors' Shareholding u/s 307 of the Act.

Other Registers

1. Register of Transfers
2. Attendance Register of Board Meetings
3. Attendance Register of Audit Committee Meetings
4. Attendance Register of Shareholders' Greivance Committee Meetings
5. Attendance Register of Remuneration Committee Meetings.
6. Attendance Register of General Meetings

For Parikh & Associates**P. N. Parikh**

Company Secretary

C. P. No. : 1228

Mumbai

16th June, 2009

Annexure 'B'

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended on March 31, 2009:

Sr. No.	Form No./ Return	Filed under section	For	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid. Yes/No
1.	Form 62	205C	Quarterly Return on IEPF for quarter ended 31.03.2008	14.04.2008	Yes	N.A.
2.	Form 8	135	Modification of Charge - Charge Identification Number 90230038	14.04.2008	Yes	N.A.
3.	Form 8	135	Modification of Charge - Charge Identification Number 90230038	21.04.2008	Yes	N.A.
4.	Form 62	205C	Quarterly Return on IEPF for quarter ended 30.06.2008	17.07.2008	Yes	N.A.
5.	Form 23 AC & Form 23ACA alongwith Annual Report for the year ended 31.03.2008	220	Approved at the Annual General Meeting held on 22.08.2008	18.09.2008	Yes	N.A.
6.	Form 20B alongwith Annual Return made as on 22.08.2008	159	Annual General Meeting held on 22.08.2008	26.09.2008	Yes	N.A.
7.	Form 62	205C	Quarterly Return on IEPF for quarter ended 30.09.2008	10.10.2008	Yes	N.A.
8.	Form 62	205C	Quarterly Return on IEPF for quarter ended 31.12.2008	15.01.2009	Yes	N.A.

For Parikh & Associates

P. N. Parikh
Company Secretary
C. P. No. : 1228

Mumbai
16th June, 2009

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, given below is a report on the Corporate Governance in the Company:

A. MANDATORY REQUIREMENTS

1. Company's philosophy of Corporate Governance is to ensure :

- i) that the Board and top management of the Company are fully apprised of the affairs of the Company that is aimed at assisting them in the efficient conduct of the Company's business so as to meet Company's obligation to the shareholders.
- ii) that the Board exercises its fiduciary responsibilities towards shareholders and creditors so as to ensure high accountability.
- iii) that all disclosure of information to present and potential investors are maximised.
- iv) that the decision making process in the organisation is transparent and are backed by documentary evidences.

2. Board of Directors

The present strength of the Board of Directors of the Company is 5 Directors of which 1 Director is a Promoter Executive Director, 1 professional Non-Promoter Wholtime Director and 3 Directors who are Non-Executive Independent Directors with independent judgement in the deliberation and decisions of the board.

■ Number of Board Meetings held and the dates of the Board Meetings.

5 (Five) Board Meetings were held during the Financial Year 2008-09. The date on which the said meetings were held are as follows:

30 th May, 2008	31 st July, 2008	30 th January, 2009
18 th June, 2008	31 st October, 2008	

■ The last Annual General Meeting of the Company was held on 22nd August, 2008.

Details of attendance at the Board Meetings, Annual General Meeting and shareholding of each Director are as follows:

Name of the Director	Category	No. of board meetings attended	Attendance at last AGM	No. of Equity shares held in the Co.*
Mr. K. C. Jain	Non-Executive Independent	5	Yes	Nil
Mr. S. V. Loyalka	Non-Executive Independent	1	No	Nil
Mr. Prashant Godha	Promoter, Executive Director	5	Yes	95,733
Dr. Rajeshwar Singh	Non-Executive Independent	5	Yes	Nil
Ms. Purnima Jain	Executive, Non Independent Director	5	Yes	1,075

*The above shareholding as at 31st March, 2009 is in respect of shares which are held by Directors as a first holder and in which shares they have beneficial interest.

Notes:

Mr. Prashant Godha is re-appointed as the Executive Director of the Company for a further period of 5 years w.e.f. 20th May, 2009 at the meeting of the Board of Directors held on 29th April, 2009.

■ **Number of other Companies or Committees of which the Director is a Director/Member/Chairman :**

Name of Director	No. of other public limited Companies in which Director	No. of Committees in which Member (other than Makers)	No. of Committees of which he is Chairman (other than Makers)
Mr. K. C. Jain	None	None	None
Mr. S. V. Loyalka	2	None	None
Mr. Prashant Godha	1	None	None
Dr. Rajeshwar Singh	None	None	None
Ms. Purnima Jain	None	None	None

Directorship held by Directors mentioned above does not include Directorship of private limited companies.

The Company has a process to provide, inter-alia, the information to the Board as required under Annexure I to Clause 49 of the listing agreement pertaining to Corporate Governance.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the companies in which they are Directors. All the Directors have made necessary disclosures in this regard to the Company.

The Company has not entered into any materially significant transactions during the year under report with promoters, directors, senior management staff, etc. other than the transactions entered into in the normal course of Company's business.

■ **Code of Conduct**

The Board has laid down a code of conduct for Board members and senior management staff of the Company. The Board members and senior management staff have affirmed compliance with the said code of conduct.

■ **Information required under Clause 49IV (G) of the listing agreement on Directors seeking appointment / re- appointment**

Mr. S. V. Loyalka

Mr. S. V. Loyalka aged 62 years is the Director of your Company since April, 1988. He holds a Bachelor of Science degree in Mechanical Engineering (USA), Bachelor of Science in Industrial Engineering (USA), Diploma in Publishing from Standard University (USA).

He is a businessman and has experience of over 33 years in manufacturing, finance, import & export and general management.

He does not hold any equity shares in the Company.

He is also Director of the following companies:

1	Vasant Investment Corporation Ltd.	2	Ruby Trading Co. Pvt. Ltd.
3	The Colaba Land & Mill Co. Ltd.	4	Bharat Estates Pvt. Ltd.
5	Magudee Trading & Invt. Pvt. Ltd.		

Ms. Purnima Jain

Ms. Purnima Jain, aged 58 years is Commerce and Law graduate and has experience of over 25 years in the field of commercial and general management. She had been with the Company since February, 1989 and held the position of General Manager – Commercial before being appointed as Wholetime Director of the Company with effect from 30th October, 2006.

She holds 1075 shares of the Company.

She also holds Directorship in Exon Laboratories Pvt. Ltd.

Mr. Prashant Godha

Mr. Prashant Godha aged 34 years is a promoter Executive Director overall in-charge of the management of the Company. He is a graduate in Commerce and has experience of over 10 years in pharmaceutical marketing and general management.

He holds 95,733 shares of the Company.

He is also a Director of the following companies:

1	Kaygee Investments Pvt. Ltd.	2	Gudakesh Invest. & Traders Pvt. Ltd.
3	Paranthapa Invest. & Traders Pvt. Ltd.	4	Harleystreet Pharmaceuticals Ltd
5	Apsara Trex Pvt. Ltd.	6	Ipca Traditional Remedies Pvt. Ltd.

3. Audit Committee

■ Terms of Reference & Composition, Name of Members and Chairman :

The Audit Committee of the Company comprises of Mr. K. C. Jain, Chairman of the Committee; Dr. Rajeshwar Singh and Mr. S. V. Loyalka, all being Independent Directors with independent judgement in the deliberation and decisions of the Board as well as Audit Committee. The Executive Director who is in-charge of Finance function of the Company along with Statutory Auditors are invitees to the meetings of the Audit Committee. The terms of Reference to this Committee, inter-alia, covers all the matters specified under Section 292 (A) of the Companies Act, 1956 and also all the matters listed under Clause 49 of the Listing Agreement with Stock Exchanges.

The Audit Committee has powers, inter-alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company as well as seek outside legal and professional advice.

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

Audit Committee meetings and the attendance during the financial year 2008-09.

There were 5 (five) meetings of the Audit Committee during the Financial Year 2008-09 as under:

30 th May, 2008	31 st July, 2008	30 th January, 2009
18 th June, 2008	31 st October, 2008	

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

Name of the Director	No. of meetings held	No. of meetings attended
Mr. K. C. Jain	5	5
Mr. S. V. Loyalka	5	1
Dr. Rajeshwar Singh	5	5

4. Remuneration Committee

The remuneration committee comprises of Mr. K.C. Jain, Chairman of the Committee; Mr. S. V. Loyalka and Dr. Rajeshwar Singh, all non-promoter and independent directors to function in the manner and to deal with the matters specified in the clause 49 of the listing agreement.

The Committee met once during the financial year 2008-09 on 31st October, 2008. The meeting was attended by all the Committee members.

A) The details of the remuneration paid to Executive and Whole time Director for the Financial Year 2008-09 is given below :

(Rs. lacs)

Name of the Director	Designation	Salary	Benefits and Perquisites	Commission	Total
Mr. Prashant Godha	Executive Director	5.52	5.67	Nil	11.19
Ms. Purnima Jain	Whole time Director	7.72	5.60	Nil	13.32

Presently the Company does not have any scheme for grant of any stock option either to the Directors or to the employees.

The appointment of Executive Director and Whole-time Director is contractual and is generally for a period of 5 years. The Company has entered into agreement with Mr. Prashant Godha on 29th April, 2009 which is valid upto 19th May, 2014 and with Ms. Purnima Jain on 30th October 2006 which is valid upto 30th October, 2011. Either party is entitled to terminate the agreement by giving not less than one month notice in writing to the other party.

- B) The Non-Executive Directors do not draw any remuneration from the Company. The Non-Executive Directors are entitled only to the sitting fees for every meeting of the Board and Committee thereof attended by them. Details of sitting fees payment made to the Non-Executive Directors in the Financial Year 2008-09 are as under :

Name of the Director	Sitting fees Paid (Rs)	Commission paid (Rs)
Mr. K. C. Jain	37,000	Nil
Mr. S. V. Loyalka	11,000	Nil
Dr. Rajeshwar Singh	37,000	Nil

5. Shareholders / Investors Grievance Committee

- Details of the Members, Compliance Officer, No. of complaints received and pending, No. of transfers pending as on close of the financial year.

The Shareholders / Investors Grievance Committee comprises of Mr. K. C. Jain, Chairman of the Committee, Dr. Rajeshwar Singh, the Non-Executive Independent Director and Mr. Prashant Godha, Executive Director. Mr. Prashant Godha is also the Compliance Officer of the Company.

The Committee met once during the financial year 2008-09 on 30th May, 2008. The meeting was attended by all the Committee members.

During the year, the Company received 9 complaints from the shareholders all of which are attended to. The Company had no unattended pending request for transfer of its equity shares at the close of the financial year.

6. General Body Meetings

- Details of the location where the last 3 (three) Annual General Meetings were held and the details of the resolution passed or proposed to be passed by Postal Ballot.

AGM for the financial year ended	Date & time of AGM	Special Resolution passed
31 st March, 2008	Friday, 22 nd August, 2008 at 4.00 p.m.	None
31 st March, 2007	Friday, 7 th September, 2007 at 4.00 p.m.	None
31 st March, 2006	Friday, 18 th August, 2006 at 11.00 a.m.	None

AGM's for the year 2007-08 and 2006-07 were held at Plot No. 47, Kandivli Industrial Estate, Charkop, Kandivli (West), Mumbai- 40067 and AGM for the year 2005-06 was held at the then Registered Office of the Company at 44, Dewan Udyog Nagar, Palghar 401 404, Dist. Thane. All the resolutions set out in the respective notices calling the AGM were passed by the shareholders. No postal ballots were used for voting at these meetings.

At the forthcoming AGM, there is no agenda which needs approval by postal Ballot.

7. Disclosures

- (i) Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large.

None

The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

Transactions with the related parties are disclosed in the notes to the accounts forming part of the Annual Report.

- (ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by SEBI, ROC, Stock Exchanges or any other statutory authorities on any matter related to capital market during the last 3 financial years.

None

- (iii) There is a whistle blowing policy in the Company and that no personnel has been denied access to the Audit Committee.

- (iv) The Company has complied with all the mandatory requirements of Corporate Governance under Clause 49 of the Listing Agreement. The Company is yet to adopt the non-mandatory requirements of the Clause 49 of the Listing Agreement pertaining to Corporate Governance.

- (v) The CEO/CFO certification form part of this Annual Report.

8. Means of Communication

Quarterly Results	:	The results of the Company are published in the Newspapers.
Newspapers in which results are generally published	:	The Free Press Journal and Nav Shakti.
Website, where displayed	:	The Company does not have its own website
Whether website also displays official news releases;	:	N.A.
Presentation made to institutional investors or to the analysts	:	Presentations were not made to institutional investors or analysts during the financial year 2008-09

9. Shareholders Information

AGM : Date, Time and Venue	:	Friday, 21 st August, 2009 at 11.00 a.m at Plot No.47, Kandivli Industrial Estate, Charkop, Kandivli (West), Mumbai- 400 067
Financial calendar	:	1 st April –31 st March
First quarter results	:	31 st July
Second quarter results	:	30 th October
Third quarter results	:	31 st January
Annual results	:	30 th June
Date of Book closure	:	Thursday, 13 th August, 2009 to Friday, 21 st August, 2009 (both days inclusive)
Dividend Payment dates(s)	:	The Company has not declared any dividend for the financial year 2008-09.
Listing on Stock Exchanges	:	Bombay Stock Exchange Ltd. (BSE) and Ahmedabad Stock Exchange Ltd. (ASE). Listing fees have been paid to both the Stock Exchanges for the financial year 2009-10 in April, 2009. The fees of the depositories for the financial year 2009-10 is also paid in April, 2009
Corporate Identity Number allotted by Ministry of Corporate Affairs	:	L24230MH1984PLC033389
Stock code – Physical	:	506919 on BSE, 35210 on ASE
ISIN Number for NSDL & CDSL	:	INE 987A01010
Market price date : High, Low during each month in last financial year	:	Please see Annexure 'A'

Stock performance in comparison to BSE sensex	:	Please see Annexure 'B'
Registrars and Share Transfer Agents	:	Link Intime India Pvt. Ltd. C-13, Pannalal Silks Mills Compound L B S Marg, Bhandup (W) Mumbai 400 078 Tel. No. (022) 2596 3838 Fax no. (022) 2596 2691
Share Transfer system	:	All share transfers, subject to correctness and completion of all documents would normally be registered and returned within 2 weeks from the date of receipt.
Distribution of shareholding/ shareholding pattern as on 31.03.2009	:	Please see Annexure 'C'
Dematerialisation of shares and liquidity	:	62.91% of the paid-up share capital has been dematerialised as on 31 st March, 2009.
Outstanding GDRs/ADRs/warrants/ convertible instruments etc	:	Not applicable since none of the said instruments are ever issued.
Plant Location	:	Dombivli, (Thane Dist), Maharashtra
Share Transfer and other communications may be addressed to the Registrars and Share Transfer Agents	:	Link Intime India Pvt. Ltd. C-13, Pannalal Silks Mills Compound L B S Marg, Bhandup (W) Mumbai 400 078 Tel. No. (022) 2596 3838 Fax no. (022) 2596 2691
Investors complaint may be addressed to	:	Mr. Prashant Godha–Executive Director Makers Laboratories Limited 54D, Kandivli Industrial Estate Kandivli (W), Mumbai 400 067 E-mail: makerslab@rediffmail.com Tel (022) 28686546 / 4656 Fax (022) 28682785

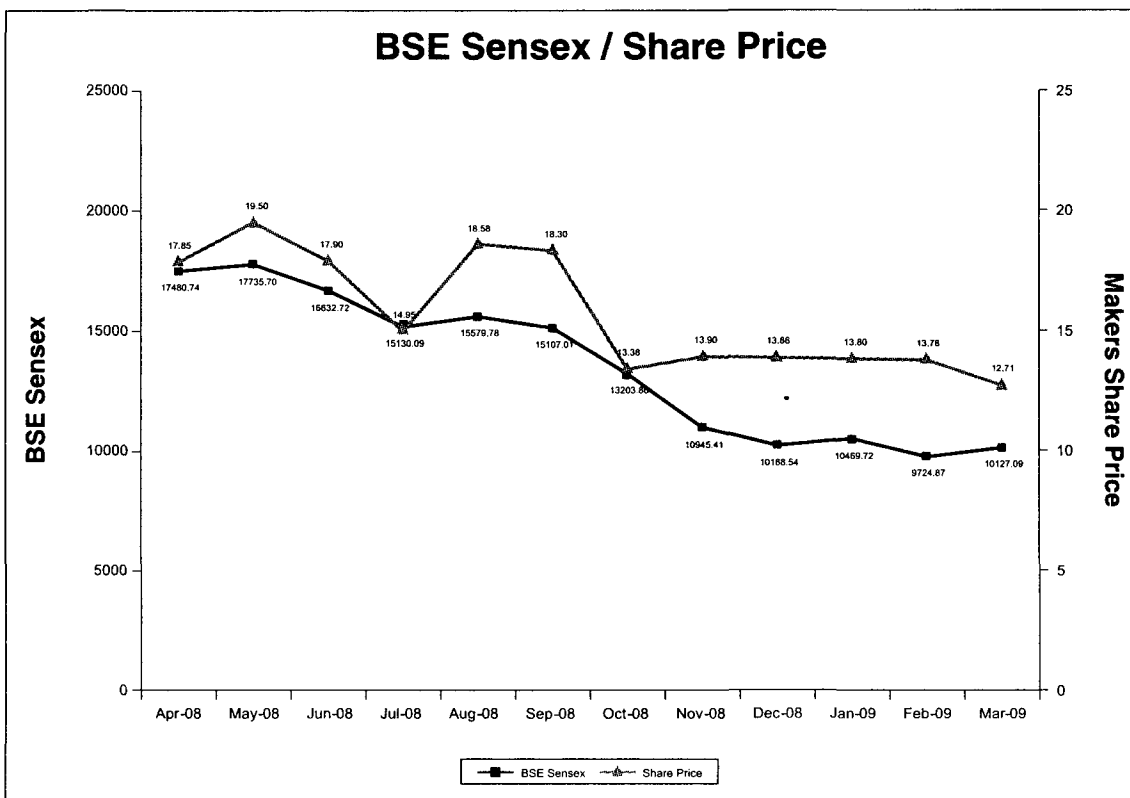
Annexure A

High/Low of Market price of the Company's shares traded on Bombay Stock Exchange Ltd. (BSE), Mumbai during the financial year 2008-09 is furnished below:

Year	Month	Highest (Rs.)	Lowest (Rs.)	
2008	April	17.85	11.50	
	May	19.50	14.75	
	June	17.90	13.10	
	July	14.95	11.50	
	August	18.58	13.56	
	September	18.30	11.95	
	October	13.38	9.50	
	November	13.90	10.25	
	December	13.86	10.50	
	2009	January	13.80	10.65
		February	13.78	10.72
		March	12.71	10.31

Annexure B

Graph of Share Price/ BSE Sensex



Annexure C

The distribution of shareholding as on 31st March, 2009 is as follows :

No. of equity shares held		No. of shareholders	%	No. of shares	%
Upto	500	2817	81.37	568172	13.07
501	to 1000	346	10.00	279161	6.42
1001	to 2000	145	4.18	220305	5.07
2001	to 3000	59	1.70	148104	3.41
3001	to 4000	26	0.75	90979	2.10
4001	to 5000	12	0.35	53865	1.24
5001	to 10000	38	1.10	278139	6.40
10001	& above	18	0.55	2706815	62.29
Grand Total		3461	100.00	4345540	100.00
No. of shareholders in Physical Mode		1037	29.96	1611897	37.09
No. of shareholders in Electronic Mode		2424	70.04	2733643	62.91

Shareholding pattern as on 31st March, 2009 is as follows :

Category	No. of shareholders	No. of shares	% holding
Indian Promoters	11	2543165	58.52
Banks and Insurance Companies	1	100	-
UTI and Mutual Funds	-	-	-
FII's and NRI's	9	14693	0.34
Domestic Companies	85	146590	3.37
Resident Individuals	3355	1640992	37.77
Total	3461	4345540	100.00

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

MAKERS LABORATORIES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by MAKERS LABORATORIES LIMITED for the period ended on 31st March, 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We state that no Investor grievance is pending for a period exceeding one month against the Company as per the records and other documents maintained by the Shareholders/Investors Grievance Committee.
5. 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 AGARWAL & MANGAL
Chartered Accountants

B. P. MANGAL
Partner
Membership No. 32973

Mumbai
16th June, 2009

To,
All the Members of
MAKERS LABORATORIES LTD.

It is hereby certified and confirmed that as provided in Clause 49 I (D) of the listing agreement with the stock exchanges, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2009.

For Makers Laboratories Limited

Mumbai,
16th June, 2009

Prashant Godha
Executive Director / CEO

The Board of Directors
Makers Laboratories Limited
54-D, Kandivli Industrial Estate,
Kandivli - West
Mumbai – 400 067

CEO/CFO CERTIFICATION

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2009 and that to the best of our knowledge and belief;
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) No transaction is entered into by the company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, *deficiencies in the design or operation of such internal controls*, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Makers Laboratories Limited

Mumbai
16th June, 2009

Purnima Jain
Whole time Director/CFO

Prashant Godha
Executive Director / CEO

AUDITOR'S REPORT**TO THE MEMBERS OF
MAKERS LABORATORIES LIMITED**

1. We have audited the Balance Sheet of **MAKERS LABORATORIES LIMITED** as at 31st March, 2009 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred 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 purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books.
 - (c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion, the Balance Sheet and the Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the Notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India :
 - (i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2009;
 - (ii) in the case of the Profit and Loss Account of the Profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement of the Cash Flows for the year ended on that date.

FOR AGARWAL & MANGAL
Chartered Accountants

B. P. MANGAL
Partner
Membership No. 32973

Mumbai
16th June, 2009

Annexure referred to in paragraph 3 of our audit report of even date,

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets of the Company have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification. In our opinion, having regard to size of the Company and the nature of its business, the frequency of verification is reasonable.
- (c) During the year, the Company has not disposed off substantial part of the Fixed Assets.
- (ii) (a) The inventory of the Company has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) 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.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical records and the book records were not material.
- (iii) (a) The Company has granted loans to three Companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 2.17 Crores and the year end balance of loan granted to such Companies was Rs. 1.80 Crores. In our opinion, the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interests of the Company. The principal amount is not due for repayment and the interest charged is being received in time and there are no overdue amount of interest. There is no over due amount in excess of Rupees One Lac in respect of the loans granted to the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has not taken any loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, clause (iii) (f) and (iii)(g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness was noticed in the internal control system.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under the said section.
- (b) 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 five lakh rupees 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.
- (vi) The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and the rules framed thereunder.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- (viii) According to the records produced and information given to us, the cost records and accounts as prescribed by the Central Govt. under Section 209 (1) (d) of the Companies Act, 1956 have been made and maintained by the Company but no examination of such records and accounts have been carried out by us.

- (ix) (a) According to the records of the Company, the Company is regular in depositing with the appropriate authorities 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 statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess were outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable.
- (b) As at 31st March, 2009, there have been no disputed dues which have not been deposited with the respective authorities in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax and Cess.
- (x) The Company does not have accumulated losses as on 31st March, 2009. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of the information and explanations given by the management, the Company has not defaulted in repayment of dues to bank. The Company has not taken any loan from financial institutions. Further, no loan has been taken by way of issuance of debentures.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- (xvi) According to the information and explanations given to us, the Company has not obtained any term loans.
- (xvii) On the basis of overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based on the information and explanations furnished by the management, which have been relied upon by us, there were no fraud on or by the Company noticed or reported during the year.

FOR AGARWAL & MANGAL
Chartered Accountants

B. P. MANGAL
Partner
Membership No. 32973

Mumbai
16th June, 2009

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	31 st March, 2009		31 st March, 2008	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	4,34,55,400		4,34,55,400	
Reserves and Surplus	2	<u>7,49,16,315</u>	<u>11,83,71,715</u>	<u>5,10,54,557</u>	9,45,09,957
Loan Funds					
Secured Loans	3	6,53,42,136		3,30,55,093	
Unsecured Loans	3	<u>97,55,000</u>	<u>7,50,97,136</u>	<u>1,04,17,491</u>	4,34,72,584
Deferred Tax Liability (Net)	4		26,92,000		34,69,000
			<u>19,61,60,851</u>		<u>14,14,51,541</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	4,22,38,025		4,21,49,097	
Less: Depreciation		<u>1,14,01,474</u>		<u>1,09,88,903</u>	
Net Block		3,08,36,551		3,11,60,194	
Add: Capital Advance		<u>76,96,581</u>	3,85,33,132	<u>1,05,910</u>	3,12,66,104
Investments	6		4,86,66,378		1,83,80,038
Current Assets, Loans and Advances					
Interest Accrued on Investments		4,871		6,799	
Inventories	7	6,88,26,692		6,00,75,046	
Sundry Debtors	8	5,03,64,454		6,71,09,035	
Cash and Bank Balances	9	9,13,831		18,21,907	
Loans and Advances	10	<u>2,61,22,659</u>		<u>34,15,723</u>	
	(i)	14,62,32,507		13,24,28,510	
Less : Current Liabilities and Provisions					
Current Liabilities	11	3,47,00,854		3,68,13,759	
Provisions	11	<u>25,70,312</u>		<u>38,09,352</u>	
	(ii)	3,72,71,166		4,06,23,111	
Net Current Assets (i - ii)			10,89,61,341		91,805,399
			<u>19,61,60,851</u>		<u>14,14,51,541</u>
Significant Accounting Policies and Notes to the Accounts	18				

As per our Report of even date attached

For AGARWAL & MANGAL

Chartered Accountants

B. P. MANGAL

Partner

Membership No.32973

Mumbai,

16th June, 2009

For and on behalf of the Board

Prashant Godha - Executive Director

Purnima Jain - Whole time Director

K. C. Jain - Director

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

	Schedule	2008-2009		2007-2008	
		Rupees	Rupees	Rupees	Rupees
INCOME					
Sales			43,72,31,065		49,58,53,609
Less: Excise duty		1,39,63,074		1,76,13,961	
Sales tax		<u>1,69,71,707</u>	<u>3,09,34,781</u>	<u>2,24,84,736</u>	<u>4,00,98,697</u>
Net Sales			40,62,96,284		45,57,54,912
Income from Operations	12	1,67,31,024		2,32,43,068	
Other Income	13	<u>2,94,840</u>	<u>1,70,25,864</u>	<u>73,316</u>	<u>2,33,16,384</u>
			42,33,22,148		47,90,71,296
EXPENDITURE					
Material Cost and Inventory Adjustments	14	29,03,26,760		35,43,57,385	
Personnel Cost	15	2,47,97,396		3,05,59,803	
Manufacturing and Other Expenses	16	6,56,06,580		6,86,58,361	
Financial Cost	17	48,36,218		58,42,940	
Depreciation	5	<u>13,03,586</u>	<u>38,68,70,540</u>	<u>28,43,750</u>	<u>46,22,62,239</u>
PROFIT BEFORE TAXATION			3,64,51,608		1,68,09,057
Less: Provision for Taxation					
- Current Tax		1,31,00,000		66,00,000	
- Deferred Tax (net)		(9,76,716)		(17,86,364)	
- Fringe Benefit Tax		<u>8,05,000</u>	<u>1,29,28,284</u>	<u>7,75,000</u>	<u>55,88,636</u>
Less: Short Tax Provision for earlier years			<u>49,424</u>		<u>-</u>
PROFIT AFTER TAXATION and BEFORE EXCEPTIONAL ITEMS			2,34,73,900		1,12,20,421
Add : Exceptional Items					
Depreciation of previous year written back (net of deferred tax of Rs. 1,99,716/-) (Refer Note No 1 of Schedule 5)			<u>3,87,858</u>		<u>-</u>
PROFIT AFTER TAXATION, EXCEPTIONAL ITEMS AND BEFORE EXTRAORDINARY ITEMS			2,38,61,758		1,12,20,421
Less: Extraordinary Items					
Loss on account of sale and closure of Palghar unit (net of deferred tax of Rs. 68,26,636/-)			<u>-</u>		<u>1,32,56,801</u>
NET PROFIT/ (LOSS)			2,38,61,758		(20,36,380)
- Balance of Profit brought forward			<u>3,04,12,019</u>		<u>3,24,48,399</u>
AMOUNT AVAILABLE FOR APPROPRIATION			5,42,73,777		3,04,12,019
APPROPRIATIONS					
- General Reserves			<u>4,19,37,842</u>		<u>-</u>
- Balance carried forward to Balance Sheet			<u>1,23,35,935</u>		<u>3,04,12,019</u>
			5,42,73,777		3,04,12,019
Earnings Per Share (In Rupees)					
(Nominal value of each share Rs. 10/-)					
Basic and Diluted					
- Before Extra Ordinary Item			5.40		2.58
- After Extra Ordinary Item			5.49		(0.47)
Significant Accounting Policies and Notes to the Accounts					
	18				

As per our Report of even date attached

For AGARWAL & MANGAL

Chartered Accountants

B. P. MANGAL

Partner

Membership No.32973

Mumbai,

16th June, 2009

For and on behalf of the Board

Prashant Godha

- Executive Director

Purnima Jain

- Whole time Director

K. C. Jain

- Director

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

	2008 - 2009		2007 - 2008	
	Rupees	Rupees	Rupees	Rupees
A Cash flow from Operating activities				
Net Profit Before Tax and extraordinary items		3,64,51,608		1,68,09,057
Adjustments for:				
Depreciation	13,03,586		28,43,750	
Provision for Leave Encashment	2,28,568		31,367	
Provision for Gratuity	4,61,457		13,24,482	
Provision for Leave Travel Allowance	(71,365)		2,07,250	
Assets Scrapped	-		13,64,717	
Bad Debts Written off	21,62,279		9,86,053	
Loss on Sale of Assets	72,643		3,51,139	
Profit on Sale of Assets	(6,531)		(9,417)	
Profit on Sale of Investment	(33,000)		-	
Dividend Income	(2,54,204)		(59,977)	
Interest Income	(5,39,931)		(3,52,593)	
Interest Expense	50,55,535	83,79,037	59,17,811	1,26,04,582
Operating profit before Working capital Changes		4,48,30,645		2,94,13,639
Working Capital Changes:				
(Increase) / Decrease in Inventories	(87,51,646)		92,21,842	
(Increase) / Decrease in Sundry Debtors and advances	(75,18,382)		(1,68,08,938)	
Increase / (Decrease) in Short term borrowings	3,22,87,043		(3,10,88,388)	
Increase / (Decrease) in Trade payables	(21,12,906)	1,39,04,109	98,81,772	(2,87,93,712)
Cash Generated from Operations		5,87,34,754		6,19,927
Gratuity contribution to LIC	(18,57,700)		(302,040)	
Income Tax paid	(1,45,58,748)	(1,64,16,448)	(56,00,204)	(59,02,244)
Net Cash Flow from Operating activities - I		4,23,18,306		(52,82,317)
B Cash Flow for Investing Activities :				
Purchase of Fixed Assets	(81,07,872)		(1,95,07,126)	
Purchase of Investment	(3,14,60,840)		(27,21,518)	
Proceeds from Sale of Investments	12,07,500		-	
Proceeds from Sale of Assets	58,721		3,01,84,452	
Dividend Received	2,54,204		59,977	
Net Cash Flow for Investing activities - II		(3,80,48,287)		80,15,785
Cash Flow after Investing activities - III = (I - II)		42,70,019		27,33,468
C Cash Flow from Financing activities				
Increase/ (Decrease) in Long Term borrowings	(6,62,491)		31,43,128	
Interest received	5,39,931		3,52,593	
Interest paid	(50,55,535)		(59,17,811)	
Net Cash flow from Financing activities - IV		(51,78,095)		(24,22,090)
Net Cash flow after Financing activities - V = (III + IV)		(9,08,076)		3,11,378
Opening Cash and Cash equivalents	18,21,907		15,10,529	
Closing Cash and Cash equivalents	9,13,831		18,21,907	
Net Increase / (Decrease) in Cash & Cash Equivalents		(9,08,076)		3,11,378

As per our Report of even date attached

For AGARWAL & MANGAL
Chartered Accountants

B. P. MANGAL
Partner
Membership No.32973

Mumbai,
16th June, 2009

For and on behalf of the Board

Prashant Godha - Executive Director
Purnima Jain - Whole time Director
K. C. Jain - Director

SCHEDULES TO THE ACCOUNTS

Schedules 1 to 18 forming part of the Balance Sheet as at 31st March, 2009 and Profit and Loss Account for the year ended 31st March, 2009.

	31.03.2009		31.03.2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE 1				
SHARE CAPITAL				
Authorised :				
60,00,000 Equity Shares of Rs.10 each.		<u>6,00,00,000</u>		<u>6,00,00,000</u>
Issued, Subscribed and Paid-up :				
43,45,540 Equity Shares of Rs.10 each fully paid-up.		<u>4,34,55,400</u>		<u>4,34,55,400</u>
PER BALANCE SHEET		<u>4,34,55,400</u>		<u>4,34,55,400</u>
Out of the above shares 3,02,700 Equity Shares of Rs.10 each allotted as fully paid-up to the shareholders of erstwhile Makers Drugs & Food Products Ltd., pursuant to the scheme of Amalgamation.				
SCHEDULE 2				
RESERVES AND SURPLUS				
Capital Reserve				
Per Last Balance Sheet		17,16,530		17,16,530
Share Premium Account				
Per Last Balance Sheet		1,08,63,850		1,08,63,850
General Reserve				
Per Last Balance Sheet	80,62,158		82,33,118	
Less: Transitional charge for the LTA Liability		-	1,70,960	
Add: Transferred from Profit and Loss Account	<u>4,19,37,842</u>	<u>5,00,00,000</u>	-	80,62,158
Profit and Loss Account		<u>1,23,35,935</u>		<u>3,04,12,019</u>
PER BALANCE SHEET		<u>7,49,16,315</u>		<u>5,10,54,557</u>
SCHEDULE 3				
LOAN FUNDS				
a) Secured Loans				
Demand Cash Credit from AXIS Bank Ltd		<u>6,53,42,136</u>		<u>3,30,55,093</u>
PER BALANCE SHEET		<u>6,53,42,136</u>		<u>3,30,55,093</u>
(Refer Note No.6)				
b) Unsecured Loans				
Maharashtra State Sales Tax Loan		-		1,27,491
Dealers Deposits		<u>97,55,000</u>		<u>1,02,90,000</u>
PER BALANCE SHEET		<u>97,55,000</u>		<u>1,04,17,491</u>
SCHEDULE 4				
DEFERRED TAX LIABILITY (Net)				
Deferred Tax Liability :				
- On Depreciation of Fixed Assets		34,62,000		41,85,000
Less : Deferred Tax Asset :				
- On Provision for Gratuity		(2,84,000)		(3,08,000)
- On Provision for Leave Encashment		(4,86,000)		(4,08,000)
PER BALANCE SHEET		<u>26,92,000</u>		<u>34,69,000</u>

SCHEDULE 5 FIXED ASSETS

Sr. No.	Description of Assets	GROSS BLOCK (Rupees)			DEPRECIATION (Rupees)			NET BLOCK (Rupees)			
		As on 01.04.2008	Additions during the year	Sales, w/off, adjustments during the year	As on 31.03.2009	Up to 01.04.2008	For the year	Sales, w/off, adjustments during the year	Up to 31.03.2009	As on 31.03.2009	As on 31.03.2008
1	Land :										
	- Free hold	-	-	1,80,35,522	1,80,35,522	-	-	-	1,80,35,522	-	
	- Lease hold	1,64,755			1,64,755				1,64,755	1,64,755	
	(Refer Note No 1)										
2	Buildings	1,94,77,653		(1,80,35,522)	14,42,131	13,06,172	48,068	(5,87,574)	7,66,666	6,75,465	1,81,71,481
3	Plant & Machineries	1,09,23,150	1,81,550	-	1,11,04,700	38,81,617	4,99,384	-	43,81,001	67,23,699	70,41,533
4	Electric Motors & Other Machines	8,20,369	-	-	8,20,369	7,07,948	28,583	-	7,36,531	83,838	1,12,421
5	Fire Fighting Equipments	30,305	34,053	-	64,358	28,190	9,008	-	37,198	27,160	2,115
6	Generators	3,28,606	-	-	3,28,606	1,15,834	27,748	-	1,43,582	1,85,024	2,12,772
7	Machine Platform	2,79,833	-	-	2,79,833	2,50,840	11,458	-	2,62,298	17,535	28,993
8	Storage Vessels and Utensils	3,16,399	-	-	3,16,399	2,64,737	8,994	-	2,73,731	42,668	51,662
9	Steam Vaccum & Oil Pipeline	6,08,906	-	-	6,08,906	5,48,046	14,657	-	5,62,703	46,203	60,860
10	Transformer & H.T. Installation	2,81,304	-	-	2,81,304	1,82,689	14,845	-	1,97,534	83,770	98,615
11	Boilers	4,89,052	38,000	-	5,27,052	82,710	26,712	-	1,09,422	4,17,630	4,06,342
12	Stores Handling equipments	1,60,087	18,500	-	1,78,587	1,07,861	4,013	-	1,11,874	66,713	52,226
13	Computer Machinery	6,75,729	1,34,840	(49,880)	7,60,689	3,59,731	99,486	(47,646)	4,11,571	3,49,118	3,15,998
14	Intangible Assets (Software)	1,04,000	-	-	1,04,000	57,627	26,000	-	83,627	20,373	46,373
15	Effluent Treatment Plant	1,97,985	-	-	1,97,985	86,882	10,454	-	97,336	1,00,649	1,11,103
16	Environmental Control Equipments	6,20,020	21,000	-	6,41,020	2,56,698	27,251	-	2,83,949	3,57,071	3,63,322
17	Furniture & Fixtures	5,53,727	24,525	-	5,78,252	4,43,826	23,442	-	4,67,268	1,10,984	1,09,901
18	Electrical Fittings	6,23,962	-	-	6,23,962	4,15,936	17,175	-	4,33,111	1,90,851	2,08,026
19	Office and Other Equipments	6,18,415	64,733	(2,10,948)	4,72,200	2,77,775	30,449	(1,22,703)	1,85,521	2,86,679	3,40,640
20	Laboratory Equipments	16,55,342	-	(1,67,445)	14,87,897	4,68,617	71,269	(1,33,092)	4,06,794	10,81,103	11,86,725
21	Vehicles	32,19,498	-	-	32,19,498	11,45,167	3,04,590	-	14,49,757	17,69,741	20,74,331
	TOTAL	4,21,49,097	5,17,201	(4,28,273)	4,22,38,025	1,09,88,903	13,03,586	(8,91,015)	1,14,01,474	3,08,36,551	
	Previous Year	10,42,90,744	2,19,07,329	(8,20,91,872)	4,21,49,097	4,02,08,771	28,43,750	(3,20,63,618)	1,09,88,903		3,11,60,194
22	Capital Advances / Construction Work in Progress									76,96,581	1,05,910
	PER BALANCE SHEET									3,85,33,132	3,12,66,104

Note :

1. During the year the Company has allocated the consideration paid towards the purchase of Land and Building in the previous year, towards Freehold Land aggregating to Rs.1,80,35,522/- based on its business plans of dismantling the entire building for development of new building. Depreciaton on the same of Rs. 5,87,574/- claimed during the previous year has been written back during the current year.

SCHEDULE 6
INVESTMENTS-At cost

	No. of Shares		Face value (Rs)	31.03.2009	31.03.2008
	31.03.2009	31.03.2008		Rupees	Rupees
A) Unquoted :					
(i) Government Securities					
National Savings Certificates				10,000	13,000
(ii) Investments (trade)					
Ellora Organics Pvt. Ltd.	800	800	100	80,000	80,000
Paschim Chemicals Pvt. Ltd.	21,000	21,000	100	22,20,000	22,20,000
Halewood Laboratories Pvt. Ltd.	56,200	56,200	10	5,62,000	5,62,000
Mexin Medicaments Pvt. Ltd.	11,990	-	100	1,31,89,000	-
Exon Laboratories Pvt. Ltd.	30,000	-	10	1,50,00,000	-
Investments (non trade)					
Industrial Finance & Securities Trust Pvt. Ltd.	-	3,300	10	-	11,71,500
Total (i+ii)				<u>3,10,61,000</u>	<u>40,46,500</u>
B) Quoted :					
Mangalam Drugs & Organics Ltd.	3,07,468	3,07,468	10	86,10,934	86,10,934
Ipca Laboratories Ltd.	19,496	13,399	10	89,94,444	57,22,604
Total				<u>1,76,05,378</u>	<u>1,43,33,538</u>
PER BALANCE SHEET				<u>4,86,66,378</u>	<u>1,83,80,038</u>

Aggregate Book Value of unquoted investment

3,10,61,000

40,46,500

Aggregate Market Value of quoted investment

78,82,906

1,20,02,396

SCHEDULE 7
INVENTORIES

(As taken, valued and certified by the Management)

Stock in Trade :

Raw Materials				1,52,97,082	70,13,059
Packing Materials				22,78,843	17,70,578
Work-in-Process				40,98,858	20,06,780
Finished Goods				4,70,32,585	4,90,40,774
Stores & Spares				1,19,324	2,43,855
PER BALANCE SHEET				<u>6,88,26,692</u>	<u>6,00,75,046</u>

SCHEDULE 8
SUNDRY DEBTORS

(Unsecured, considered good)

i) Outstanding for more than six months				15,62,139	17,36,752
- Considered good				4,88,02,315	6,53,72,283
ii) Other Debts				5,03,64,454	6,71,09,035
PER BALANCE SHEET				<u>5,03,64,454</u>	<u>6,71,09,035</u>

	31.03.2009		31.03.2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE 9				
CASH AND BANK BALANCES				
Cash on Hand		92,552		2,05,373
Balances with Scheduled Banks:				
On Current Accounts	5,22,834		13,49,044	
On Deposit Accounts	2,98,445	8,21,279	2,67,490	16,16,534
PER BALANCE SHEET		9,13,831		18,21,907
(Refer Note no.9)				

SCHEDULE 10				
LOANS AND ADVANCES				
(Unsecured considered good)				
Loan to Employees		2,20,035		3,32,420
Advances recoverable in cash or in kind or for value to be received		2,26,50,203		17,59,612
Deposits		26,85,312		13,60,905
Income tax paid (net of provision for taxation)		5,67,109		(37,214)
PER BALANCE SHEET		2,61,22,659		34,15,723

SCHEDULE 11				
CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities				
Sundry Creditors:				
- Micro, Small & Medium Enterprises		-		-
(Refer note no.10)				
- Others	2,85,93,807		3,17,76,874	
	2,85,93,807		3,17,76,874	
Other Liabilities	61,07,047	3,47,00,854	50,36,885	3,68,13,759
Provisions				
Provision for Leave Travel Assistance (LTA)	3,06,845		3,78,210	
Provision for Gratuity	8,34,357		22,30,600	
Provision for Leave Encashment	14,29,110	25,70,312	12,00,542	38,09,352
PER BALANCE SHEET		3,72,71,166		4,06,23,111

	2008-2009		2007-2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE 12				
INCOME FROM OPERATIONS				
Manufacturing Charges Income		1,65,62,325		2,26,29,490
Miscellaneous Income from Operations		1,68,699		6,13,578
PER PROFIT AND LOSS ACCOUNT		<u>1,67,31,024</u>		<u>2,32,43,068</u>
SCHEDULE 13				
OTHER INCOME				
Profit on Sale of Assets		6,531		9,417
Dividend Income		2,54,204		59,977
Miscellaneous Income		1,105		3,922
Profit on Sale of Investments		33,000		-
PER PROFIT AND LOSS ACCOUNT		<u>2,94,840</u>		<u>73,316</u>
SCHEDULE 14				
MATERIAL COST AND INVENTORY ADJUSTMENTS				
Raw Materials Consumed:				
Opening Stock		70,13,059		90,60,814
Add: Purchases		14,40,76,952		10,67,84,398
		<u>15,10,90,011</u>		<u>11,58,45,212</u>
Less: Closing Stock		<u>1,52,97,082</u>	13,57,92,929	<u>70,13,059</u> 10,88,32,153
Packing Materials Consumed:				
Opening Stock		17,70,578		13,79,653
Add: Purchases		1,26,79,892		1,23,70,557
		<u>1,44,50,470</u>		<u>1,37,50,210</u>
Less: Closing Stock		<u>22,78,843</u>	1,21,71,627	<u>17,70,578</u> 1,19,79,632
Finished Goods Purchased		14,24,92,626		22,63,88,459
Inventory Adjustments:				
Stock at Commencement :				
Finished Goods		4,90,40,774		5,65,88,636
Work-in-Process		20,06,780		17,51,288
		<u>5,10,47,554</u>		<u>5,83,39,924</u>
Less : Stock at Close :				
Finished Goods		4,70,32,585		4,90,40,774
Work-in-Process		40,98,858		20,06,780
		<u>5,11,31,443</u>	(83,889)	<u>5,10,47,554</u> 72,92,370
Insurance Claim on Loss of Stock		(46,533)		(1,35,229)
PER PROFIT AND LOSS ACCOUNT		<u>29,03,26,760</u>		<u>35,43,57,385</u>

	2008-2009		2007-2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE 15				
PERSONNEL COST				
Payment to and provision for Salaries, Wages and Bonus		2,29,62,732		2,85,87,654
Contribution to Provident Fund, Employees State Insurance and other funds		14,85,055		15,55,953
Welfare expenses		2,98,481		3,42,562
Recruitment and Training expenses		51,128		73,634
PER PROFIT AND LOSS ACCOUNT		<u>2,47,97,396</u>		<u>3,05,59,803</u>
(Refer Note no. 5)				
SCHEDULE 16				
MANUFACTURING AND OTHER EXPENSES				
Outside Manufacturing Charges		1,06,97,291		94,81,985
Consumable Stores		9,88,310		23,84,769
Power, Fuel, Gas & Water Charges		72,25,446		68,53,885
Repairs :				
- Building	4,15,508		5,42,093	
- Machinery	11,78,610		17,10,272	
- Other Repairs	<u>2,46,418</u>	18,40,536	<u>3,54,088</u>	26,06,453
Insurance		8,00,369		7,80,921
Rent		17,74,895		18,80,985
Rates and Taxes		6,70,512		6,91,999
Freight, Forwarding and Transportation		1,22,24,220		1,46,16,604
Commission on Sales		1,00,09,972		99,47,770
Field Staff Expenses		52,27,350		49,93,999
Auditors' Remuneration :				
Audit Fees (Including Tax Audit)	61,576		61,112	
Taxation Matters	40,278		40,744	
Certification & other matters	36,891		22,824	
Reimbursement of expenses	<u>8,706</u>	1,47,451	<u>9,134</u>	1,33,814
Loss on Sale of Assets		72,643		3,51,139
Assets Scrapped		-		13,64,717
Bad Debts Written off		21,62,279		9,86,053
Marketing & Sales Administrative expenses		68,89,256		55,96,126
Miscellaneous expenses		48,76,050		59,87,142
PER PROFIT AND LOSS ACCOUNT		<u>6,56,06,580</u>		<u>6,86,58,361</u>
SCHEDULE 17				
FINANCIAL COST				
Interest				
- On Fixed Loans		50,55,535		59,17,811
Less: Interest Income (Including Tax Deducted at Source Rs. 1,05,537/- (Previous year Rs.40,196/-)		<u>5,39,931</u>	45,15,604	<u>3,52,593</u>
Bank Charges		<u>3,20,614</u>		<u>2,77,722</u>
PER PROFIT AND LOSS ACCOUNT		<u>48,36,218</u>		<u>58,42,940</u>

SCHEDULE - 18**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS****1. ACCOUNTING POLICIES****a) System of Accounting**

The Company follows accrual system of accounting for all items of revenue and costs.

b) Use of Estimates

The preparation of the financial statements in conformity with the Generally Accepted Accounting Principles applicable in India and the provisions of the Companies Act, 1956 requires that the Management makes estimates and assumptions that affect the reported amounts of the assets and liabilities, disclosure of the contingent liabilities as at the date of the Financial Statements and reported amount of the revenue and expenses during the reported year. Actual results could differ from those Estimates.

c) Inflation

Assets and Liabilities are shown at historical cost and no adjustments are made for changes in purchasing power of money.

d) Fixed Assets

i) Fixed Assets are recorded at cost of acquisition or construction less CENVAT / Service Tax Credit availed.

ii) Intangible assets are recorded at cost of acquisition.

e) Depreciation, Amortisation and Impairment

Depreciation on fixed assets is charged on straight line method in accordance with the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Intangible assets are amortised over the economic useful life estimated by the Management.

Impairment of assets is ascertained at each balance sheet date in respect of the Company's Fixed assets. An impairment loss is recognised whenever carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

f) Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as a part of such assets. All other borrowing costs are charged to revenue in the year in which they are incurred.

g) Investments

Long term Investments are stated at cost. Diminution in the value of Investments is provided for by reducing the value of investments and charging the same to Profit & Loss Account.

h) Inventories

Item of inventories are valued on the basis given below:

Raw Materials and Packing Materials : At cost net of CENVAT computed on First-In-First-Out-method.
Work- in- process and Finished Goods : At cost including material cost net of CENVAT, labour cost and production overheads incurred till the stage of completion of production for Work-In-Process and the same or net realisable value whichever is lower in case of Finished Goods. Excise duty is considered as cost of finished goods wherever applicable.

Stores & Spares : Stores and spare parts are valued at purchase cost.

i) CENVAT Credit

CENVAT Credit utilised during the year is accounted for in excise duty expenses account and unutilised CENVAT balance at the year end is considered as advance excise duty.

j) Service Tax Credit

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

k) Sales

Local Sales include Excise duty & Sales tax . Export sales include exchange difference on realisation / negotiation.

l) Revenue Recognition

Revenue in respect of insurance / other claims, interest, commission etc. are recognised only when it is reasonably certain that the ultimate collection will be made.

m) Contingent Liabilities

These are disclosed by way of notes to the accounts . Provision is made in respect of those liabilities which are likely to materialise after the year end, till the finalisation of accounts and have material effect on the position stated in the Balance Sheet.

n) Retirement Benefits

- i) Contribution to Provident Fund and Family Pension Fund are charged to Profit & Loss Account.
- ii) Gratuity is charged to revenue on actuarial valuation by Life Insurance Corporation of India under the Employees Group Gratuity policy with them
- iii) Leave encashable on retirement has been provided for on the basis of actuarial valuation.
- iv) Leave Travel Assistance (LTA) Liability has been accounted based on actual accumulated obligation.

o) Research & Development

Revenue expenditure on research & development is charged to Profit & Loss Account in the year in which it is incurred. Capital expenditure on Research & Development is considered as addition to fixed assets.

p) Foreign Exchange Transactions

Transactions denominated in foreign currency settled / negotiated during a month are recorded at exchange rate on the date of settlement / negotiation. Foreign currency transaction remaining not settled / negotiated at the end of each month are converted into rupees at the month end rates. All gains or losses on foreign exchange transaction are recognised in the Profit and Loss Account.

q) Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act,1961.

Deferred Tax is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

	31.03.2009	31.03.2008
	Rupees	Rupees
2. Estimated amount of contracts remaining to be executed on capital account (Net of advances)	1,16,59,761	12,78,065
3. Contingent liabilities not provided for in respect of:		
a) Corporate Guarantee given to AXIS Bank Ltd on behalf of M/s Halewood Laboratories Pvt. Ltd, under third party manufacturing arrangement for which the Company holds counter Guarantee.	1,50,00,000	1,50,00,000
b) Counter Guarantees given to AXIS Bank & State Bank of India in respect of guarantees given by the bank on behalf of the Company to Government Authorities.	2,98,445	2,67,490
c) Other money for which the Company is contingently liable for Excise & other matters not accepted by the Company.	-	3,82,745

4. Additional information pursuant to paragraphs 3, 4, 4A, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956

A. Installed Capacity, Actual Production, Purchases, Sales and Stock :

(Rs Lacs)

Class of Goods	Units	Basis	Installed Capacity	Actual Production	Opening Stock		Purchases		Sales		Closing Stock	
					Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Tablets / Capsules	Lacs	Single Shift		10,883 (9,314)	1,525 (2,270)	336.51 (445.36)	2,470 (6,493)	867.51 (1,651.79)	13,596 (16,554)	3,148.55 (3,695.15)	1,282 (1,523)	315.71 (336.51)
Orals/ Liquids	Kilo Ltrs	Single Shift			79 (75)	75.86 (64.12)	325 (302)	315.55 (300.31)	302 (301)	430.99 (385.58)	102 (76)	90.54 (72.40)
Ointment/ Cream	M T	Single Shift			3 (5)	9.83 (17.98)	27 (11)	93.87 (44.16)	24 (13)	128.63 (79.78)	6 (3)	22.36 (9.83)
Injectables	Lacs	Single Shift		13 (16)	11 (6)	60.41 (34.03)	36 (37)	125.02 (229.56)	48 (48)	356.70 (434.99)	12 (11)	39.23 (63.87)
Others					- -	7.80 (0.53)	- -	22.97 (38.06)	- -	46.98 (40.96)	- -	2.49 (7.80)
Bulk Drugs/ Intermediates	M T	Triple Shift	60 (60)	43 (70)	- (1)	- (3.87)	- -	- -	43 (71)	260.46 (322.08)	- -	- -
Total						490.41 (565.89)		1,424.92 (2,263.88)		4,372.31 (4,958.54)		470.33 (490.41)

Notes :-

- As the industrial licensing in respect of drugs and pharmaceuticals produced by the Company has been abolished under the Industrial Policy, the particulars of licensed capacity are not stated.
- Installed capacity, being of a technical nature is not verified by the Auditors.
- Production includes production under contract manufacturing.
- Previous year's figures are given in bracket.

B. Raw Materials Consumed:	Units	2008 - 2009		2007 - 2008	
		Qty	Rs. Lacs	Qty	Rs. Lacs
Paracetamol IP	M.T.	241.272	469.27	277.481	345.63
Chloroquine Phosphate	M.T.	16.807	122.84	27.021	192.34
Others (none of which individually forms more than 10% of the total consumption)			765.82		550.35
Total			1,357.93		1,088.32

C. Imported & Indigenous Consumption:	2008 - 2009		2007 - 2008	
	Rs. Lacs	Percentage	Rs. Lacs	Percentage
i) Raw materials:				
Imported (High Seas purchases)	-	-	25.39	2.34
Indigenous	1,357.93	100.00	1,062.93	97.66
Total	1,357.93	100.00	1,088.32	100.00
ii) Stores, spares and components:				
Imported	-	-	-	-
Indigenous	9.88	100.00	23.85	100.00
Total	9.88	100.00	23.85	100.00

D. Value of Imports on CIF basis:	2008 - 2009	2007 - 2008
	Rupees	Rupees
Raw materials	Nil	Nil
Capital goods	Nil	Nil
Machine Components	Nil	Nil
E. Expenditure in Foreign Currency:	Nil	3,97,501
F. Earnings in Foreign Currency other than Exports:	Nil	Nil
G. F.O.B Value of Exports:	Nil	75,75,515

5. As per Accounting Standard -15 "Employee Benefits" and as defined in the accounting standard, the summarised components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet are given herein below :

(Rupees)

Particulars	Gratuity		Leave Encashment	
	2008-09	2007-08	2008-09	2007-08
I. Change in Benefit Obligation				
Liability at the beginning of the year	25,54,107	21,54,555	12,00,542	11,69,175
Interest cost	2,04,810	1,61,592	90,041	87,688
Current Service Cost	2,15,832	3,82,491	4,93,456	1,62,723
Past year Service Cost	6,020	-	-	-
Benefit Paid	-	(28,05,404)	(31,521)	(5,66,491)
Actuarial (gain)/loss on obligations	1,80,536	26,60,873	(3,23,408)	3,47,447
Curtailments and Settlements	-	-	-	-
Liability at the end of the year	31,61,305	25,54,107	14,29,110	12,00,542

	Particulars	Gratuity		Leave Encashment	
		2008-09	2007-08	2008-09	2007-08
II.	Fair Value of Plan Assets				
	Fair Value of Plan Assets at the beginning of the year	3,23,507	22,70,537	-	-
	Expected Return on Plan Assets	1,65,242	1,73,843	-	-
	Contributions	18,38,199	6,84,531	-	-
	Benefit paid	-	(28,05,404)	-	-
	Actuarial gain/(loss) on Plan Assets	-	-	-	-
	Fair Value of Plan Assets at the end of the year	23,26,948	3,23,507	-	-
	Total Actuarial gain/(loss) to be Recognised	8,34,357	22,30,600	14,29,110	12,00,542
III.	Actual Return on Plan Assets				
	Expected Return on Plan Assets	1,65,242	1,73,843	-	-
	Actuarial gain/(loss) on Plan Assets	-	-	-	-
	Actual Return on Plan Assets	1,65,242	1,73,843	-	-
IV.	Amount Recognised in the Balance Sheet				
	Liability at the end of the year	31,61,305	25,54,107	14,29,110	12,00,542
	Fair Value of Plan Assets at the end of the year	23,26,948	3,23,507	-	-
	Difference	8,34,357	22,30,600	-	-
	Unrecognised Past Service Cost	-	-	-	-
	Amount Recognised in the Balance Sheet	8,34,357	22,30,600	14,29,110	12,00,542
V.	Expenses Recognised in the Income Statement				
	Current Service Cost	2,15,832	3,82,491	4,93,456	1,62,723
	Interest Cost.	2,04,810	1,61,592	90,041	87,688
	Expected Return on Plan Assets	(1,65,242)	1,73,843	-	-
	Net Actuarial (gain)/loss to be recognised	1,80,536	26,60,873	(3,23,408)	3,47,447
	Past Service Cost (Non Vested Benefit) Recognised	-	-	-	-
	Past Service Cost (Vested Benefit) Recognised	-	-	-	-
	Effect of Curtailment or Settlements	-	-	-	-
	Expense Recognised in Profit and Loss Account	4,35,936	30,31,113	2,60,089	5,97,858
VI.	Balance Sheet Reconciliation				
	Opening Net Liability	22,30,600	(1,15,982)	12,00,542	11,69,175
	Expense as above	4,35,936	30,31,113	4,93,456	5,97,858
	Past year Service cost	6,020	-	-	-
	Employers Contribution	(18,38,199)	(6,84,531)	(31,521)	(5,66,491)
	Amount Recognised in Balance Sheet	8,34,357	22,30,600	14,29,110	12,00,542
VII.	Actuarial Assumptions				
	Discount Rate Current	8%	8%	7.50%	7.50%

- Note**
- i) Employer's contribution includes payments made by the Company directly to its past employees.
 - ii) 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.
 - iii) The Company's Gratuity fund is managed by Life Insurance Corporation of India. The plan assets under the fund are deposited under approved securities.

6. Secured Loan from Axis Bank Ltd is secured by way of mortgage of immovable properties of the Company situated at Mumbai and Dombivli, hypothecation of all plant and machineries both present and future and hypothecation of stock-in-trade and book debts.
7. In the opinion of the Board of Directors, all the Current Assets, Loans & Advances have value on realisation at least equal to the amount at which they are stated in the Balance sheet
8. Provision for Taxation includes provision for Wealth Tax of Rs. 5,000/= (previous year Rs.5,000/=).
9. Balances with Scheduled bank include Rs. NIL (previous year Rs. NIL) on account of Unclaimed Dividend.
10. The Company has obtained details from Sundry Creditors who are registered under the Micro, Small & Medium Enterprises Development Act, 2006. To the extent that the Company has received information it has evaluated that there are no amounts due to the Creditors who are Registered under the said Act beyond the period of 45 days.

11. Managerial Remuneration:

i) Managerial remuneration under Section 198 of the Companies Act, 1956 to Whole time Directors.

	<u>2008 - 2009</u> Rupees	<u>2007 - 2008</u> Rupees
Salary	22,91,699	18,15,973
Contribution to Provident Fund and other funds	1,58,868	1,37,916
Perquisites & benefits	-	-
	<u>24,50,567</u>	<u>19,53,889</u>

ii) Computation of Net Profit as per Section 349 read with Section 309(5) of the Companies Act, 1956.

	<u>2008 - 2009</u> Rupees	<u>2007 - 2008</u> Rupees
Profit after Taxation as per Profit and Loss Account	2,34,73,900	1,12,20,421
Add: Provision for Taxation	1,31,00,000	66,00,000
Provision for Deferred Taxation	(9,76,716)	(17,86,364)
Depreciation	13,03,586	28,43,750
Directors remuneration	24,50,567	19,53,889
Directors sitting fees	85,000	56,000
Loss on sale of Assets	72,643	3,51,139
Assets scrapped	-	13,64,717
	<u>3,95,08,980</u>	<u>2,26,03,552</u>
Less: Depreciation under Section 350	13,03,586	28,43,750
Net Profit for the purpose of Managerial Remuneration	<u>3,82,05,394</u>	<u>1,97,59,802</u>

iii) Company has not recommended any commission to the Wholetime Directors.

12. Related Party Disclosure as required by Accounting Standard - 18 issued by the Institute of Chartered Accountants of India :

Relationships:

A. Entities where control exists :

Shareholders of Makers Laboratories Ltd.

Kaygee Investments Pvt. Ltd.

Exon Laboratories Pvt. Ltd.

Paschim Chemicals Pvt. Ltd.

Others

Halewood Laboratories Pvt. Ltd.

Ellora Organic Industries Pvt. Ltd.

B. Key Management Personnel :

Mr. Prashant Godha

Ms. Purnima Jain

C. Associates :

Ipca Laboratories Ltd.

Harleystreet Pharmaceuticals Ltd.

D. Other Related Parties (Entities in which Directors or their Relatives have significant influence) :

Nipra Industries Pvt. Ltd.

Kaygee Loparex Pvt. Ltd

Keymed

Transactions with Related Parties (Rupees)

Description	Entities where Control exists		Associates	Key Management Personnel	Other Related Parties	Total
	Share holders of Makers	Others				
Purchase of goods and services	-	86,64,728	2,58,24,444	-	-	3,44,89,172
(Previous year)	-	(1,01,95,918)	(3,59,35,157)	-	-	(4,61,31,075)
Sales of goods and services	-	-	4,29,77,485	-	-	4,29,77,485
(Previous year)	-	(83,846)	(5,48,78,153)	-	-	(5,49,61,999)
Purchase of fixed assets	-	-	11,220	-	-	11,220
(Previous year)	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
(Previous year)	-	-	(93,391)	-	-	(93,391)
Loans and Advances given	-	1,80,00,000	37,00,000	-	-	2,17,00,000
(Previous year)	(30,00,000)	-	(1,00,00,000)	-	-	(1,30,00,000)
Investment in Equity Shares	1,50,00,000	-	32,71,840	-	-	1,82,71,840
(Previous year)	-	-	(27,21,518)	-	-	(27,21,518)
Excise duty, Rent and other expenses paid	-	96,70,090	3,00,851	-	-	99,70,941
(Previous year)	-	(1,14,12,227)	(4,45,340)	-	-	(1,18,57,567)
Interest/Dividend Received, Rent Income, Excise duty credit and expenses recovered	38,995	1,18,08,001	9,30,469	-	-	1,27,77,465
(Previous year)	(3,25,089)	(76,58,471)	(9,09,556)	-	-	(88,93,116)
Remuneration to Directors	-	-	-	24,50,567	-	24,50,567
(Previous year)	-	-	-	(19,53,889)	-	(19,53,889)
Balance as on 31st March 2009						
Receivables	-	-	65,43,030	-	-	65,43,030
Payables	-	(15,09,552)	35,46,423	-	-	20,36,871
Balance as on 31st March 2008						
Receivables	1,011	-	1,88,97,225	-	-	1,88,98,236
Payables	-	8,71,735	-	-	-	8,71,735

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

Particulars	2008-09 (Rupees)	2007-08 (Rupees)
<u>Purchase of goods and services:</u>		
Ipca Laboratories Ltd.	2,51,08,096	3,51,25,369
Halewood Laboratories Pvt. Ltd.	86,64,728	1,01,95,918
<u>Sales of goods and services:</u>		
Ipca Laboratories Ltd.	4,29,77,485	5,48,78,153
<u>Purchase of fixed assets:</u>		
Ipca Laboratories Ltd.	11,220	-
<u>Sale of fixed assets:</u>		
Ipca Laboratories Ltd.	-	93,391
<u>Purchase of shares:</u>		
Ipca Laboratories Ltd.	32,71,840	27,21,518
Exon Laboratories Pvt. Ltd.	1,50,00,000	-
<u>Excise duty, Rent and other expenses paid:</u>		
Halewood Laboratories Pvt. Ltd.	96,70,090	1,14,12,227
<u>Excise duty & other expenses recovered:</u>		
Halewood Laboratories Pvt. Ltd.	1,13,48,138	76,58,471
<u>Loans & advances given :</u>		
Exon Laboratories Pvt. Ltd.	-	30,00,000
Harleystreet Pharmaceuticals Ltd.	37,00,000	1,00,00,000
Ellora Organic Industries Pvt. Ltd.	1,25,00,000	-
Halewood Laboratories Pvt. Ltd.	55,00,000	-
<u>Interest Income :</u>		
Exon Laboratories Pvt. Ltd.	-	1,55,836
Harleystreet Pharmaceuticals Ltd.	-	30,822
Halewood Laboratories Pvt. Ltd.	4,59,863	-
<u>Dividend Income :</u>		
Ipca Laboratories Ltd.	2,24,204	59,977
Balance as on 31st March		
Receivables:		
Ipca Laboratories Ltd.	30,84,656	1,88,55,623

13. The Company has one segment of activity namely "Pharmaceuticals". As such there is no separate reportable segment under Accounting Standard -17 on Segment Reporting.

14. Previous years figures have been regrouped and re-arranged wherever necessary.

15. Balance Sheet Abstract and Company's General Business Profile.

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

I. Registration details		
Registration No.	:	33389
State Code	:	11
Balance Sheet	:	31.03.2009
II. Capital raised during the year		(Rs. in Thousands)
Public Issue	:	Nil
Right Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil
III. Position of mobilisation and deployment of funds		(Rs. in Thousands)
Total Liabilities	:	2,33,432
Total Assets	:	2,33,432
Sources of Funds		
Paid-Up Capital	:	43,455
Reserve & Surplus	:	74,916
Secured Loan	:	65,342
Unsecured Loan	:	9,755
Application of Funds		
Net Fixed Assets	:	38,533
Investments	:	48,666
Net Current Assets(net of provision for deferred taxation)	:	1,06,269
Misc. Expenditure	:	Nil
Accumulated Losses	:	Nil
IV. Performance of Company		(Rs. in Thousands)
Turnover	:	4,23,322
Total Expenditure	:	3,86,871
Profit Before Tax	:	36,452
Profit / (Loss) After Tax	:	23,862
Earning Per Share (after Extra Ordinary Items)	:	Rs. 5.49
Dividend Rate	:	Nil
V. Generic names of three principal products/services of the Company (as per monetary terms)		
Item Code No. (ITC Code)	:	300490-31
Product Description	:	CHLOROQUINE PHOSPHATE
Item Code No. (ITC Code)	:	300410-30
Product Description	:	AMOXYCILLIN TRIHYDRATE
Item Code No. (ITC Code)	:	300490-05
Product Description	:	PARACETAMOL TABLETS

Note : Classification of products/service under ITC code being of technical nature is not verified by the Auditors.

As per our Report of even date attached

For AGARWAL & MANGAL

Chartered Accountants

B. P. MANGAL

Partner

Membership No.32973

Mumbai,

16th June, 2009

For and on behalf of the Board

Prashant Godha - Executive Director

Purnima Jain - Whole time Director

K. C. Jain - Director

MAKERS

Registered Office :

Makers Laboratories Limited

54-D, Kandivli Industrial Estate,

Charkop, Kandivli (West), Mumbai 400 067.