

**ANNUAL REPORT
2010-2011**



DENIS
CHEM LAB LIMITED



DENIS CHEM LAB LIMITED 30TH ANNUAL REPORT 2010-2011

Board of Directors :

Mr. Dinesh B. Patel	<i>Chairman</i>
Dr. Himanshu C. Patel	<i>Managing Director</i>
Mr. Priyavadan C. Randeria	<i>Director</i>
Mr. Chinubhai N. Munshaw	<i>Director</i>
Mr. Paul Schoemaker	<i>Director</i>
Dr. Gaurang Dalal	<i>Director</i>
Mr. Laxmiraj M. Rathod	<i>Alternate Director</i>
Ms. Anar H. Patel	<i>Director</i>

Registered Office & Factory :

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

Auditors :

Shah & Shah Associates
Chartered Accountants,
Ahmedabad.

Company Law Consultant :

M/s. Mehta Hurkat & Associates
Company Secretaries,
Ahmedabad.

Bankers :

The Kalupur Commercial Co. Op. Bank Ltd.
Stadium Road Branch,
Ahmedabad - 380 014.

Registrar & Share Transfer Agent :

Sharepro Services (India) Private Limited
13 AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Tel. Exchange Lane,
Off Andheri-Kurla Road, Sakinaka,
Mumbai -400 072

GREEN INITIATIVE

Dear Members,

As you know, the Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by companies through electronic mode, vide its Circular Nos. 17/2011 & 18/2011 dated 21st April, 2011 and 29th April, 2011, respectively.

Your Company proposes to deliver electronically various communication/documents such as Notice of General Meeting, Annual Reports, Postal Ballot documents and such other necessary communication/ documents from time to time to the Members, who have provided their email address to their Depository Participant (DP). Members holding shares in physical form and who are desirous of receiving the communication/documents in electronic form, are required to inform their email address to the Registrar and Transfer Agent of the Company.

Email addresses as registered in your respective DP accounts in the records of the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) which will be periodically downloaded, will be deemed to be your registered email address for serving the necessary communication/documents. Thus, the necessary communication would be sent in electronic form to the registered email address. Members, who wish to inform any updations/changes of their email address, are requested to promptly update the same with their DP/ the Registrar and Transfer Agent of the Company, as the case may be, from time to time.

As a member of the Company, you will be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of the requisition from you.

We request you to support this initiative and opt for the electronic mode of communication by submitting your email address to your DP or to the Company, as the case may be, in the interest of the environment.

CONTENTS

	Page No.
Notice of Annual General Meeting	01 to 02
Directors' Report	03 to 08
Compliance Certificate	09 to 13
Auditors' Report	14 to 15
Balance Sheet	16
Profit and Loss Account	17
Cash Flow Statement	18
Schedules to Accounts	19 to 32



NOTICE

NOTICE is hereby given that the **THIRTIETH ANNUAL GENERAL MEETING** of the members of **DENIS CHEM LAB LIMITED** will be held as scheduled below:

Date : 9th September, 2011

Day : Friday

Time : 10.00 A.M.

Place : Registered Office of the Company at:

Block No. 457, Village: Chhatral, Tal: Kalol (N.G.), Dist: Gandhinagar - 382 729

to transact the following:

ORDINARY BUSINESS:

1. To receive and adopt Audited Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as on that date along with Directors' Report thereon.
2. To declare dividend for the year ended on 31st March, 2011.
3. To appoint a Director in place of Mr. Priyavadan C. Randeria who retires by rotation and, being eligible, offers himself for re appointment.
4. To appoint a Director in place of Mr. Chinubhai N. Munshaw, who retires by rotation and, being eligible, offers himself for re appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgage or charge by the Board of Directors of the Company of all the immovable and movable properties of the Company wheresoever situated, present and future, and/or conferring power to enter upon and to take possession of assets of the Company in certain events, to or in favour of The Kalupur Commercial Co-operative Bank Ltd. (the Bank) to secure Financial Assistance up to Rs. 9.20 Crores (Rupees Nine Crores Twenty Lacs Only) lent and advanced/agreed to be lent/advanced to the Company by the Bank together with interest thereon at the agreed rate, compound interest, additional interest, liquidated damages, costs, charges, expenses and other monies payable by the Company to the Bank under Financial Assistance Agreements entered into/ to be entered into by the Company in respect of the such Financial Assistance."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with the Bank the documents for creating aforesaid mortgage and/or the charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

Registered Office:

Block No. 457, Village: Chhatral,

Tal : Kalol (N.G.),

Dist : Gandhinagar - 382 729

Date : 27th July, 2011

By Order of the Board,

Dinesh B. Patel
Chairman

NOTES:

1. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business at Item Nos. 6 as set out in the Notice is annexed hereto.

DENIS CHEM LAB LIMITED

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
3. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from Friday, the 2nd September, 2011 to Friday, the 9th September, 2011 (both days inclusive) for the purpose of deciding the right of entitlement of dividend on Equity Shares for the year 2010-11. The dividend, if declared by the members, will be paid **on or after 12th September, 2011.**
4. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
5. Members are requested to:
 - a) Intimate, if Shares are held in the same name or in the same order and names, but in more than one account to enable the Company to club the said accounts into one account.
 - b) Notify immediately the Change if any, in the registered address, to the Company.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, following Explanatory Statement sets out all material facts relating to the Special Business mentioned at Item No. 6 of the accompanying notice dated 27th July, 2011 and should be taken as forming part of the notice.

In respect of Item No. 6:

As per the Financial Assistance Agreement already entered and to be entered with The Kalapur Commercial Co-operative Bank Ltd., (the Bank) the Financial Assistance enhanced up to Rs. 9.20 Crores (Rupees Nine Crores and Twenty Lacs Only) sanctioned by the Bank are to be secured by mortgage/hypothecation/pledge of the Company's entire goods movables and other assets, present and future, including documents title to goods and other assets such as book-debts, outstanding moneys, receivables, claims, bills, invoices, documents, contracts, engagements, securities, investments and rights and all machinery, present and future, and are to be further secured by (a) deposit of all title deeds of the existing immovable/movable properties of the Company with intent to create a security in favour of the Bank on such terms and conditions as may be arranged by the Bank.

Section 293(1)(a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors of a Public Company shall not, without the consent of such public in General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking.

Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of the Bank may be regarded as, disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956.

Copy of Sanction Letter, Agreement, Deed of Hypothecation, correspondence of the Company with the Bank and copies of the relevant documents are open for inspection at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the meeting.

None of the Directors is in any way concerned or interested in the aforesaid resolution.

Your Directors recommend the Resolutions.

Registered Office:

Block No. 457, Village: Chhatral,
Tal : Kalol (N.G.),
Dist : Gandhinagar - 382 729
Date : 27th July, 2011

By Order of the Board,

Dinesh B. Patel
Chairman

**DIRECTOR'S REPORT**

Dear Shareholders,

The Directors have pleasure in presenting the THIRTIETH ANNUAL REPORT together with the Audited Statement of Accounts for the Financial Year 2010-11 ended 31st March, 2011.

1. FINANCIAL RESULTS:

(Rs. In Lacs)

Particulars	2010-11	2009-10
Operating Profit (Before Interest & Depreciation)	384.41	345.68
Less : Interest	142.11	131.26
Profit before Depreciation	242.30	214.42
Less : Depreciation	136.06	122.18
Profit before Tax	106.24	92.24
Less : Provision for Tax	41.00	21.00
Less : Deferred Tax Liability	2.59	5.57
Profit after Tax	62.65	65.67
Balance brought forward from previous year	158.70	118.21
Surplus available for appropriation	221.35	183.88
Appropriations:		
Proposed Dividend	19.05	18.10
Corporate Dividend Tax	3.09	3.08
Transfer to General Reserve	4.00	4.00
Balance carried to Balance Sheet	195.21	158.70
Total	221.35	183.88

2. DIVIDEND:

The operating profit for the year ended on 31st March, 2011 is Rs. 384.41 Lacs as compared to Rs. 345.68 Lacs for the year 2009-10. The net profit before tax for the year 2010-11 is Rs. 106.24 Lacs as compared to profit of Rs. 92.24 Lacs for the year 2009-10. The surplus available for appropriation stands at Rs. 221.35 Lacs.

DENIS CHEM LAB LIMITED

In view of this, your Directors are pleased to recommend a dividend of Rs. 1.40 per Equity Share (Rs. 1.40 per Equity Share for previous year) for the year 2010-11 subject to statutory approvals as may be required. The total dividend to be distributed will be thus Rs. 19.05 Lacs. The dividend will be tax free in the hands of shareholders.

3. OPERATIONS:

The production of the Company in transfusion solution in Bottles and Plastic Bottles is increased by 17% for the year 2010-11 as compared to 2009-10. The facility was inspected by Food and Drug Control Administration (FDCA), Gandhinagar in January, 2010 for the renewal of its World Health Organization-Good Manufacturing Practices (WHO-GMP) certification and which was satisfactorily completed. The Company's manufacturing license is valid till 2012. During 2010-11, the export market was explored in more detail and I.V. products in plastic bottles were exported to new destinations. Further efforts are underway for increasing exports to various countries.

The manufacturing costs have been largely controlled for 2010-11 except for the freight cost which has recorded a significant increase due to higher sales and due to increase in cost of diesel.

4. FUTURE PLANS:

The Company has introduced I.V. Fluids in plastic bottles using Blow Fill Seal (BFS) technology and this new facility was commissioned in 2007-08. This has added to the Company's turnover substantially with better margins. The company plans to increase its mfg. capacity for plastic bottles during 2010-11 & steps are being taken for implementation of the same. The Company is planning to implement a project for manufacture of I.V. Fluids using imported technology in which stretch blow molded P.P. bottles shall be used.

5. DIRECTORS:

Two of your Directors viz. Mr. Priyavadan C. Randeria and Mr. Chinubhai N. Munshaw retire by rotation in terms of the Articles of Association of the Company. They, however, being eligible offers themselves for reappointment.

6. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31st March, 2011 being end of the Financial Year 2010-11 and the Profits of the Company for the year;
- (iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

7. ALLOTMENT OF 68,000 EQUITY SHARES OF RS. 10/- EACH AT PREMIUM OF RS. 25/- PER SHARE TO PROMOTERS ON PREFERENTIAL BASIS:

The Company, after obtaining necessary approvals, have allotted 68,000 Equity Shares of Rs. 10/- each at premium of Rs.25/- per Share to Promoters on Preferential Basis after complying



ANNUAL REPORT 2010-2011

guidelines under SEBI (Issue of Capital & Disclosure Requirement) Regulations, 2009. These shares have been listed at Ahmedabad Stock Exchange Limited.

8. APPOINTMENT OF COST AUDITOR:

The Board of Directors has appointed M/s Kiran J. Mehta & Co., Cost Accountant, Ahmedabad as Cost Auditors to conduct cost audit for the years 2010-11 and 2011-12.

9. INSURANCE:

The movable and immovable properties of the Company including plant and Machinery and stocks wherever necessary and to the extent required have been adequately insured against the risks of fire, riot, strike, malicious damage etc. as per the consistent policy of the Company.

10. COMPLIANCE CERTIFICATE UNDER THE COMPANIES ACT, 1956:

Your Company has obtained Compliance Certificate as required under the Proviso to Section 383A of the Companies Act, 1956 from M/s. Mehta Hurkat & Associates, Company Secretaries, Ahmedabad which is attached to the Directors' Report.

11. PARTICULARS OF EMPLOYEES:

None of the employees of the Company is drawing remuneration-requiring disclosure of information under Section 217(2 A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

12. FIXED DEPOSITS:

The Company has not accepted during the year under review any deposit as defined under the Companies (Acceptance of Deposits) Rules, 1975.

13. AUDITORS:

The present Auditors of the Company M/s. Shah & Shah Associates, Chartered Accounts, Ahmedabad will retire at the ensuing Annual General Meeting. The remarks of auditor and notes on accounts are self explanatory.

14. LISTING:

The Equity Shares of the Company are listed on Ahmedabad Stock Exchange and the Company has paid Annual Listing Fees upto the year 2010-11.

15. DEMATERIALISATION OF EQUITY SHARES:

Shareholders have an option to dematerialise their shares with either of the depositories viz NSDL and CDSL. The ISIN No. allotted is INE051G01012.

16. FINANCE:

- 16.1 The Company's Income-tax Assessment has been completed up to the Assessment Year 2008-09 and Sales tax Assessment is completed up to the Financial Year 2005-06.
- 16.2 The Company is enjoying Working Capital facilities and Term Loan from The Kalapur Commercial Co-op. Bank Ltd, Stadium Road Branch, Ahmedabad. The Company has also availed financial assistance from Small Industrial Development Bank of India (SIDBI). The Company is regular in payment of interest and principal.

17. GRATUITY:

The Company has entered in to an agreement with Life Insurance Corporation of India for covering its Gratuity Liability and has thus provided for the same. A Gratuity Trust Fund has been created with Life Insurance Corporation of India and amount of gratuity liability up to 31-03-2011 has been deposited with this Gratuity Trust Fund.

18. PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988:

CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken:

The Company has switched over to bio-fuels use as fuel for its boiler instead of lignite and this has resulted in improved efficiency of the boiler and also reduced the fuel cost. A new bottle washing machine was installed in 2010-11 due to which the Company was able to reduce the water consumption. The Company has insulated various storage vessels, steam pipe lines and other tanks so as to reduce heat losses.

(b) Additional Investment and Proposals for reduction of Consumption of Energy:

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

(c) Impact of the above measures:

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

(d) Total Energy consumption and Energy consumption per unit of production:

Total energy consumption and energy consumption per unit of production as per Form A prescribed in The Rules is at Annexure-I to this report.

19. ACKNOWLEDGMENT:

Your Directors express their sincere thanks and appreciation to Promoters and Shareholders for their constant support and co operation.

Your Directors also place on record their grateful appreciation and co operation received from Bankers and employees of the Company.

For and on behalf of the Board,

Place : Ahmedabad
Date : 27th July, 2011

Dinesh B. Patel
Chairman



ANNEXURE I

FORM A

Disclosure of particulars with respect to Conservation of Energy

Particulars		2010-11	2009-10
(A) Power And Fuel Consumption:			
1. Electricity			
(a) Purchased Units (KWH)		2152729	1868922
Total Amount (Rs. in lacs)		12241187	10422999
Rate (unit)		5.69	5.58
(b) Own generation Through Diesel Generator		16452	11857
Total Litres		3656	2635
Unit per Litre of Diesel Oil		4.50	4.50
Cost/Unit (Rs.)		9.20	8.38
2. Coal/Lignite (Kgs)		1440210	2221253
Total Amount (Rupees)		5466708	3330655
Average Rate (In Rs. Per Litre)		3.80	1.50
3. Bio Fuel (Kgs.)		1020054	21990
Total Amount (Rupees)		4271780	852349
Average Rate (In Rs. Per Kgs.)		4.18	3.87
(B) Consumption per unit of Production:			
Particulars	Standard Unit	2010-2011	2009-2010
(i) Electricity (in Units) I. V. Solution	Bottle	00.06	00.06
(ii) Diesel Oil (in Litres) I. V. Solution	Bottle	0.00010	0.00008
(iii) Lignite/Coal I. V. Solution	Bottle	0.04	0.07
(iv) Bio Fuel I. V. Solution	Bottle	0.0290	0.0074

(B) TECHNOLOGY ABSORPTION:

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

(i) Research & Development (R & D)	
(a) Specific areas in which R&D carried out by the Company.	: New product development and improvement in Quality.
(b) Benefits derived as a result of the above R&D	: Increase in the range of products in its volume of contribution in increased sales turnover.
(c) Future plan of action	: To maintain improved quality of products through quality control.
(d) Expenditure on R&D	: Marginal
(ii) Technology absorption, adoption and innovation.	: The Company does not envisage any technology absorption.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	2010-2011	2009-2010
Total Foreign Exchange used (Rs. in lacs)	5.68	20.03
Total Foreign exchange earnings.	Nil	Nil

For and on behalf of the Board,

Place : Ahmedabad
Date : 27th July, 2011

Dinesh B. Patel
Chairman



ANNUAL REPORT 2010-2011

CIN: L24230GJ1980PLC003843

Authorised Capital: Rs. 7,00,00,000/-

FORM
[SEE RULE 3]
COMPLIANCE CERTIFICATE

To,
The Members,
Denis Chem Lab Limited,
Block No. 457, Village: Chhatral,
Tal: Kalol (N.G.),
Dist: Gandhinagar - 382 729.

We have examined the registers, records, books and papers of Denis Chem Lab Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. 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 generally maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions and the rules made thereunder and all entries therein have been recorded.
2. The Company has duly 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 there under .
3. The Company is Public limited company with its equity shares listed on Ahmedabad Stock Exchange Limited.
4. The Board of Directors duly met 7 times on 30th April, 2010, 19th May, 2010, 28th July, 2010, 5th October, 2010, 27th October, 2010, 20th January, 2011 and 26th February, 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. The Company has not passed any circular resolution during the year.
5. The Company closed its Register of Members from Wednesday, the 8th September, 2010 to Monday, the 20th September, 2010 (both days inclusive) for the purpose of deciding the right of entitlement of dividend on Equity Shares for the year 2009 10 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, 2010 was held on 20th September, 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. The Company has not held Extraordinary General Meeting of the Company during the financial year.
8. The Company has not advanced loan to its directors and/or persons or firms or companies referred in the Section 295 of the Act.
9. The Company has generally complied with the provisions of Section 297 of the Act except some transactions of purchase for cash at market price in which Director is interested.
10. The Company has generally 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 during the year under review, the Company has not obtained any approvals from the Board of Directors, members or the Central Government as the case may be.

DENIS CHEM LAB LIMITED

12. The Company has not issued duplicate share certificates during the financial year under review.
13. The Company has:
 - a. allotted 68,000 Equity Shares during the year issued on preferential basis to promoters for which necessary share certificates have been issued and delivered during stipulated time and also such certificate has been delivered on lodgement thereof for transfer/transmission of Share during the financial year under review.
 - b. deposited amount of dividend, declared in the Annual General Meeting of the Company held on 20th September, 2010, in a separate Bank Account within 8 days from the date of Annual General Meeting.
 - c. posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company.
 - d. transferred amount of unpaid/unclaimed dividend for the years up to/Financial Year 2002-03 to Investor Education and Protection Fund beyond time prescribed under section 205C of the Act.
 - e. duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was no appointment of directors, additional director or director to fill casual vacancy during the financial year.
15. The Company has not made any appointment/reappointment of Executive Director/Managing Director/Whole time Director during the year.
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company has obtained approvals of the Central Government as was required to be obtained under the Provisions of the Act except under the provisions of Section 297 of the Act. The Company was not further required to obtain any approvals of the Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
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 issued 68,000 Equity Shares of Rs.10/- each at a premium of Rs. 25/- per share on preferential basis to promoters after complying necessary formalities in that regard and no debentures or other securities were issued during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares/debentures and hence there is no question of redemption of the same.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not accepted or invited any deposit including unsecured loans falling within the purview of Section 58A of the Companies Act, 1956 during the year and hence no comments are offered for the same.
24. The amounts borrowed by the Company from directors, members, public, financial institutions, banks and/or others during the financial year ending 31st March, 2011 are within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened annual/extraordinary general meeting.
25. During the year under report, the Company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate.



ANNUAL REPORT 2010-2011

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 Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of 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 has not been any prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and also there were no fines and penalties or any other punishment imposed on the Company in such cases.
32. The Company has not received any amount as security from its employees during the year under certification and hence the question of deposit of the same as per provisions of Section 417(1) of the Act does not arise.
33. The company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

For **MEHTA HURKAT & ASSOCIATES**
Company Secretaries

Kashyap R. Mehta
Partner
COP No.: 2052

Place : Ahmedabad
Date : 27th July, 2011

Annexure A

LIST OF REGISTERS AS MAINTAINED BY THE COMPANY:

1. Register of charges under section 143
2. Register of members under Section 150
3. Index of Members under section 151
4. Minutes book of General Meeting under section 193
5. Minutes book of Board meeting under section 193
6. Minutes books of Committee meetings under section 193
7. Books of Accounts under section 209
8. Register of contracts under section 301
9. Register of general notice of directors under section 301(3)
10. Register of Directors etc. under section 303
11. Register of Directors' shareholding under section 307
12. Register of Inter corporate Loans etc. under section 372A
13. Register of renewed and duplicate certificates under Rules 7 of the Companies (Issue of Share Certificates) Rules, 1960

Annexure – B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during/relating to the financial year ending on 31st March, 2011.

A. REGISTRAR OF COMPANIES, GUJARAT:

Sr. No.	Form No.	Under section	Purpose	Date of filing	Whether filed within time?
1.	23	192	Registration of Resolution passed in the meeting of the Board of Directors with respect to reappointment of Managing Director	27-07-2010	No Late fees paid
2.	62	Rule 4A of Companies (Acceptance of Deposit) Rules, 1957	Statement in Lieu of Advertisement for the Financial Year 2010-11	28-07-2010	Yes
3.	Form	Pursuant to Company Law Settlement Scheme, 2010	Application to grant immunity certificate under CLSS, 2010	16-09-2010	N.A.
4.	23	81(1A), 293(1)(a) and 293(1)(d)	Issue, offer and allot up to 68,000 Equity Shares, authority to the Board of Directors for creation of Charge and authority to the Board of Directors to borrow.	23-09-2010	Yes
5.	Balance Sheet (23AC+ 23ACA)	220	Balance Sheet as on 31st March, 2010 with all annexure and attachments	23-09-2010	Yes
6.	Compliance Certificate (66)	383A	Company Law Compliance Certificate for the year ended on 31st March, 2010.	23-09-2010	Yes
7.	2	75	Return of Allotment of 68,000 Equity Shares of Rs. 10/- each at a premium of Rs. 25/- to Promoters on Preferential Basis	06-10-2010	Yes

**ANNUAL REPORT 2010-2011**

Sr. No.	Form No.	Under section	Purpose	Date of filing	Whether filed within time?
8.	Annual Return (20B)	159	Annual Return made up to 20th September, 2010	19-10-2010	Yes
9.	8	135	Registration of Modification of Charge	22-11-2010	Yes
10.	Form 1	Rule 3 of IEPF Rules, 2001	Transfer of Rs. 40,010/- lying in Unpaid Dividend Account for the year 2002-03 to IEPF.	09-12-2010	No
11.	23C	233B(2)	Application to Central Government for appointment of Cost Auditor for the year 2010-11	27-01-2011	Yes
12.	23C	233B(2)	Application to Central Government for appointment of Cost Auditor for the year 2011-12	27-01-2011	Yes
13.	8	135	Registration of Modification of Charge	28-02-2011	Yes

B. REGIONAL DIRECTOR, CENTRAL GOVERNMENT OR OTHER AUTHORITIES : NIL

For **MEHTA HURKAT & ASSOCIATES**
Company Secretaries

Place : Ahmedabad
Date : 27th July, 2011

Kashyap R. Mehta
Partner
COP No.: 2052

AUDITORS' REPORT

To
The Members of M/s. DENIS CHEM LAB LIMITED

We have audited the attached Balance Sheet of M/s. DENIS CHEM LAB LIMITED, as at 31st March, 2011, the Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of these books.
3. The Balance sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
4. In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except what is stated in para 6(a) and (b) below.
5. Based on the written representations received from the Directors and taken on record by the Board of Directors of the company and according to the information and explanation given to us, none of the Directors of the company are, prima-facie, as at 31st March, 2011, disqualified from being appointed as directors of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with and subject to notes thereon of Schedule 18, and in particular;
 - a) **Note No. 3 : regarding accounting for leave encashment as and when claimed by the employees, the amount of which could not be ascertained;**
 - b) **Note No. 4 : regarding confirmation of balances of debtors, creditors, Loans & Advances and some bank balances; and**
 - c) **Note No. 5 : regarding non provision of provision for doubtful debts of Rs. 3,65,304/-**

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

- a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- b) in the case of Profit & Loss Account, of the Profit for the year ended on that date and;
- c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

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

ANNUAL REPORT 2010-2011

evaluated on the basis of quotations obtained from parties/prices charged by the company in case of similar transactions during the year.

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

According to information and explanation given to us, following undisputed amount is payable in respect of the aforesaid statutory dues which were outstanding as at 31st March, 2011 for a period of more than six months from the date of becoming payable:

Sales Tax Lucknow	Rs. 5,16,914
Central Sales Tax	Rs.9,54,626

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

Disputed liability in respect of	Dispute pending before	Financial Year to which it relates	Amount involved (Rs.)
CST	Commissioner of Commercial Tax, (Appeals)	2005-06	74,41,721/-
GST	Commissioner of Commercial Tax, (Appeals)	2005-06	5,93,005/-
CST	Commissioner of Commercial Tax, (Appeals)	2004-05	12,91,963/-
VAT	Commissioner of Commercial Tax, (Appeals)	2004-05	7,91,085/-
CST	Commissioner of Commercial Tax, (Appeals)	2006-07	44,51,130/-
VAT	Commissioner of Commercial Tax, (Appeals)	2004-05	34,127/-

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

For **SHAH & SHAH ASSOCIATES**
Chartered Accountants
Firm Registration No. 113742W

Place : Ahmedabad.
Date : 27th July, 2011

NIMISH B. SHAH
PARTNER
Membership Number: 30102

BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	Schedule No.	As at		
		31/03/11 Rupees	31/03/10 Rupees	
SOURCES OF FUNDS :				
Shareholders' Funds				
Share Capital	1	13,609,660	12,929,660	
Reserves & Surplus	2	44,437,393	38,687,146	
				58,047,053
				51,616,806
Loan Funds :				
Secured Loans	3	79,152,217	82,592,975	
Unsecured Loans	4	12,557,124	14,284,794	
				91,709,341
				96,877,769
Deferred Tax Liability (Net)				
			6,406,835	6,148,212
	Total		156,163,229	154,642,787
APPLICATION OF FUNDS:				
Fixed Assets :				
	5			
Gross Block (At cost)		193,951,649	173,289,374	
Less : Depreciation		89,856,139	76,249,884	
Net Block				104,095,510
Add: Capital Work In Progress			—	97,039,490
				688,147
				104,095,510
				97,727,637
Investments	6		1,725,000	1,975,000
Current Assets, Loans & Advances				
Inventories	7	29,852,949	24,433,064	
Sundry Debtors	8	77,464,544	80,589,634	
Cash & Bank Balance	9	14,866,118	13,795,622	
Loans & Advance	10	12,631,825	16,359,364	
		134,815,436	135,177,684	
Less: Current Liabilities & Provisions :				
Current Liabilities	11	78,068,325	76,276,288	
Provisions		6,404,392	3,961,246	
		84,472,717	80,237,534	
Net Current Assets			50,342,719	54,940,150
	Total		156,163,229	154,642,787

Significant Accounting Policies and
Notes forming parts of accounts

18

Signature to the Balance Sheet

Directors

As per our attached report of even date

Dinesh B. Patel
Chairman

Priyavadan C. Randeria
Chinubhai N. Munshaw

For **SHAH & SHAH ASSOCIATES**
Chartered Accountants

Dr. Himanshu C. Patel
Managing Director

Laxmiraj M. Rathod
Mrs. Anar H. Patel

Nimish B. Shah
Partner

Dr. Gurang Dalal

Membership No.: 30102

Place : Ahmedabad.

Place : Ahmedabad.

Date : 27th July, 2011

Date : 27th July, 2011



ANNUAL REPORT 2010-2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

PARTICULARS	Schedule No.	For the year 2010-2011 Rupees	For the year 2009-2010 Rupees
INCOME			
Sales	12	328,250,367	287,518,159
Conversion Charges		20,186,639	20,328,532
Other Income	13	1,394,108	1,269,632
Variations in Stocks	14	6,201,147	(277,199)
Total		356,032,261	308,839,124
EXPENDITURE			
Cost of Materials	15	211,209,216	176,223,757
Manufacturing & Other Admn. Exps.	16	106,381,922	98,047,431
Interest	17	14,211,550	13,126,552
Depreciation	5	13,606,254	12,217,930
Total		345,408,942	299,615,670
PROFIT BEFORE TAX		10,623,319	9,223,454
Less: Provision for Taxation:			
Provision for tax		4,100,000	2,100,000
Deferred Tax		258,623	557,116
Profit For the Year		6,264,696	6,566,338
Add : Balance brought forward		15,870,351	11,821,800
SURPLUS AVAILABLE FOR APPROPRIATION		22,135,047	18,388,138
APPROPRIATIONS :			
Proposed Dividend		1,905,353	1,810,152
Corporate Dividend Tax		309,096	307,635
GENERAL RESERVE		400,000	400,000
Balance carried to Balance Sheet		19,520,598	15,870,351

Significant Accounting Policies and Notes forming parts of accounts **18**

Signature to the Balance Sheet

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

Nimish B. Shah
Partner
Membership No.: 30102
Place : Ahmedabad.
Date : 27th July, 2011

Dinesh B. Patel
Chairman

Dr. Himanshu C. Patel
Managing Director

Directors
Priyavadan C. Randeria
Chinubhai N. Munshaw
Laxmiraj M. Rathod
Mrs. Anar H. Patel
Dr. Gurang Dalai
Place : Ahmedabad.
Date : 27th July, 2011

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

PARTICULARS	For the year ended on 31st March, 2011		For the year ended on 31st March, 2010	
	Rupees	Rupees	Rupees	Rupees
A. Cash Flow from operating activities :				
Net profit before tax		10,623,319		9,223,454
Adjustment for				
Depreciation	13,606,254		12,217,930	
Profit on Sales of Fixed Assets	—		—	
Profit on Sales of Investments	—		—	
Dividend/Interest Income	(1,114,344)		(942,690)	
Net Interest Outflow	14,211,550		13,126,552	
		26,703,460		24,401,792
Operating Profit Before Working Capital Changes		37,326,779		33,625,248
Adjustment for				
Sundry Debtors	3,125,091		(20,108,732)	
Inventories	(5,419,886)		(7,346,238)	
Current Liabilities	1,792,037		36,240,209	
Other Current Assets	3,727,538		(2,738,801)	
		3,224,780		6,046,438
Cash from Operations	40,551,559		39,671,686	
Interest paid	(14,211,550)		(13,126,552)	
Corporate Tax & FBT Paid	(1,753,518)		(575,870)	
Net Cash Outflow from Operating Activities		24,586,491		25,969,264
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(19,974,128)		(30,002,500)	
Investments in Equity Shares	—		—	
Dividend/Interest Income	1,114,344		942,690	
Sale Proceeds of Fixed Assets	—		—	
Sale Proceeds of Investments	250,000		—	
Net Cash used in investing activities		(18,609,784)		(29,059,810)
C. Cash Flow from Financing Activities				
Increase/(Decrease) in Secured Loans (Net)	(3,440,758)		16,237	
Increase/(Decrease) in Unsecured Loans (Net)	(1,727,671)		6,932,962	
Dividend Paid (incl. corporate Dividend Tax)	(2,117,788)		(2,117,787)	
Preferential Warrant	—		—	
Increase in Share Capital (on conversion of warrants)	680,000		—	
Increase in Securities Premium	1,700,000		—	
Net Cash used in Financing Activities		(4,906,217)		4,831,412
Net Increase/(Decrease) in Cash And Cash Equivalents		1,070,496		1,740,865
Cash and Cash Equivalents at the beginning of the year		13,795,622		11,854,758
Cash and Cash Equivalents at the end of the year		14,866,118		13,595,622

Signature to the Balance Sheet

As per our attached report of even date

For **SHAH & SHAH ASSOCIATES**

Chartered Accountants

Nimish B. Shah

Partner

Membership No.: 30102

Place : Ahmedabad.

Date : 27th July, 2011

Dinesh B. Patel

Chairman

Dr. Himanshu C. Patel

Managing Director

Directors

Priyavadan C. Randeria**Chinubhai N. Munshaw****Laxmiraj M. Rathod****Mrs. Anar H. Patel****Dr. Gurang Dalal**

Place : Ahmedabad.

Date : 27th July, 2011

DENIS CHEM LAB LIMITED

PARTICULARS	As at 31/03/11		As at 31/03/10	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE-3 : SECURED LOANS				
1. Term Loan :				
a. From The Kalupur Comm. Co.-Op. Bank Ltd.	1,246,319		1,889,170	
b. From Small Industrial Development Bank Of India (SIDBI)	21,472,536	22,718,855	25,931,134	27,820,304
2. Working Capital				
a. From The Kalupur Comm. Co.-Op. Bank Ltd.	52,160,965		49,862,938	
b. From Karur Vysya Bank	2,721,727	54,882,692	2,724,587	52,587,525
3. Amount due under hire purchase agreement - secured against equipments purchased thereunder		1,550,670		2,185,146
Total		79,152,217		82,592,975

Note:

1. Term Loan from Small Industries Development Bank of India /The Kalupur Commercial Co-Op Bank Ltd are secured against equitable mortgage of land and factory building.
2. Working capital from The Kalupur Commercial Co-Op Bank Ltd is secured against equitable mortgage of another land and exclusive charge by way of stocks of Raw Materials, Work in Process, Finished Goods, Consumable Stores and spares and such other movables including book debts. Futher, it is also secured against personal guarantee of the Managing Director of the company.
3. Working capital Loan from Karur Vysya Bank is secured against lien on Bank's own Fixed Deposit

SCHEDULE-4 : UNSECURED LOANS

Stockists' Deposits	1,776,000	1,876,000
From Banks & Others (See Note 12)	10,781,124	12,408,794
Total	12,557,124	14,284,794



ANNUAL REPORT 2010-2011

SCHEDULE-5 : FIXED ASSETS

Sr. No.	GROSS BLOCK (AT COST)			DEPRECIATION PROVIDED				NET BLOCK	
	As at 01/04/10	Additions during the Year	Deduction during the Year	As at 31/03/11	Up to 31/03/10	For the Year	Up to 31/03/11	As at 31/03/11	As at 31/03/10
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Free Hold Land	1,039,292	—	—	1,039,292	—	—	—	1,039,292	1,039,292
Factory Building	42,453,446	3,823,425	—	46,276,871	17,902,281	2,580,450	20,482,731	25,794,140	24,551,165
Plant & Machinery	114,311,168	15,074,438	—	129,385,606	50,836,548	9,618,890	60,455,438	68,930,168	63,474,620
Laboratory Equipments	4,559,967	1,415,137	—	5,975,104	1,417,018	550,220	1,967,238	4,007,866	3,142,949
Electrical Installations	6,042,002	145,993	—	6,187,995	2,427,409	510,949	2,938,358	3,249,637	3,614,593
Furniture & Fixtures	2,450,714	104,547	—	2,555,261	1,862,131	114,758	1,976,889	578,372	588,583
Computers	573,645	98,735	—	672,380	207,969	162,997	370,966	301,414	365,676
Vehicle	1,859,140	—	—	1,859,140	1,596,529	67,990	1,664,519	194,621	262,611
Total	173,289,374	20,662,275	—	193,951,649	76,249,884	13,606,254	89,856,139	104,095,510	97,039,490
Previous Year	143,765,229	29,524,145	—	173,289,374	64,031,954	12,217,930	76,249,884	97,039,490	—

PARTICULARS

	As at 31/03/11	As at 31/03/10
Rupees	Rupees	Rupees

SCHEDULE-6 : INVESTMENT : (At Cost)

Long Term Investments : (Un Quoted)

I. Trade

A. Equity Shares:

69000 Equity Shares of Rs. 25 each, of The Kalupur Comm. Co-Op Bank Ltd	1,725,000	1,725,000
Nil (P.Y.25,000) Equity Shares of Denis Finance Ltd. Rs.10/- each, fully paid	—	250,000
Total	1,725,000	1,975,000

SCHEDULE-7 : INVENTORIES

(As valued and certified by Managing Director)

Stores & Chemicals	837,656	477,124
Raw Materials (incl. Packing Materials)	13,946,918	15,595,627
Finished Goods	13,864,427	7,340,584
Work-in-process	1,203,948	1,019,728
Total	29,852,949	24,433,063

DENIS CHEM LAB LIMITED

PARTICULARS	Rupees	As at 31/03/11 Rupees	Rupees	As at 31/03/10 Rupees
SCHEDULE-8 : SUNDRY DEBTORS				
(Unsecured, Considered Good, Unless stated otherwise):				
Outstanding for a period exceeding six months :				
- Considered doubtful	365,304		2,458,597	
- Others	7,140,075	7,505,379	1,396,854	3,855,451
Others (Outstanding for a period less than six month)		69,959,165		76,734,184
Total		<u>77,464,544</u>		<u>80,589,635</u>
SCHEDULE-9 : CASH & BANK BALANCES				
Cash on hand		1,329,941		1,685,160
Balances With Scheduled Banks :				
I. In Current Accounts	2,182,267		1,252,930	
ii. In Margin Money Deposit Accounts (with Banks and Financial Instiutions)	11,022,980		10,547,532	
iii. In Fixed Deposit Account (Lodged with Sales tax Departmetn)	330,930	13,536,177	310,000	12,110,462
Total		<u>14,866,118</u>		<u>13,795,622</u>
SCHEDULE-10 : LOANS & ADVANCES				
(Unsecured, considered good)				
Advances recoverable in cash or in kind or for value to be received.		4,316,035		9,937,952
Sundry Deposits		5,673,225		3,800,451
Loans to Staff		1,155,313		1,583,703
Balance with Revenue Authorities		1,487,252		1,037,257
Total		<u>12,631,825</u>		<u>16,359,363</u>
SCHEDULE-11 : CURRENT LIABILITIES & PROVISIONS				
a. Current Liabilities :				
Sundry Creditors (See Note 7)		75,853,957		71,613,369
Overdraft as per books of accounts		671,881		1,056,865
Unpaid Dividend		238,234		206,484
Advances From Customers		1,197,643		3,323,398
Interest accrued on Stockist Deposits		106,610		76,172
		<u>78,068,325</u>		<u>76,276,288</u>
b. Provisions :				
Proposed Dividend		1,905,353		1,810,152
Corporate Dividend Tax		309,096		307,635
Provision for Income Tax (Net of taxes paid)		4,189,943		1,843,459
		<u>6,404,392</u>		<u>3,961,246</u>
Total		<u>84,472,717</u>		<u>80,237,534</u>

**ANNUAL REPORT 2010-2011**

PARTICULARS	For the Year		For the Year	
	Rupees	2010-2011	Rupees	2009-2010
		Rupees		Rupees
SCHEDULE-12 : SALES				
1. Transfusion Solution in Bottles		325,308,905		287,518,159
2. Bulk Drugs		1,205,483		—
3. Traded Goods		1,735,979		—
		<u> </u>		<u> </u>
Total		328,250,367		287,518,159
		<u> </u>		<u> </u>
SCHEDULE-13 : OTHER INCOME				
Insurance claim Received		6,644		21,781
Interest Received		907,344		767,190
Rent Received		229,364		240,000
Dividend Received		207,000		175,500
Miscellaneous Income		43,756		65,161
		<u> </u>		<u> </u>
Total		1,394,108		1,269,632
		<u> </u>		<u> </u>
SCHEDULE-14 : VARIATIONS IN STOCKS				
Stock at Commencement of the year				
Finished Goods	7,340,584		7,604,116	
Work in Process	1,019,728		1,033,395	
	<u> </u>		<u> </u>	
		8,360,312		8,637,511
Stock at End of the year				
Finished Goods	13,864,426		7,340,584	
Work in Process	1,203,949		1,019,728	
	<u> </u>		<u> </u>	
		15,068,375		8,360,312
Less: Excise Duty on closing stocks of Finished goods		506,916		—
		<u> </u>		<u> </u>
Total		6,201,147		(277,199)
		<u> </u>		<u> </u>

DENIS CHEM LAB LIMITED

PARTICULARS	For the Year 2010-2011		For the Year 2009-2010
	Rupees	Rupees	Rupees
SCHEDULE-15 : COST OF MATERIALS			
Stock at commencement of the Year	15,595,626		8,124,234
Add : Purchases	209,560,507		183,695,149
		225,156,133	191,819,383
Less : Stock at end of the year		13,946,917	15,595,626
Total		211,209,216	176,223,757

SCHEDULE-16 : MANUFACTURING & OTHER ADMINISTRATIVE EXPENSES

1. Stores Consumption		4,809,086	3,466,738
2. Laboratory Chemicals		387,927	855,905
3. Power & Fuel		21,959,519	15,473,871
4. Rent		444,900	397,250
5. Rates & Taxes		10,613	26,268
6. Insurance		219,709	255,417
7. Payments to & provision for Employees:			
Salaries, Wages and Bonus	24,352,118		20,929,882
Contribution to Provident Fund & other funds	1,817,231		1,568,188
Staff Welfare	168,472		143,187
		26,337,821	22,641,257
8. Loading Unloading Expenses		5,552,738	5,099,578
9. Repairs & Maintenance:			
Building	137,045		122,762
Computer	118,900		102,047
Machinery	1,239,320		1,419,300
Others	9,885		18,557
		1,505,150	1,662,666

**ANNUAL REPORT 2010-2011**

PARTICULARS	For the Year 2010-2011		For the Year 2009-2010
	Rupees	Rupees	Rupees
SCHEDULE-16 : MANUFACTURING & OTHER ADMINISTRATIVE EXPENSES			CONTD....
10. Freight & Octroi:			
On Inward Materials	3,343,648		4,838,993
On Outward Materials	17,414,281		21,686,540
		20,757,929	26,525,533
11. Travelling & Conveyance Expenses		5,691,411	5,417,330
12. Excise Duty /Service Tax Expenses		724,448	790,628
13. Printing & Stationary, Postage & Telephone		789,160	790,761
14. Motor Car Expenses		114,852	81,366
15. Advertisement		99,210	144,808
16. Sales Promotion Expenses		1,168,561	1,968,711
17. Commission/Handling Charges		5,245,040	4,100,812
18. Discount		2,785,281	2,160,971
19. Breakages & Damages		261,642	297,836
20. General Charges		5,053,386	5,889,725
21. Bad Debts Written off		2,463,539	—
Total		106,381,922	98,047,431

SCHEDULE-17 : INTEREST

On Term Loan	2,510,767	3,427,806
On Working Capital Loan	6,355,092	6,370,060
On Other Loan	5,345,691	3,328,686
Total	14,211,550	13,126,552

SCHEDULE-18 : SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF ACCOUNTS

SCHEDULE-18 : SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF ACCOUNTS

(I) SIGNIFICANT ACCOUNTING POLICIES:

(a) Basic of Accountings:

The financial statements are prepared in accordance with the generally accepted Accounting Principles in India under the historical cost convention on accrual basis of accounting and comply with the mandatory accounting standards and statement issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956.

(b) Fixed Assets and Depreciations:

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

(c) Impairment of Assets:

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

(d) Investments:

Long term investments are stated at cost.

(e) Valuation of Inventories:

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

(f) Excise Duty:

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

(g) Revenue Recognition:

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

(h) Transaction in Foreign Currency:

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

(I) Stores and Spares:

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

(j) Cenvat Credit:

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



(k) Retirement Benefits:

The company has covered its gratuity liability with Life Insurance Corporation of India under Employee Group Gratuity Scheme. Necessary premium when paid/provided is charged to revenue account.

Leave Encashment payable to the employees are paid when claimed.

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

(l) Research & Development Expenses:

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

(m) Provisions for Taxation:

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

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

II. NOTES FORMING PART OF ACCOUNTS:

(1) Contingent Liability not provided for:

	As At 31-03-2011 Rupees	As At 31-03-2010 Rupees
(a) In respect of counter guarantee given by the bank	29,36,457	43,76,718
(b) In respect of disputed demand for Sales Tax for Financial years 2004-05 to 2006-07	13,841,143	80,34,728
(c) In respect of Bill Discounted with the banks	7,526,000	47,93,570

(2) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 14,28,180/- (Previous Year Rs. 1,03,15,500/-)

(3) No provision has been made in the books of accounts for leave encashment. The amount in respect of the same is not ascertainable.

(4) Balances of Debtors, Creditors and Loans and Advances and that of some bank accounts in the Balance Sheet are subject to confirmation. In the opinion of the management of the Company, provisions for all known liabilities except as stated in (3) above have been made in the books of accounts. Further, the current assets and liabilities are stated at the value realisable in the ordinary course of business.

(5) No provision has been made for doubtful debt of Rs. 3,65,304 (P.Y.Rs.24, 58,597/-) as in the opinion of the management efforts are made in recovery process and there are good chances for recovery of the same.

DENIS CHEM LAB LIMITED**(6) Profit & Loss Account Includes:**

Sr. No.	Particulars	2010-2011 Rupees	2009-2010 Rupees
(i)	Remuneration of auditor		
	Audit fees	3,28,540	2,34,270
	For certification work	27,902	5,618
	Tax audit fees	55,150	33,708
	Total	4,11,592	2,73,596
(ii)	Remuneration to Managing Director		
	Salary	30,00,000	30,00,000
	Contribution to Provident Fund	1,72,800	1,72,800
	Perquisites	66,833	70,783
	Total	32,39,633	32,43,583

- 7) Under the Micro, Small and Medium Enterprises Development Act, 2006; certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The company is in the process of compiling relevant information from its suppliers about their coverage under the Act. Since the relevant information is not properly available, no disclosures have been made in the accounts.
- 8) Loans & Advances includes a sum of Rs.9,60,721/- (Previous year – Rs. 9,60,721/-) paid to sales tax authorities, Gujarat on account of supplies made under specific contract by Luckhnow sales depot to UP state Govt. under tenders during the period from 1999-2000 to 2004-2005, for which local sales tax has already been paid. As the company has already paid local sales tax on such supplies at the rate, which is higher than Central Sales Tax, no provision has been made for amount paid to sales tax authorities, Gujarat. Based on the opinion of the legal counsel and merits of the case the management perceives that there will not be any additional sales tax liability on account of above sales.
- 9) The component of deferred tax liabilities/assets provided as on 31st March, 2011, is as under:

Sr. No.	Particulars	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
A.	Deferred Tax Liabilities :		
	On account of timing difference in depreciable assets.	65,14,985	62,50,183
	On account of disallowances of Certain expenses		
B.	Deferred Tax Assets:		
	Expenses allowable against taxable income in future year	1,08,150	1,01,970
	Net Deferred Tax liability	64,06,835	61,48,213

ANNUAL REPORT 2010-2011

10) The management of the company has carried out an exercise to ascertain impairment of Fixed assets. In the opinion of the management of the company there are no indications of impairment of assets as at 31/03/2011 and therefore no effect of impairment is required to be given in the books of accounts.

11) Preferential Issue to Promoters on Preferential Basis:

During the year company has issued 68,000 equity shares each of Rs. 10/- at a premium of Rs. 25/- per share on preferential basis to promoters under section 81(1A) as per special resolution passed in the meeting of the Members of the Company held on 20th September, 2010. (Previous year Nil)

12) Unsecured Loans:

Unsecured loan from banks includes a sum of Rs.1,07,81,124/- (Previous year Rs. 1,24,93,141/-) borrowed from the different banks for the purpose of the business of the company sanctioned in the personal capacity of Managing Director of the company.

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

(a) Capacity and actual production :

Particulars	Licensed Capacity		Installed Capacity		Production	
	10-11	09-10	10-11	09-10	10-11	09-10
(i) Transfusion Solution in Bottles (Nos.)	N.A.	N.A.	21840000	21840000	21102173	17913951
(ii) Plastic Bottles(Nos.)	N.A.	N.A.	18720000	18720000	14047533	12179881

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

(b) Opening & Closing Stocks in respect of Finished Goods:

Particulars	Unit	2010-2011		2009-2010	
		Qty	Rupees	Qty	Rupees
Opening Stock:					
Solution in Bottles	Nos.	9,85,255	73,40,583	13,61,795	76,04,116
Total		9,85,255	73,40,583	13,61,795	76,04,116
Closing Stock:					
Solution in Bottles	Nos.	17,83,181	1,38,64,426	9,85,255	73,40,583
Total		17,83,181	1,38,64,426	9,85,255	73,40,583

DENIS CHEM LAB LIMITED

(c) Raw Material Consumed:

Particulars	Unit	2010-2011		2009-2010	
		Qty	Rupees	Qty	Rupees
Dextrose Anhydrous	Kgs	4,46,822	2,09,25,957	3,21,576	1,30,43,368
Glass/Plastic Bottles	Nos.	1,76,59,569	6,02,83,894	1,45,69,995	4,77,36,997
Rubber Stopper/Seal	Nos.	3,27,38,685	2,84,04,733	2,99,68,203	1,79,72,271
Lactic Acid	Kgs	8,420	9,25,675	9,450	10,26,947
Plastic Granules	Kgs	3,40,125	32,78,131	3,14,100	2,67,35,990
Others			9,73,90,826		6,97,08,184
Total			21,12,09,216		17,62,23,757

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

	Particulars	2010-2011		2009-2010	
		Rupees	% of Total	Rupees	% of Total
(i)	Raw Material				
	Imported	—	—	20,03,489	1.14
	Indigenous	21,12,09,216	100.00	17,42,20,268	98.86
	Total	21,12,09,216	100.00	17,62,23,757	100.00
(ii)	Stores & Spares				
	Imported	—	—	—	—
	Indigenous	48,09,086	100.00	34,66,738	100.00
	Total	48,09,086	100.00	34,66,738	100.00

15) C.I.F.Value of Imports in respect of Goods: Rs.NIL (Previous Year Rs.20, 03,489/-)

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

17) RELATED PARTY DISCLOSURES:-

(a) Name of the Related Parties:-

I. Associate Company

: Denis Finance Limited

Sintex Industries Ltd.

Sintex International Ltd.



ANNUAL REPORT 2010-2011

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

Dr. Himanshu C. Patel (HUF)

III. Directors

: Shri Dinesh M. Patel

Shri Priyavadan C. Randeriya

Shri Chinubhai N. Munshaw

Shri Paul Schoemaker

Shri L.M. Rathod

Dr. Gaurang Dalai

Mrs. Anar H. Patel

(b) Transactions with the Related Parties during the year

Particulars	Related party referred to in I above	Related party referred to in II above	Related party referred to in III above
Rent	—	—	3,60,000 (3,60,000)
Sitting Fees	—	—	30,000 (36,000)
Purchases	89,47,287 (70,24,865)	36,10,676 (47,33,196)	—
Sales	— (61,786)	— (14,183)	—
Remuneration	—	32,39,633 (32,43,583)	—
Balance Receivable/Payable as at Balance Sheet Date	—	4,32,887 (2,24,217)	—

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

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

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

DENIS CHEM LAB LIMITED

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

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE**(Rupees in '000)****1 Registration Details**

Registration No. L24230GJ1980PLCS003843
State Code No. 04
Balance Sheet Date 31/03/2011

2 Capital raised during the year

Public Issue (Issue through the prospectus) Nil
Right Issue Nil
Bonus Issue Nil
Private Placement 2,380.00

3 Position of Mobilisation and Employment of Funds

Total Liabilities 156,163.23
Total Assets 156,163.23

Source of Funds

Paid up capital 13,609.66
Reserves and Surplus 44,437.39
Pref. Shares Nil
Secured Loans 79,152.22
Unsecured Loans 12,557.12
Deffered Tax Liability 6,406.84

Application of Fund

Net Fixed Assets 104,095.51
Investments 1,725.00
Net Current Assets 50,342.72

4 Performance of Company

Turnover (Including Conversion Charges) 356,032.26
Total Expenditure 345,408.94
Profit /(Loss) before tax 10,623.32
Profit /(Loss) after tax 6,264.70
Earning per share (Rs.) 4.60
Dividend Rate 14%

5 Generic Name of Principal Products, Services of the Company

Item Code (ITC Code) 300320
Product Description Large Volume Parenterals
Item Code (ITC Code) 282890-01
Product Description Bulk Drugs

Signautre to Schedule 1 to 18

Signature to the Balance Sheet

As per our attached report of even date

For **SHAH & SHAH ASSOCIATES**

Chartered Accountants

Nimish B. Shah

Partner

Membership No.: 30102

Place : Ahmedabad.

Date : 27th July, 2011

Dinesh B. Patel
Chairman**Dr. Himanshu C. Patel**
Managing Director

Directors

Priyavadan C. Randeria**Chinubhai N. Munshaw****Laxmiraj M. Rathod****Mrs. Anar H. Patel****Dr. Gurang Dalai**

Place : Ahmedabad.

Date : 27th July, 2011

DENIS CHEM LAB LIMITED

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

District: Gandhinagar - 382 729