



ZYDEN GENTEC LIMITED

Annual Report 2010-11

Chemistry
for a **better**
Life





*U*ncovering...

*R*evealing...

*T*ransforming...



ZYDEN GENTEC LIMITED

Annual Report 2010-11

BOARD OF DIRECTORS

Vinod S Gupta

Promoter & Non- Executive Chairman

Niranjan Kumar Agarwal

Non-Executive & Independent Director

Rajesh Sharma

Non-Executive & Independent Director

Venkata Kameshwararao Varanasi

Executive (Whole-time)& Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Kanak Lata Jain

Company Secretary

KEY MANAGEMENT PERSONNEL

Pawan Sharma

Commercial Manager

Anita Kumari

General Manager (Hyderabad Plant)

G.P. Nagar

General Manager (Kota Plant)

AUDITORS

Anand Jain & Company

Chartered Accountants,

C-11/24, Kaveri Path, Shopping Centre, Mansarovar, Jaipur – 302 020

ADVISORS

Dr. R. Marayya, M.Sc , Ph.D

13-6-438/A/83, Sri Satyanrayananagar,Hyderabad-500028

V M & Associates

Company Secretaries, 403, Royal World, S. C. Road, Jaipur - 302 001



ZYDEN GENTEC LIMITED

Annual Report 2010-11

REGISTERED OFFICE

143/1, Deep Shree Building,
Kotri - Gumanpura Road, Kota - 324 007
Tel. No.: 0744-3291705, 2390508 Fax: 0744-2392196
E-mail: zyden@dataone.in,
Web: www.zydengentec.com

ADMINISTRATIVE OFFICE

Flat No. 607, 6th Floor, Karan Commercial Centre,
Opp. Petrol Pump, S.D. Raod, Secunderabad - 500 003
Tel. No.: 040-27845404, 30522887, Fax: 040-27848483
E-mail :info@zydengentec.com
Web: www.zydengentec.com

BANKERS

Punjab National Bank
State Bank of Hyderabad
HDFC Bank Ltd.
SIDBI

REGISTRAR & SHARE TRANSFER AGENT

Aarhi Consultants Private Limited
1-2-285, Domalguda, Hyderabad - 500 029
Tel. No.: 040-27638111, Fax: 040-27632184
E-mail: info@aarhiconsultants.com

MANUFACTURING FACILITY

UNIT -I

Sy. No. 168, IDA Bollaram, Jinaram Mandal,
Medak District, Hyderabad (AP)
Tel & Fax: 08458-279815
E-mail: info@zydengentec.com

UNIT -II

Plot No.13, Industrial Area, Jhalawar Road, Bhimpura, Kota (Raj)
Tel : 0744-2112267
E-mail: plant@zydengentec.com

(Members are requested to bring their copy of the Annual Report at the Annual General Meeting)



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventeenth Annual General Meeting of the members of "ZYDEN GENTEC LIMITED" will be held on Friday, the 30th day of September, 2011 at Surya Plaza, Kotri Road, Gumanpura, Kota, Rajasthan – 324007 at 1.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011, Profit and Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vinod S Gupta, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rajesh Sharma, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint M/s Anand Jain & Company, Chartered Accountants, Jaipur as a Statutory Auditors and to fix their remuneration.

Date: 15th August, 2011

Place: Kota

By Order of the Board
Sd/-
Kanak Lata Jain
Company Secretary



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF SUCH MEMBER. AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The duly stamped, filled and signed instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the meeting.

2. Members and Proxies attending the Meeting should bring the attendance slip duly filled in for attending the Meeting.
3. Corporate Members are requested to send a duly certified true copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
4. Members are informed that in case of joint holders attending the Meeting, only such Joint holder who is higher in the order of the names will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company will be closed from Thursday, 29th September, 2011 to Friday, 30th September, 2011 (both days inclusive).
6. M/s. Aarhi Consultants Private Limited is the Registrar and Share Transfer Agent (RTA) for physical shares and is also the depository interface of the company with both CDSL and NSDL.
7. Shareholders holding shares in the certificate form are requested to notify/send the followings to M/s. Aarhi Consultants Private Limited to facilitate better servicing:
 - i. Any change in their address/ mandate/ bank details.
 - ii. Particulars of their bank account, in case the same have not been furnished earlier, and

- iii. Share certificates held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into a single account.

8. The shareholders, who have not converted their shares in demat form, are requested to do so.
9. Members may now avail the facility of nomination by nominating, in the prescribed form, a person to whom their shares in the Company shall vest in the event of their death. Interested Members may write to the Registrars and Share Transfer Agents for the prescribed form.
10. The documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during working hours between 10.00 a.m. to 1.00 p.m. except on holidays.
11. Queries on accounts and operations may please be sent to the Company 7 days in advance of the Annual General Meeting so that the answers may be made available at the meeting.
12. Members are requested to bring their personal copy of Annual Report to the Meeting.
13. Members are informed that Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by companies through electronic mode. Companies are now permitted to send various notices/ documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. Your company has also decided to be a part of this initiative and request the shareholders to send/update their email id's in the company's record. This initiative will enable better flow of the information required to be disseminated to the members and save the environment by saving the paper. We seek your whole-hearted support for this initiative.

By Order of the Board
Sd/-
Kanak Lata Jain
Company Secretary

Date: 15th August, 2011
Place: Kota

**ANNEXURE TO THE AGM NOTICE**

Information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the directors, who are proposed to be appointed / re-appointed at the ensuing Annual General Meeting to be held on 30th September, 2011:

Name of Director	Vinod S Gupta	Rajesh Sharma
Date of Birth	15.08.1958	30.06.1971
Date of appointment	26.04.1994	27.10.2007
Designation	Chairman	Director
Expertise in specific functional area	Finance & Taxation	Corporate & Management Adviser
Qualification	B.Com, FCA	Commerce Graduate
Directorship in other Public Limited Companies, as on 31/03/2011	Nil	Atherstone Investor Communications Ltd., India Capital Partners Pvt. Ltd.
Member/Chairman of the Committees of the Board of other Companies as on 31/03/11	Nil	Nil
Number of shares held in the Company as on 31/03/11	7839000	Nil



DIRECTORS' REPORT

To,

The Members,

Your Directors are pleased to present the 17th Annual Report and the Audited Accounts of the Company for the year ended March 31, 2011.

FINANCIAL RESULTS (Rs. In Lacs)	FY 10-11	FY 09-10
Total Income	1313.71	1,905.10
Profit before Depreciation & Taxation	29.22	85.58
Depreciation	31.69	65.17
Profit /loss before Tax	(2.47)	20.41
Taxation (including FBT & Deferred Taxation)	8.33	8.11
Profit /loss after Tax	(10.80)	12.30

TURNOVER, NET PROFITS & FUTURE PROSPECTS

The gross receipts during the year under review were Rs. 1313.71 Lacs as against Rs. 1,905.10 Lacs in the previous year. The profit/Loss after tax is Rs. (10.80) Lacs as against Rs. 12.30 Lacs in the previous year. The income decreased by 31.04% during the year under review and, the profits decreased by loss of Rs. (10.80) Lacs during the year under review. The sale prices remained under pressure, throughout the year, due to regional disturbances and bandhs as well as fierce competitions and huge imports from Chinese firms.

We are pleased to inform that kota unit have obtained drug license during the financial year. We have complete technology for all the licensed products and commercially manufacturing at both the plant and have captured domestic as well as international market for these products. Besides these licensed product the Company has developed various specially chemicals based on thiophene and now utilizing for commercial production. The Company has also taken necessary steps for obtaining the USFDA, CGMP and DMF Certification.

DIVIDEND

There is no Surplus profit during the year thereby your Directors do not recommend any dividend for the current financial year.

FIXED DEPOSITS

The Company has not invited or accepted any fixed deposit from the public during the year under review.

CORPORATE GOVERNANCE REPORT

The Company has complied with all the mandatory requirements of Corporate Governance specified by Securities & Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement. As required by the said clause, a separate Report on Corporate Governance, forms part of the Annual Report of the Company. A certificate from M/s V M & Associates, Company Secretaries in Practice, confirming compliance of conditions of Corporate Governance is annexed with this report.

BOARD OF DIRECTORS

Retire by Rotation

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Article 89 of Articles of Association of the Company, Mr. Vinod S Gupta and Mr. Rajesh Sharma, Directors retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

During the year under review, Mr. Satyanarayan Sharma Director of the Company has resigned from the Board w.e.f. 15th August, 2011. The Board puts on record its appreciation for his contribution to the Company during his tenure with the Company

AUDITORS

M/s Anand Jain & Co., Chartered Accountants, Jaipur Auditors of the Company retire at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment. The Company had received letter from M/s Anand Jain & Co., Chartered Accountants, Jaipur Auditors to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the Act.

M/s P Murali & Company, Chartered Accountants, Hyderabad, Auditors of the Company retire at the forthcoming Annual General Meeting and not seeking re-appointment. The Company had received resignation letter and special notice from M/s P Murali & Company, Chartered Accountants, Hyderabad in this regard.



The qualifications/observations of the Auditors are self-explanatory and explained / clarified wherever necessary in appropriate notes to Accounts.

ISSUE OF FOREIGN CURRENCY CONVERTIBLE BONDS

The company has not issued any Foreign Currency Convertible Bonds during the last year.

LISTING AT STOCK EXCHANGE

The Equity Shares of the company continue to be listed on Bombay Stock Exchange Limited.

PARTICULARS OF EMPLOYEES

None of the Employee's of the company was in receipt of the remuneration exceeding the limits prescribed under section 217(2A) of the Companies Act, 1956 as amended, during the year under review.

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

Conservation of Energy

Energy conservation measures taken:

Energy conservation, which has a direct impact on the cost of the product, is given a high priority in all our locations. Manufacturing process parameters are continuously monitored by experienced & qualified technicians & engineers for better & efficient output leading directly & indirectly to energy efficient environment.

Additional investments and proposal, if any, being implemented for reduction of consumption of energy:

- i) HT line & connections installed in place of LT.
- ii) New temperature indicators installed for better monitoring.
- iii) Replaced all of old pipe lines & fittings and new Insulations done.

- iv) 180 KVA DG Set.

Impact of above measures for reduction of energy consumption and consequent impact on the cost of production of goods:

The above measures have helped the Company to improve its energy management efficiently and consequently to reduce the cost.

Form A:

Not Applicable

Technology Absorption

The manufacturing technology is indigenous. The company has in-house Research & Development facilities.

Research & Development

Specific areas in which R&D carried out by the Company:

Development of new compounds, products like Thiophene based derivatives.

Benefits derived as a result of above R&D:

Better quality products and compounds, resulting in better profits and helped in creating good clientele.

Future Plan of Action:

To keep a continuous focus on development of new compounds & products.

Expenditure on R&D:

Capital	Rs. 1.22 Lacs
As percentage of Sales	.09 %

Technology absorption, adoption and innovation

The company's technology is developed in-house which has helped in improving efficiency and developing new products.



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Foreign Exchange Earnings and Outgo

The Foreign Exchange earnings of the company were Rs. 2,15,60,165/- and there was outgo of Rs. 2,41,74,439/- during the year under review.

Activities relating to exports/initiatives taken to increase exports/development of new export markets and export plans

During the year under review, the business focus has been on the Indian markets and overseas markets. During the year under review the Foreign Exchange earnings of the company were Rs. 2,15,60,165/- as against 3,124,875/- in the previous year, the Foreign Exchange earnings increased by 7 times as against previous year and foreign Exchange outgo of Rs. 2,41,74,439/- as against 9,778,102/- in the previous year, the Foreign Exchange outgo increased by 2.5 times as against previous year .

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The report on Management Discussion and Analysis as required under the Listing Agreements with the Stock Exchanges is annexed with the Director's Report.

EMPLOYEE STOCK OPTION SCHEME

The Company has not issued any stock options during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, your Directors confirmed that:

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the State of Affairs of the Company at the end of the financial year ended 31st March 2011 and of profit/Loss of the Company for that year;

3. 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;
4. The Directors have prepared the Annual Accounts on a 'going concern' basis.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for assistance and co-operation received from the Bankers, Government Authorities, Customers, Vendors, Advisors, Members and all concerned during the year under report. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

For and on behalf of the Board of Directors

Date: 15th August, 2011

Place: Kota

Sd/-

Vinod S Gupta

Chairman



MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENTS

The pharmaceutical industry in India would continue to remain under great international focus on international scenario despite price wars and huge import from Chinese firms. India being perceived as a stable, trustable and large consumption democracy has been getting encouraged responses from many MNCs and overseas strategic investors in Indian businesses, especially in Pharmaceutical Sector in last couple of years. Moreover the Pharmaceutical Sector will continue to grow further as the cost of health care in India is substantially lower, in comparison with many western & developed countries. Indian pharmaceutical sector is currently one of the largest and most developed in the world and has the quality of being recognized as high-quality, low-cost skilled producer of pharmaceuticals.

Your company, Zyden Gentec Limited has added a few new products to its large product range during the year under review. Further the company is hopeful of sustaining its market presence and capturing and retaining its clientele.

OUTLOOK ON OPPORTUNITIES

Outlook on the Indian Pharmaceutical market continues to be positive despite of the economic & slowdown pressures, as commonly felt by all the businesses, continue to exert its affect. As stated earlier, with the introduction of the product patent regime beginning January 1, 2005 the Indian market continue to remain an attractive option for introduction of research based products. Industry consolidation is expected to bring in economies of scale and provide access to regional players. The biggest growth driver continues to be the pipeline of patent expiries. Consequently, companies are recognizing the importance of pipelines and are making significant investments in research and drug development.

Your company would continue to consolidate on the present manufacturing facility. The company has widened its range of products with more emphasis on quality.

OUTLOOK ON THREATS, RISKS AND CONCERNS

The product patent regime poses the serious challenge to domestic industry unless it invests in R&D. The global pharmaceutical business has inherent risks of patent litigation, regulatory issues and product liability, particularly in the developed markets. Globally, over-investment and excess capacities weight on the generic industry has been resulting in increasing competition and pricing pressures. The industry faces risk of all Research & Development initiatives not leading to commercially viable and successful products. Rise in cost of raw materials, exchange rate fluctuations, environmental

liabilities, tax laws, litigation, labour relations and significant changes in the global, political and economic environment exert tremendous influence on the performance of the Company. Since larger players are becoming more dominant, market impact may change the financial performance of the Company. Apart from this, the procedural hurdles & delays at DCA continue to act as growth deterrent in India.

INTERNAL CONTROL SYSTEM

The Company remains committed to ensure an effective internal control that provides assurance on the efficiency of operations and security of assets. Your company's well established and robust internal audit processes, both at business and corporate levels, continuously monitor the effectiveness of the internal control environment across the Company and the status of compliance with operating systems, internal policies and regulatory requirements. The Company has also undertaken steps to implement new control measures in line with best global practices such as standard operating procedures as per cGMP requirement.

FINANCIAL REVIEW & ANALYSIS

Share Capital

Presently, the Authorised Share Capital of the Company is Rs. 150,000,000/- comprising of 150,000,000 equity shares of Re. 1/-each. During the period under review there have been no increase / decrease in the Authorized Share Capital of the Company.

Fixed Assets

The Company had Fixed Assets amounting to Rs. 42,461,006/- on 31st March, 2010. During the period under review the Company invested in this segment and the fixed assets as on 31st March, 2011 were at Rs. 98,271,427/-. Additions to fixed assets were due to installation of newly unit at Kota (Raj.).

Investment

During the period under review the Company has not invested in Quoted/ Unquoted Shares.

Sales

The sales & other income in the last year amounted to Rs. 190,507,475/- and for the current year was Rs. 131,371,143/-.



REPORT ON CORPORATE GOVERNANCE

Segment wise Performance

Particulars	Financial year 2010-11	Financial year 2009-10
Income from Mfg. & Allied Activities	Rs. 131,371,143/-	Rs. 190,507,475/-
Income from Financial, Investment & Allied Activities	Nil	Nil

HUMAN RESOURCE MANAGEMENT

Human resources are a valuable asset for every organization. The Human resources of an organization determines the success and failure of an organization. The Company endeavors to provide amicable working environment to the human resources of the organization so that each employee is motivated to contribute his best and help the company to do well in the sector. Over the last few years, a key focus area of the company has been developing functional competencies among human resources. A structured communication process inside the organization is critical to enhance the employee productivity and satisfaction levels. Employee perception on communication is also tracked closely and their feedback is used to further improve this process. Their unflinching commitment is the driving force behind the company’s vision of creating enlarged societal value even as it multiplies shareholder wealth. The company respects the spirit of its dedicated team.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company’s objectives, projections, estimates and expectations may be “forward looking statements” within the meaning of the applicable provisions of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Some important developments such as significant changes in the global, political and economic environment, environment in India and key markets abroad; tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs etc could affect the company’s performance.

For and on behalf of the Board of Directors

Date: 15th August, 2011
Place: Kota

Sd/-
Vinod S Gupta
Chairman

1. COMPANY’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

A corporate culture, encompassing transparency, conscience, fairness, accountability, propriety, equity and ethical business practices, are the key drivers for sustainable corporate growth and long-term value creation. Corporate Governance is about promoting corporate fairness, transparency, accountability and integrity of the management. The Corporate Governance structure specifies the distribution of the role and responsibilities among different participants in the organization, such as, the Board of Directors, managers, shareholders and other stakeholders and spells out rules and procedures for making decisions on corporate affairs. It also aims to align, as nearly as possible, the interests of individuals, corporations and society and thereby enhancing the stakeholders’ value.

Good corporate governance practices have always been an integral part of your company’s philosophy. The commitment to good corporate governance practices predates the laws and mandates of the Securities and Exchange Board of India (SEBI) and the stock exchanges through Clause 49 of their Listing Agreements. The Company fully recognizes the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders.

Given below are the Company’s Corporate Governance policies and practices:

2. BOARD OF DIRECTORS

Composition: The Board of Directors of the Company consists of 4 Directors comprising of 1 Promoter Non-Executive Chairman, 1 Executive Independent Whole-time Director and 2 non-Executive Independent Directors. The Board represents an optimal mix of professionalism, knowledge and experience, thus it is in conformity with Clause 49 of the Listing Agreement with the stock exchange, in which the company’s shares are listed.

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 he is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other companies.

Board Meetings: The Board meets frequently to discuss and decide on Company’s business policy, and strategy apart from other normal Board business. During the year 2010-11, the Board met 5 (Five) times and the maximum gap between any two Board Meetings was not more than four months. The dates of meetings are as follows:

12th May 2010, 28th July 2010, 20th September 2010, 8th November 2010, 9th February 2011.



Category and Attendance of Directors

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year 2010-11 and at the last Annual General Meeting (AGM), as also the number of Directorships and Committee positions held by them in other Public Limited Companies as on March 31, 2011 are as follows:

Name of Directors	Category of Director	Board Meetings attended during the year	Attendance at last AGM	No. of Directorship held in other Companies		Committee position in other public company	
				Chairman of the Board	Board Member	Chairman of Committee	Members
Mr. Vinod S. Gupta	Promoter & Non-Executive Chairman	5	Yes	Nil	Nil	Nil	Nil
Mr. Chandra Mohan Sharma (Till 20th Sep.,2010)	Non-Executive & Independent Director	2	No	Nil	Nil	Nil	Nil
Mr. Niranjan Kumar Agarwal	Non-Executive & Independent Director	5	Yes	Nil	Nil	Nil	Nil
Mr. Rajesh Sharma	Non-Executive & Independent Director	2	No	Nil	*Details given below	Nil	Nil
Mr. Satyanarayan Sharma (Till 15th August, 2011)	Non-Executive & Independent Director	2	Yes	Nil	**Details given below	Nil	Nil
Mr. Venkata Kameshwararao Varanasi	Executive & Independent Whole time Director	3	Yes	Nil	Nil	Nil	Nil

*As Board Member in:

- 1) Atherstone Investor Communications Ltd.
- 2.) India Capital Partners Pvt. Ltd.

**As Board Member in:

- 1) Suave Hotels Ltd.

Shareholding of Directors as on March 31, 2011 is as under:

Name	No. of shares held	% of Paid-up Capital
Mr. Vinod S. Gupta	78,39,000	15.47
Mr. Niranjan Kumar Agarwal	Nil	Nil
Mr. Rajesh Sharma	Nil	Nil
Mr. Venkata Kameshwararao Varanasi	Nil	Nil

Code of Conduct : The Company has adopted a code of conduct for employees and directors of the Company. During the year all board members and senior management personnel have affirmed compliance with the respective Code of Conduct. A declaration to this effect signed by the Chairman forms part of this report. The Code of Conduct is available on the website of the Company (www.zydengentec.com).

3. AUDIT COMMITTEE

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and Clause 49 of the

Listing Agreement with the Stock Exchanges. The terms of reference include:

1. To investigate any activity with its terms of reference.
2. To seek information from any employee / records of the company.
3. To obtain outside legal or other professional advice.
4. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
5. Major accounting entries based on exercise of judgment by management.
6. Compliance with accounting standards.
7. Compliance with Stock Exchange and legal requirements concerning financial statements.
8. Any changes in accounting policies and practices.
9. To secure attendance of outsiders with relevant expertise, if necessary.
10. Reviewing the adequacy of internal audit function.
11. Discussion with internal auditor regarding any significant findings and follow up thereon.
12. Discussion with external auditors, before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
13. Any other item referred to it by the Board.

**Composition**

Name	Designation
Mr. Niranján Kumar Agarwal	Chairman
Mr. Rajesh Sharma	Member
Mr. Satyanarayan Sharma (Till 15 th August 2011)	Member
Mr. Chandra Mohan Sharma (Till 20 th September 2010)	Member

Meetings held

The committee met Five times on the following dates during the financial year 2010-11:

12th May 2010, 28th July 2010, 18th September 2010, 8th November 2010 and 9th February 2011.

Category and Attendance of members

The names and categories of the Directors on the Committee, their attendance at the Meetings held during the Financial Year 2010-11 are as follows:

Name	Category	Attendance
Mr. Niranján Kumar Agarwal	Non - Executive & Independent Director	5
Mr. Satyanarayan Sharma	Non - Executive & Independent Director	1
Mr. Rajesh Sharma	Non - Executive & Independent Director	3
Mr. Chandra Mohan Sharma (Till 20 th September 2010)	Non - Executive & Independent Director	2

Members of the Audit Committee have requisite financial and management expertise and have held or hold senior positions in other reputed organization.

The Statutory Auditors and Internal Auditors are invited to attend and participate in the meeting of the Committee. The Company Secretary acts as the Secretary to the Committee.

4. SHAREHOLDER'S / INVESTOR'S GRIEVANCE COMMITTEE

The Board of Directors constituted the shareholders' / investors' grievance committee in the year 2002. The committee specifically looks into redressal of investors' complaints like share transfers, non-receipt of annual reports, issue of duplicate share certificate, transfer and transmission of shares and other allied transactions. Its scope also includes delegating the powers to the executives of Company / share transfer agents to process share transfers etc.

Meetings held

The committee met five times during the year under review to redress the grievances of the shareholders of the Company at the following dates:

14th May, 2010, 19th August, 2010, 11th November, 2010, 28th January, 2011 and 15th February, 2011.

Based on the report received from the Company's Registrar, the status of investor complaints as on March 31, 2011 and reported under clause 41 of the Listing Agreement are as under:

Complaints as on April 01, 2010 :	Nil
Received during the year :	Nil
Resolved during the year :	Nil
Pending as on March 31, 2011 :	Nil



Composition, Category and Attendance of members

Name	Designation	Category	Attendance
Mr. Vinod S Gupta	Chairman	Promoter & Non- Executive Chairmen	5
Mr. Niranjan Kumar Agarwal	Member	Non - Executive & Independent Director	5
Mr. Satyanarayana Sharma (Till 15th August 2011)	Member	Non-Executive & Independent Director	4
Mr. Rajesh Sharma	Member	Non-Executive & Independent Director	3
Mr. Chandra Mohan Sharma (Till 20th Sep. 2010)	Member	Non - Executive & Independent Director	1

Compliance Officer

Ms. Divya Jain, was the Company Secretary and Compliance Officer of the Company and Ms. Kanak Lata Jain was appointed as the Assistant Company Secretary of the Company w.e.f. 16th August, 2010. Thereafter Ms. Divya Jain, the Company Secretary and Compliance Officer of the Company resigned on 8th November, 2010 and Ms. Kanak Lata Jain Assistant Company Secretary of the Company was promoted as Company Secretary and Compliance Officer w.e.f. 8th November, 2010.

5. REMUNERATION COMMITTEE

The Board of Directors constituted the remuneration committee in the year 2005. The terms of reference of the Remuneration Committee is to review, assess and recommend to the Board the appointment of executive and non-executive Directors and compensation payable and to consider and recommend human resource policies relating to compensation and performance management.

Composition

Name	Designation	Category	Attendance
Mr. Niranjan Kumar Agarwal	Chairman	Non - Executive & Independent Director	1
Mr. Rajesh Sharma	Member	Non - Executive & Independent Director	Nil
Mr. Satyanarayana Sharma (Till 15th August 2011)	Member	Non-Executive & Independent Director	1

Meetings held

During the year under review, one meeting of the Committee was held.

6. GENERAL BODY MEETINGS

The details of Annual General Meetings held in the last three years are given below:

Annual General Meeting	Day & Date	Time	Venue
14 th Meeting	Friday, Sept. 12, 2008	11.00 A.M.	Umed Bhawan Palace, Station Road, Kota
15 th Meeting	Saturday, July 25, 2009	11.00 A.M.	Umed Bhawan Palace, Station Road, Kota
16 th Meeting	Monday, Sept. 20, 2010	12.30 P.M.	Plot No.13, Industrial Area, Bhipura, Kota (Raj.)-325003



Details of Special Resolutions passed at the AGMs:

Financial Year	Date	Special Resolutions
2007-08	12th September, 2008	No Special Resolution was passed
2008-09	25th July, 2009	One Special resolution regarding the spilt of equity share of Rs. 10/- into 10 equity share of Rs. 1/- each
2009-10	20th September, 2010	One Special resolution regarding the issue of 10000000 Warrants Convertible into equal number of equity shares of Rs. 1 each at a premium of Rs. 1.10.

Postal Ballot

During 2010-11, no resolution was passed through Postal Ballot. At the forthcoming AGM, no resolution is proposed to be passed through Postal Ballot.

Extra-Ordinary General Meeting

No Extra-Ordinary General Meeting was held during the last three financial years.

7. DISCLOSURES

- **Financial Statements / Accounting treatments:** In the preparation of Financial Statements, the Company has followed the Accounting Standards issued by Institute of Chartered Accountants of India to the extent applicable.
- **Materially Significant Related Parties Transactions:** There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their relatives etc. that may have potential conflict with the interests of the Company at large.
- **Strictures or Penalties:** During the last three years, there were no strictures or penalties imposed either by the SEBI or the Stock Exchange or any other Statutory Authorities for non-compliance of any matter related to Capital Markets.
- **Compliance with Code of Conduct and Whistle Blower Mechanism:** The Company has adopted a Whistle Blower policy and has established the necessary mechanism in line with clause 7 of Annexure 1D to Clause 49 of the Listing Agreement with the Stock Exchange, for employees to report concerns about unethical behaviors. No personnel have been denied access to the audit committee.

Seizure of material worth Rs.20 Lacs (approx) by the Drug Control Department matter is still under litigation with concerned judicial authorities. After getting the final order from Supreme Court, matter has been reverted back to Lower Court.

The capital expenditures during the year were to the tune of Rs 558 Lacs.

8. MEANS OF COMMUNICATION

In compliance with the requirements of Listing Agreement, the company regularly intimates un-audited as well as audited financial results to the Stock Exchanges immediately after they are taken on record by the Board. Moreover, the said results were put up on the BSE website, apart from being published in "Rashtrdoot (Regional)" and "The Financial Express (English)". In compliance with the requirements of Listing Agreement, the company regularly updates un-audited as well as audited financial results on its functional website (i.e. www.zydengentec.com) after they are taken on record by the Board.

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

9. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting:

Date : 30th September, 2011

Time : 1:00 P.M.

Venue : Surya Plaza, Kotri Road, Gumanpura, Kota, Rajasthan-324007 (Rajasthan).

No special resolution is proposed to be passed by Postal Ballot at the aforesaid Annual General Meeting.

b. Financial Calendar (Tentative):

June Qtr Ending Results	Within 45 days from end of quarter.
Sept. Qtr Ending Results	Within 45 days from end of quarter.
Dec. Qtr Ending Results	Within 45 days from end of quarter.
March Qtr/Year Ending Results	Within 45 days from end of quarter (Un-audited)/with 60 days from end of financial year (Audited).



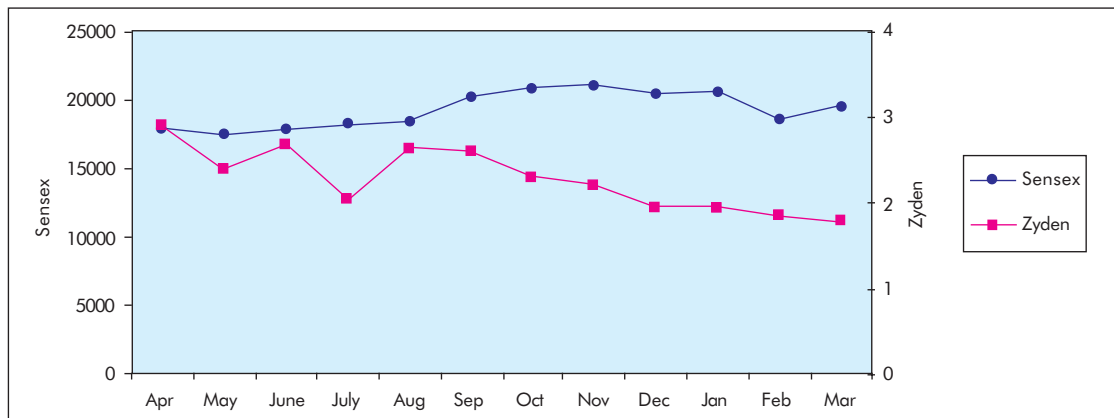
ZYDEN GENTEC LIMITED

Annual Report 2010-11

- c. **Book Closure date:** 29th September, 2011 to 30th September, 2011 (both days inclusive)
- d. **Dividend:** No dividend being recommended by the Board during the year.
- e. **Listing of Equity Shares in Stock Exchanges:** Mumbai
- f. **Demat ISIN exchange number in:** INE622B01029
- g. **Stock Code:** Bombay Stock Exchange – 530091. The Company has paid annual listing fees.
- h. **Market Price Data:** The high and low prices of every month during the financial year 2010-11 are given below:-

Month	BSE (Zyden Gentec Ltd)			BSE Sensex High	BSE Sensex Low
	High (Rs. 1/- face value)	Low (Rs. 1/- face value)	Number of Shares traded		
April 2010	2.92	1.75	3695817	18047.86	17276.8
May 2010	2.40	1.80	2391113	17536.86	15960.15
June 2010	2.68	1.85	2309089	17919.62	16318.39
July 2010	2.05	1.80	745085	18237.56	17395.58
August 2010	2.65	1.80	2379848	18475.27	17819.99
September 2010	2.60	2.12	1593540	20267.98	18027.12
October 2010	2.30	1.96	616095	20854.55	19768.96
November 2010	2.20	1.70	710877	21108.64	18954.82
December 2010	1.96	1.52	451435	20552.03	19074.57
January 2011	1.95	1.59	518133	20664.8	18038.48
February 2011	1.86	1.22	683589	18690.97	17295.62
March 2011	1.80	1.21	690608	19575.16	17792.17

i. Performance of Company's Shares in Comparison to BSE



j. Registrar & Share Transfer Agent

Aarathi Consultants Pvt. Ltd.
 1-2-285, Domalguda, Hyderabad, Andhra Pradesh
 Tel: 040-27638111, Fax: 040-27632184
 E-mail: info@aarathiconsultants.com,
 Website: www.aarathiconsultants.com
 Business Hours: 9.30 A.M. to 6.30 P.M.

k. Share Transfer System

With a view to expedite the process of share transfers, the Board of Directors of the Company has delegated

the power of share transfer to Shareholders' & Investors' Grievances Committee. As on date, all the work related to the shares both held in physical and electronic form is handled by RTA. All correspondences are to be directed to the RTA at the address mentioned above. The correspondences may also be sent at the Company's address which will be sent by the Company to RTA. Share transfer is normally affected within the maximum period of 30 days from the date of receipt, if all required documentation is submitted.



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

No of Equity Shares held	No. of Share Holders	% of Share Holders	No. of Shares	Amount (in Rs.)	% of Total Shares
1 to 5000	3752	80	5947723	5947723	11.74
5001-10000	435	9	3543990	3543990	6.99
10001-20000	237	5	3661796	3661796	7.23
20001-30000	91	2	2378979	2378979	4.69
30001-40000	39	1	1379869	1379869	2.72
40001-50000	30	1	1374450	1374450	2.71
50001-100000	58	1	4205092	4205092	8.3
Above 100001	48	1	28182101	28182101	55.61
Total	4690	100	50,674,000	50,674,000	100

m. Shareholding Pattern as on 31st March, 2011

Category	No. of Shares held	Percentage of Shareholding (%)
A. Promoters' Holding		
a. Indian Promoter	10,698,000	21.11
b. Persons acting in concert	7,000,000	13.81
c. Foreign Promoters	Nil	Nil
Subtotal-A	17,698,000	34.93
B. Non Promoters Holding		
a. Institutional Investors	Nil	Nil
b. Mutual Funds & UTI	Nil	Nil
c. Banks, FIs, Insurance Companies	Nil	Nil
d. Foreign Institutional Investors	Nil	Nil
Subtotal-B.	Nil	Nil
C. Others		
a Private Corporate Bodies	5,962,973	11.77
b i) Indian Public (Top 50)	20,828,142	41.10
ii) Other	5,937,512	11.72
c Non Resident Indians	237,529	0.47
d Any other (Associates & Relatives of Director)	Nil	Nil
e Trust	Nil	Nil
f Employees	Nil	Nil
g Clearing Members	9,844	0.02
h Foreign Nationals	Nil	Nil
Subtotal-C	32,976,000	65.07
Grand Total (A+B+C)	50,674,000	100

The persons in details C(d) above are not close relatives and holding is not in the control of promoters.



n. Dematerialization of Shares

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). As on 31st March, 2011, 49,072,840 equity shares of the company forming 96.84% of the share capital of the Company stand dematerialized.

o. Liquidity of Shares

The Equity Shares of the Company have been listed in the leading Stock Exchanges.

p. Outstanding GDRs/Warrants and Convertible Instruments

The Company had issued and allotted 70,00,000 Warrants (as per 'In-principle' approval of BSE) Convertible into equal number of Equity shares of Re. 1/- each at a premium of Rs. 1.10/- at its Annual General Meeting held on 20th September, 2010.

q. Plant Locations

The addresses of the company's Plant and manufacturing units are mentioned at the first page of this Annual Report.

r. Address for Correspondence

143/1, Deep Shree Building, Kotri - Gumanpura Road,

KOTA (Rajasthan)-324 007

Phone Nos. 0744-2390508, 3291705

Fax No. 0744-2392196

E-mail: zyden@dataone.in, info@zydengentec.com

Web-site: www.zydengentec.com

10. SECRETARIAL AUDIT

For each of the quarter in the financial year 2010-11, M/s V. M. & Associates, Company Secretaries, Jaipur carried out secretarial audits to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit report confirm that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

11. CIN NUMBER

The Corporate Identity Number ("CIN") of the Company as allotted by Ministry of Company Affairs is: L67120RJ1994PLC008284.

For and on behalf of the Board of Directors

Date: 15th August, 2011

Place: Kota

Sd/-

Vinod S Gupta
Chairman



**CERTIFICATE ON COMPLIANCE AS STIPULATED UNDER CLAUSE 49 OF
THE LISTING AGREEMENT WITH THE STOCK EXCHANGE**

To,
The Members,
Zyden Gentec Ltd.

We have examined the compliance of conditions of Corporate Governance by Zyden Gentec Limited for the year ended on 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange in India.

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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation 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.

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

Place : Jaipur
Date : 15th August, 2011

For V. M. & Associates
Company Secretaries
Sd/-
Manoj Maheshwari
Partner

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

To
The Shareholders
Zyden Gentec Ltd.

This is to confirm that the Company has adopted a Code of Conduct for its Board of Directors and Senior Management Personnel. The code of conduct of the Company is available on its website (www.zydengentec.com).

I confirm that the Company has, in respect of the financial year ended on March 31, 2011, received from the members of its Board and the senior management team, a declaration of compliance with the Code of Conduct as applicable to them.

Place: Kota
Date : 15th August, 2011

Sd/-
Vinod S Gupta
Chairman



SECRETARIAL COMPLIANCE CERTIFICATE

To,
The Members,
Zyden Gentec Limited

I am pleased to confirm that the Company has complied with the provisions of the Companies Act, 1956 and rules framed there under for the financial year ended 31st March, 2011 and has:

1. Maintained all the books of accounts and statutory registers required under the Companies Act, 1956 ("the Act") and the Rules made there under.
2. Filed all the forms and returns and furnished all the necessary particulars to the Registrar of Companies, Rajasthan, as required by the Act.
3. Issued all notices required to be given for convening of Board / Committee Meetings and General Meeting, within the time limit prescribed by law.
4. Conducted the Board / Committee Meetings and Annual General Meeting as per the Act.
5. Complied with all the requirements relating to the minutes of the proceedings of the meeting of the Directors / Committee and the Shareholders.
6. Made due disclosures required under the Act.
7. Not exceeded the borrowing powers.
8. No penalties or strictures have been imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to Capital Markets during the last three years.

The content of the certificate is true to the best of my knowledge and belief, knowing fully well that on the faith and strength of what is stated above, the shareholders of the Company would place full reliance on it.

Place: Kota
Date : 15th August, 2011

Sd/-
Kanak Lata Jain
Company Secretary

REPORT OF THE AUDIT COMMITTEE

To
The Shareholders
Zyden Gentec Limited

The Audit Committee of the Board of Directors comprises of 2 Directors (Non-Executive & Independent Directors) of the Company. The Committee operates under a written charter adopted by the Board of Directors, and has been vested with all the powers necessary to effectively discharge its responsibilities.

The committee has primary responsibility for the financial statements and reporting process including the systems of internal controls. During the year, the Committee discussed with the Company's auditors about the overall scope and plans for their audit. The Committee also discussed the result of their examination, their evaluation of the company's internal controls and the overall quality of the Company's financial reporting.

In fulfilling its oversight responsibilities, the committee has reviewed and discussed the Company's audited financial statements with the management. Relying on the review and discussions with the management and the auditors, the Audit Committee believes that the Company's financial statements are fairly presented in all material aspects.

Further the Committee has recommended that for the year 2011-12, the Board, re-appointment of M/s Anand Jain & Company as Statutory Auditors of the Company.

The Company's Code of Business Conduct and Ethics has the mechanism whereby no personnel intending to make a complaint relating to Securities and financial reporting shall be denied access to the Audit Committee.

Place: Kota
Date: 15th August, 2011

Sd/-
Niranjan Kumar Agarwal
Chairman Audit Committee



AUDITORS' REPORT

To the Shareholders of

ZYDEN GENTEC LIMITED

1. We have audited the attached Balance Sheet of ZYDEN GENTEC LIMITED as at 31st March, 2011, the Profit & Loss Account & 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 mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, and as amended by the Companies (Auditor's Report)(Amendment) Order, 2004 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 to 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 appears from our examination of books, and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and returns;
 - d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;

- e) On the basis of the written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f) As the Central Government is yet to notify cess payable under Section 441A, the reporting requirement under Section 227(3)(g) of the Companies Act, 1956 does not arise.
- g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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, 2011;
 - ii) In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
 - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

for Anand Jain & Co.
Chartered Accountants

Sd/-
Anand Prakash Jain
Proprietor
M. No. : 71045
FRN 001857C
C-11/24, Kaveri Path
Shopping Centre, Mansarovar,
Jaipur - 302 020
Place: Jaipur
Date: 15th August, 2011

for P Murali & Co.,
Chartered Accountants

Sd/-
M V Joshi
Partner
M. No. : 24784
6/3/655/2/3
Somajiguda,
Hyderabad-500 082
Place: Hyderabad
Date: 15th August, 2011



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Auditors Report of even date on the accounts of Zyden Gentec Limited for the year ended 31st March, 2011)

- i) a) The Company is maintaining proper records of fixed assets showing full particulars including quantitative details and situations there of.
- b) As per information given to us the assets are physically verified by the management once a year, which in our opinion is reasonable. No material discrepancies were noticed on such verification carried out during the year.
- c) No substantial part of fixed assets has been disposed off during the year which would have affected the going concern.
- ii) a) The inventory has been physically verified during the year and in our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of the physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The company is maintaining proper records of inventory and according to the information and explanations given to us, material discrepancies noticed on such verification as compared to book records were properly dealt with in the books of account.
- iii) a) Company has not granted any unsecured loans to companies covered in the register maintained under section 301 of the Companies Act, 1956. Number of parties and amount involved therefore is NIL and consequently applicability of clause relating to rate of interest and other terms and conditions of loan given by the company, secured or unsecured, being not prima facie prejudicial to the interest of company, regularity of receipt of principal and interest, overdue amount and taking of reasonable steps for recovery of principal and interest when overdue amount is more than Rs. One lakh, does not arise.
- b) According to the information and explanations given to us, the Company has taken unsecured loan from companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Rate of interest and other terms and conditions of loan, secured or unsecured, are not prima facie prejudicial to the interest of the company. Payment of principal and interest, wherever stipulated, is regular. Number of party involved is one and maximum outstanding during the year was Rs. 405098/-.
- iv) In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures 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. During the course of our audit, no continuing failure to correct major weakness in internal controls has been noticed.
- v) The company has entered transactions in the register that were needed to be so entered in the register maintained under section 301 of the Companies Act, 1956. Company has not entered into any transaction, the value of which exceeds rupees five lacs in respect of any party during the year hence applicability of the clause of making the same at prices which are reasonable having regard to the prevailing market prices at the relevant time does not arise.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year, hence question of compliance with the directions issued by RBI and the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under does not arise. As per information and explanations given to us the order from CLB or National Company Law Tribunal or RBI or any court or any other tribunal has not been received by the Company.
- vii) The Company has an in-house internal audit system, which in our opinion is commensurate with the size of the Company and the nature of its business.
- viii) We have broadly reviewed the books of account relating to the materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central government for the maintenance of cost records under Section 209(1)(d) of the companies Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- ix) a) On the basis of the Records produced to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection



ZYDEN GENTEC LIMITED

Annual Report 2010-11

Fund, Employee State Insurance, Income Tax, Sales Tax, wealth tax, Service tax, Custom Duty, Excise Duty, Cess and any other statutory dues, applicable to it. To the best of our knowledge and according to the information and explanations given to us, there were no arrears of undisputed outstanding statutory dues at the last day of the financial year for a period of more than six months from the date they become payable excepting a sum of Rs. 123000/- towards PF.

- b) According to the information and explanation given to us, there were no disputed dues of income tax, sales tax, Wealth Tax, Custom duty, Excise duty, and Cess which have not been deposited on account of any dispute excepting Rs. 210000/- towards ESI for which appeal with the prescribed authority is pending to be filed.
- x) The Company's has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) In our opinion the company has not defaulted in repayment of dues to a financial institution or bank.
- xii) On the basis of verification of the accounts and records maintained by the company and as per explanations 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.
- xiii) The company is not a chit fund company or nidhi/mutual benefit fund / society.
- xiv) Company has not dealt, in or traded in shares, securities, debentures and other investments. There was no investment in the shares, securities, debentures and other investments as at the year end hence question of holding them in the name of company or otherwise does not arise.
- xv) On the basis of information and explanations given, the company has not given any guarantee for loans taken by others from bank or financial institutions and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company does not arise.
- xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the cash flow statement and other records

examined by us, on an overall basis, funds raised on short term basis have prima facie, not been used during the year for long term investment and vice versa.

- xviii) According to the information and explanations given to us, the company has during the year made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act, and consequently question of issuing shares at a prices being not prejudicial to the interest of the company at that particular point of time does not arise.
- xix) The company has not raised any money by public issue during the financial year covered by our audit report.
- xx) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

for **Anand Jain & Co.**
Chartered Accountants

for **P Murali & Co.,**
Chartered Accountants

Sd/-

Anand Prakash Jain
Proprietor
M. No. : 71045
FRN 001857C
C-11/24, Kaveri Path
Shopping Centre, Mansarovar,
Jaipur - 302 020

Place: Jaipur
Date: 15th August, 2011

Sd/-

M V Joshi
Partner
M. No. : 24784
6/3/655/2/3
Somajiguda,
Hyderabad-500 082

Place: Hyderabad
Date: 15th August, 2011



BALANCE SHEET AS AT MARCH 31, 2011

Amount Rs.

Particulars	Schedule	As at 31.03.2011		As at 31.03.2010	
SOURCES OF FUND					
Share Holders Funds					
Share Capital	1	50,674,000		50,674,000	
Fully Conv. Warrants (Ref note no.14)		5,995,000		-	
Reserves & Surplus	2	34,073,275	90,742,275	35,153,459	85,827,459
Loan Funds					
Secured Loans	3	100,137,952		37,230,204	
Unsecured Loans	4	405,098		2,063,034	
			100,543,050		39,293,238
Deferred Tax Liability			3,581,188		2,753,618
			194,866,513		127,874,315
APPLICATION OF FUND					
Fixed Assets					
Gross Block	5	98,271,427		42,461,006	
Less: Depreciation		8,602,262		5,433,451	
Net Block		89,669,165		37,027,555	
Capital Work in Progress		750,000	90,419,165	6,233,661	43,261,216
Current Assets, Loans & Advances					
Inventories	6	59,867,376		29,199,300	
Sundry Debtors	7	30,923,553		39,394,062	
Cash & Bank Balances	8	2,508,954		1,969,061	
Loans, Advances & Deposits	9	40,441,826		43,442,656	
			133,741,709	114,005,079	
Less: Current Liabilities & Provisions					
Current Liabilities	10	29,294,361		29,051,980	
Provisions	11	-		340,000	
		29,294,361		29,391,980	
Net Current Assets					
			104,447,348		84,613,099
			194,866,513		127,874,315
Notes on Accounts & Significant Accounting Policies					
	19				

As per our annexed report of even date

for Anand Jain & Co

Chartered Accountants

Sd/-

Anand Prakash Jain
Proprietor

C-11/24, Kaveri Path
Shopping Centre, Mansarovar
Jaipur - 302 020

Place: Jaipur

Date : 15th August, 2011

for P Murali & Co

Chartered Accountants

Sd/-

M V Joshi
Partner

6/3/655/2/3
Somajiguda
Hyderabad - 500 082

Place: Hyderabad

Date : 15th August, 2011

for and on behalf of Board of Directors

Sd/-

Vinod S Gupta
Chairman

Niranjan Agarwal
Director

Sd/-

Sd/-

Kanak Jain
Co. Secretary



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Amount Rs.

Particulars	Schedule	This Year	Previous Year
INCOME			
Sales & Income from Operations	12	130,846,104	189,559,019
Other Income	13	525,039	948,456
Increase in Stocks	14	20,745,089	(6,704,823)
		152,116,232	183,802,652
EXPENDITURE			
Raw Material Consumption	15	102,303,490	137,423,334
Manufacturing & Other Expenses	16	38,724,029	33,595,256
Financial Expenses	17	8,166,886	4,226,034
Depreciation & Write Off	18	3,168,811	6,517,848
		152,363,216	181,762,472
Net Profit before Tax		(246,984)	2,040,180
Provision for Taxation			
Current Year Income Tax		-	340,000
Income Tax paid for Earlier Years		5,630	54,024
Deferred Tax Liability		827,570	415,676
Fringe Benefit Tax		-	-
Net Profit after Tax		(1,080,184)	1,230,480
Add: Balance Brought Forward		1,549,715	319,235
Balance Carried Forward		469,531	1,549,715
Weighted Average Number of Equity Shares		50,674,000	50,674,000
Nominal Value of Shares		1	1
Earning Per Share - Diluted & Basic		(0.021)	0.024
Cash EPS		0.058	0.169
Notes on Accounts & Significant Accounting Policies	19		

As per our annexed report of even date

for Anand Jain & Co

Chartered Accountants

Sd/-

Anand Prakash Jain

Proprietor

C-11/24, Kaveri Path
Shopping Centre, Mansarovar
Jaipur - 302 020

Place: Jaipur

Date : 15th August, 2011

for P Murali & Co

Chartered Accountants

Sd/-

M V Joshi

Partner

6/3/655/2/3
Somajiguda
Hyderabad - 500 082

Place: Hyderabad

Date : 15th August, 2011

for and on behalf of Board of Directors

Sd/-

Vinod S Gupta

Chairman

Sd/-

Niranjan Agarwal

Director

Sd/-

Kanak Jain

Co. Secretary



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

Amount Rs.

Particulars	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 1		
SHARE CAPITAL		
Authorized Share Capital		
150,000,000 Equity Shares of Rs 1/- each (previous year 15,000,000 of Rs. 1/- each)	150,000,000	150,000,000
Issued		
50,674,000 Equity Shares of Rs 1/- each(previous year 50,674,000 of Rs 1/- each)	50,674,000	50,674,000
Subscribed & Paid up		
50,674,000 Equity Shares of Rs 1/- each(previous year 50,674,000 of Rs 1/- each)	50,674,000	50,674,000
	50,674,000	50,674,000
SCHEDULE - 2		
RESERVES & SURPLUS		
Capital Reserve (ref note no. 15)		
Forfeiture of warrant application money	9,705,000	9,705,000
Share Premium (ref note no. 16)	17,850,000	17,850,000
General Reserve		
Opening Balance	6,048,744	6,048,744
Profit & Loss Account	469,531	1,549,715
	34,073,275	35,153,459
SCHEDULE - 3		
SECURED LOANS		
Cash Credit (PNB-Kota)*	23,123,015	-
Cash Credit (State Bank of Hyderabad)**	35,770,767	32,261,204
Term Loan (SIDBI)***	3,567,520	4,969,000
PNB-Kota (Term Loan)****	30,372,229	-
PNB-Kota-Car Loan (Against Hypothecation of Winger Model)	475,000	-
Letter of Credit Opened	6,829,421	-
	100,137,952	37,230,204
SCHEDULE - 4		
UNSECURED LOANS		
From Body Corporates	-	519,000
From Directors	405,098	1,544,034
	405,098	2,063,034

*Secured against hypothecation of stocks and receivables of the company and personal guarantees of its two directors.

**Secured against hypothecation of stocks and receivables, Equitable mortgage of Land, Building, Plant & Machinery on Hyderabad Unit and personal guarantees of its two directors.

***Secured by first charge on specific assets of the company.

****Equitable mortgage of Land, Building, Plant & Machinery on Kota Unit and personal guarantees of its two directors.



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

**SCHEDULE - 5
FIXED ASSETS**

Amount Rs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2010	Additions	Deductions	Write Off	As at 31.03.2011	Up to 31.03.2010	For the Year	Written Back	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land	3,678,920	-	-	-	3,678,920	-	-	-	-	3,678,920	3,678,920
Land (at Kota)	2,759,180	2,468,077	-	-	5,227,257	-	-	-	-	5,227,257	2,759,180
Building	6,338,898	18,316,615	-	-	24,655,513	653,427	428,294	-	1,081,721	23,573,792	5,685,471
Plant & Machinery	25,379,000	33,882,765	-	-	59,261,765	3,297,105	2,402,693	-	5,699,798	53,561,967	22,081,895
Lab Equipments	1,881,369	39,864	-	-	1,921,233	364,897	90,674	-	455,571	1,465,662	1,516,472
Computers, Software & Printers	938,629	63,135	-	-	1,001,764	726,492	112,421	-	838,913	162,851	212,137
Office Equipments	130,293	306,165	-	-	436,458	27,189	7,758	-	34,947	401,511	103,104
Furniture & Fixtures	451,724	102,700	-	-	554,424	77,397	35,643	-	113,040	441,384	374,327
Vehicles	902,993	631,100	-	-	1,534,093	286,944	91,328	-	378,272	1,155,821	616,049
Sub-Total	42,461,006	55,810,421	-	-	98,271,427	5,433,451	3,168,811	-	8,602,262	89,669,165	37,027,555
Capital Work in Progress	6,233,661	(5,483,661)	-	-	750,000	-	-	-	-	750,000	6,233,661
Total	48,694,667	50,326,760	-	-	99,021,427	5,433,451	3,168,811	-	8,602,262	90,419,165	43,261,216
Previous Year	45,590,524	8,093,873	125,000	4,864,730	48,694,667	3,838,647	1,653,118	58,314	5,433,451	43,261,216	41,751,877



Amount Rs.

Particulars	As at 31.03.2011		As at 31.03.2010	
SCHEDULE - 6 INVENTORIES (As taken, valued & verified by the Management) (Valued at cost or market price whichever is lower)				
Raw Materials		18,879,711		9,003,360
Stores, Consumables & Packing Materials		1,684,911		1,638,275
Stock in Process		25,229,407		13,728,280
Finished Goods		14,073,347		4,829,385
		59,867,376		29,199,300
SCHEDULE - 7 SUNDRY DEBTORS (Unsecured, considered good)				
More than six months		14,142,907		14,142,907
Others		16,780,646		25,251,155
		30,923,553		39,394,062
SCHEDULE - 8 CASH & BANK BALANCES				
Cash in Hand		652,250		577,573
Bank Balances with Scheduled Banks		33,722		55,930
FDR pledged with Sales Tax & Bank		1,770,000		1,325,072
Accrued Interest on FDR		52,982		10,486
		2,508,954		1,969,061
SCHEDULE - 9 LOANS, ADVANCES & DEPOSITS				
Loans (including interest accrued & due)				
Others		32,418,294		40,169,401
Advances recoverable in cash or in kind or for value to be received or pending adjustment		967,015		1,482,052
ITDS, FBT & Advance Taxes		24,744		17,773
Cenvat receivable & admissible		5,223,894		553,280
VAT Refundable/Adjustable		219,931		157,894
Deposits with Govt. Depts. & Others		1,587,948		1,062,256
		40,441,826		43,442,656
SCHEDULE - 10 CURRENT LIABILITIES				
Sundry Creditors (Due to Micro & Small enterprises Rs Nil)		25,985,310		27,741,086
Bank Book Over - Draft		387,684		-
Other Liabilities		2,921,367		1,310,894
		29,294,361		29,051,980
SCHEDULE - 11 PROVISIONS				
Provision for Taxation		-		340,000
		-		340,000



SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING MARCH 31, 2011

Amount Rs.

Particulars	This Year		Previous Year	
SCHEDULE - 12				
SALES & INCOME FROM OPERATIONS				
Export Sales		21,560,165		3,124,875
Domestic Sales & Income		109,285,939		186,434,144
		130,846,104		189,559,019
SCHEDULE - 13				
OTHER INCOME				
Interest (TDS Rs. 18891/-, previous year Rs. 2965/-)		154,114		86,275
Sundry Credit Balance w/back		110,334		400,206
Currency Fluctuation		197,928		273,192
Miscellaneous Income		62,663		188,783
		525,039		948,456
SCHEDULE - 14				
INCREASE IN STOCKS				
Closing Stocks				
Stock in Process		25,229,407		13,728,280
Finished Goods		14,073,347		4,829,385
		39,302,754		18,557,665
Opening Stocks				
Stock in Process		13,728,280		20,123,563
Finished Goods		4,829,385		5,138,925
		18,557,665		25,262,488
Increase in Stocks		20,745,089		(6,704,823)
SCHEDULE - 15				
RAW MATERIAL CONSUMPTION				
Opening Stock		9,003,360		9,273,682
Purchases/Imports:				
Raw Material - Chemicals (Indigenous)	86,535,119		125,068,258	
Raw Material - Chemicals (Imported)	24,174,439		9,778,102	
Custom Duty	1,470,283		2,306,652	
		112,179,841		137,153,012
		121,183,201		146,426,694
Closing Stock		18,879,711		9,003,360
		102,303,490		137,423,334



SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING MARCH 31, 2011

Amount Rs.

Particulars	This Year	Previous Year	
SCHEDULE - 16			
MANUFACTURING & OTHER EXPENSES			
Stores, Consumables & Packing Material	4,958,754	3,670,202	
Excise Duty Paid	10,246,721	14,360,174	
Energy Charges	6,724,945	2,582,532	
Carriage Inward & Import Clearing Expenses	1,914,681	834,934	
Salaries, Wages & Allowances	8,195,719	6,926,098	
Provident Fund	146,337	98,402	
Staff Welfare	327,360	358,825	
Vehicle Maintenance	635,591	429,458	
Legal, Professional & Consultancy	360,545	463,311	
Postage, Telephones & Couriers	459,848	383,606	
Printing & Stationery	165,470	192,945	
Travelling & Conveyance	374,831	441,867	
Rent	733,102	626,122	
Auditors' Fees	55,000	70,000	
Loss on Sale of Fixed Assets	-	6,686	
Insurance	93,546	69,875	
Repairs to Machinery	211,466	231,771	
Repairs Other	83,146	55,361	
Bank Charges	848,233	459,419	
Freight & Forwarding	635,348	347,021	
Membership & Subscription	19,200	18,765	
Rates & Taxes	97,535	48,228	
Commission on Sales	711,261	309,050	
Donation	-	31,000	
Miscellaneous Expenses	725,399	579,604	
	38,724,029	33,595,256	
SCHEDULE - 17			
FINANCIAL EXPENSES			
Interest to Banks	5,968,887	3713,877	
Interest on Fixed Loan	2,185,407	491,845	
Interest paid to Others	12,592	20,312	
	8,166,886	4,226,034	
SCHEDULE - 18			
DEPRECIATION & WRITE OFF			
Depreciation	3,168,811	1,653,118	
Assets Held under Development w/off	-	4,864,730	
	3,168,811	6,517,848	



**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011
AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

SCHEDULE - 19 : NOTES ON ACCOUNT & SIGNIFICANT ACCOUNTING POLICIES

A. SIGNIFICANT ACCOUNTING POLICIES

1 SYSTEM OF ACCOUNTING

The Company follows Mercantile System of accounting.

2 REVENUE RECOGNITION

- a Sales value is inclusive of Excise Duty but exclusive of Vat
- b Sales are recognised on removal of goods from factory.

3 FIXED ASSETS

Fixed Assets are stated at historical cost inclusive of all incidental expenses incurred for acquisition of such assets.

4 INVESTMENTS

Investments are classified into current investment and long term investment. Current investments are value at cost or market price whichever is lower. Long term investments are valued at cost. Provision for diminution in value is made script wise to recognize a decline, other than temporary.

5 INVENTORIES

Stock of shares is valued at cost or market value whichever is lower. Stock of traded items is valued at cost. Raw materials, stores, consumables, packing materials and stocks in process are valued at cost. Finished goods is valued at cost or market value whichever is lower.

6 RESEARCH & DEVELOPMENT COSTS & INTERNALLY GENERATED INTANGIBLE ASSETS

- a Expenditure up to research stage is charged as expenditure in the respective heads of expenditure in the Profit & Loss Account of the relevant accounting period.
- b Development expenditure of molecule is treated as internally generated intangible assets where it is probable of flowing future economic benefits to the Company and amortize the same over a period of five years equally on straight line basis after the assets start giving economic benefits. Such assets are derecognized on disposal or when no future economic benefits are expected from its use/subsequent disposal.

7 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are recorded using the exchange rates on the date of accruing of transaction. Balances in the form of current assets & current liabilities outstanding on the date of Balance Sheet are converted at the appropriate exchange rate as on the date of Balance Sheet. Exchange difference arising out of fluctuation in exchange rate is accounted for on realization comparing the same with initial transaction amount or converted amount on the date of Balance Sheet comparing original amount as the case may be.

8 GOVERNMENT GRANTS

Government grants are accounted for on its becoming reasonably certain that the ultimate collection will be made.



9 DEPRECIATION

- a Depreciation is provided on straight line method at the rate specified and in accordance with the provisions of Schedule XIV to the Companies Act, 1956 on pro-rate basis.
- b Construction on assets taken on lease is written off over the period of lease.

10 MISCELLANEOUS EXPENDITURE

- a The Company amortizes expenditure in relation to it's share issue including preliminary expenditure equally over a period of ten years
- b Expenses incurred on or after April 01, 2003 are charged to revenue in the year in which expenses are incurred in conformity with accounting standard AS-26 'Intangible Assets'.

11 TAXATION

Provision for income-tax is made on the basis of prevailing laws and rates applicable for the relevant assessment year. Deferred taxation is recognized for all the timing differences subject to the consideration of prudence in respect of deferred tax assets in accordance with the accounting standard no. 22 'Accounting for taxes on Income' issued by the Institute of Chartered Accountants of India.

12 RETIREMENT BENEFITS

- a. PF and ESI are paid as per provisions of PF & ESI Acts with the authorities of the respective State.
- b. Gratuity, being deferred contribution, is accounted for on accrual basis in accordance with payment of Gratuity Act, 1970.
- c. Leave Encashment is accounted for on payment.

		Amount : Rs	
B. NOTES ON ACCOUNTS	This Year	Previous Year	
1	Contingent Liabilities not provided for LCs/BG/Custom LUT Bond		
	a) LCs/BG/Custom LUT Bond	1,997,268	5,054,320
	b) Drug Control Administration had seized material worth Rs. 20 Lacs (approx) which is included in the inventory. The matter is under litigation with the concerned Judicial Authorities.		
	c) ESI	2,10,000	-
2	Capital commitments excluding advances	14,53,564	1,300,000
3	Leave Encashment accounted for on payment basis. In the opinion of mangement, quantum is not material and hence no provision is made.		
4	Foreign Exchange Earning/Outgo	This Year	Previous Year
	a) Earnings		
	FOB Value of Exports (incl. Deemed Exports)	21,560,165	3,124,875
	b) Outgo		
	CIF Value of Imports - Raw Materials	24,174,439	9,778,102
	Advance Paid	-	-
5	In the opinion of the Board, all the fixed assets and current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.		



6 Particulars in respect of Opening Stock, Production, Turnover & Closing Stock

Particulars	Opening Stock		Production	Turnover		Closing Stock	
	Qty (Kgs)	Value (Rs)	Qty (Kgs)	Qty (Kgs)	Value (Rs)	Qty (Kgs)	Value (Rs)
Drug Intermediates, Speciality Chemicals	11,106	4,829,385	277,753	240,351	130,846,104	48,508	14,073,347
Previous Year	12,119	5,138,925	238,946	239,959	189,559,019	11,106	4,829,385

7 Particulars in respect of Raw Materials Consumed

Particulars	This Year			Previous Year		
	Qty(Kgs)	Value (Rs)	%	Qty(Kgs)	Value (Rs)	%
Chemicals & Solvents	559,215	102,303,490		589,899	137,423,334	
Break up:Imported	108,483	16,982,081	16.60	63,004	13,861,791	10.09
Indigenous	450,732	85,321,409	83.40	526,895	123,561,543	89.91
Total	559,215	102,303,490	100	589,899	137,423,334	100

8. Capital work in progress include:

Particulars	This Year Rs	Previous Year Rs
Borwell and Other	-	102,837
Building Material Expenses	-	3,122,978
Construction Labour Expenses	-	1,403,325
Land Development	-	525,585
Other Expenses	-	28,798
Rates/Taxes/Professional Charges	-	382,695
Rent	-	36,000
Salary	-	416,368
Security Deposit	-	82,450
Travelling & Conveyance	-	123,382
Water, Electricity & Diesel Expenses	-	9,243
Total	-	6,233,661



9. Business Segment wise revenue, results and assets/liabilities

Segment	Manufacturing & Allied Activities		Financial, Investment & Allied Activities		Total	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
REVENUE						
External Revenue *	131,217,029	190,421,200	-	-	131,217,029	190,421,200
Total Revenue	131,217,029	190,421,200	-	-	131,217,029	190,421,200
RESULT						
Segment Result *	7,765,788	6,179,939	-	-	7,765,788	6,179,939
Unallocated Expenses	-	-	-	-	-	-
Operating Profit *	7,765,788	6,179,939	-	-	7,765,788	6,179,939
Interest Expenses	8,166,886	4,226,034	-	-	8,166,886	4,226,034
Interest Income	154,114	86,275	-	-	154,114	86,275
Profit from Ordinary Activity	(246,984)	2,040,180	-	-	(246,984)	2,040,180
Extra Ordinary Loss/Items	-	-	-	-	-	-
Net Profit before Taxes	(246,984)	2,040,180	-	-	(246,984)	2,040,180
Tax Provision						
Current & Deferred	833,200	809,700	-	-	833,200	809,700
Unallocated	-	-	-	-	-	-
Profit after Taxes	(1,080,184)	1,230,480	-	-	(1,080,184)	1,230,480
OTHER INFORMATION						
Segment Assets	224,160,874	157,266,295	-	-	224,160,874	157,266,295
Unallocated other Assets	-	-	-	-	-	-
Total Assets	224,160,874	157,266,295	-	-	224,160,874	157,266,295
Segment Liabilities	129,837,411	68,345,218	-	-	129,837,411	68,345,218
Unallocated other Liabilities	-	-	-	-	-	-
Total Liabilities	129,837,411	68,345,218	-	-	129,837,411	68,345,218
Capital Expenditure	90,419,165	43,261,216	-	-	90,419,165	43,261,216
Depreciation and Amortization	3,168,811	6,517,848	-	-	3,168,811	6,517,848
Non Cash expenses other than depreciation	-	-	-	-	-	-



10 Related Party Transactions

S No	Name	Relationship	Nature of Transaction	Maximum Outstanding	Amount Rs
a	Vinod S Gupta	Significant Influence	Rent/Expenses	-	60,000
b	Vinod S Gupta	Significant Influence	Unsecured Loan	405,098	405,098

11. Major Components of Deferred Tax Liability

	As at 31.03.11	As at 31.03.10
Deferred Tax Liability on Depreciation as at the year end	3,581,188	2,753,618
12. Previous year's figures have been regrouped, rearranged or recasted wherever considered necessary.
13. Sundry Debtors and Loans & Advances are subject to confirmations.
14. Fully Convertible Warrants represents the application amounts received for allotment of 70,00,000 warrants convertible within a period of 18 months from the date of the allotment of the warrants into 70,00,000 equity shares of Rs 1/- each, at an exercise price of Rs 2.10 per share or at the price determined in accordance with the relevant SEBI guidelines, whichever is higher.
15. The Company has followed accounting standard AS-27 'Intangible Assets' and the accounting policy has been described in point no. 5 above. No other details are required to be reported on the same.
16. Capital Reserve Rs 9,705,000/- (previous year Rs 9,705,000/-) represent the amount forfeited due to non-exercise of option of conversion by the allottees, before the due date.
17. Share Premium Rs 17,850,000/- (previous year Rs 17,850,000/-) represents the premium received on conversion of 850,000 (previous year 850,000) convertible warrants of Rs 31/- each in to 850,000 (previous year 850,000) Equity Shares of Rs 10/- each at a premium of Rs 21/- per share consequent upon exercise of option by the warrant holders.
18. As per information available with the company no amount was due to be paid to Micro and Small Enterprises.

As per our annexed report of even date

for Anand Jain & Co
Chartered Accountants

for P Murali & Co
Chartered Accountants

for and on behalf of Board of Directors

Sd/-
Anand Prakash Jain
Proprietor

Sd/-
M V Joshi
Partner

Sd/-
Vinod S Gupta
Chairman

Sd/-
Niranjan Agarwal
Director

Sd/-
Kanak Jain
Co. Secretary

C-11/24, Kaveri Path
Shopping Centre, Mansarovar
Jaipur - 302 020

6/3/655/2/3
Somajiguda
Hyderabad - 500 082

Place: Jaipur
Date : 15th August, 2011

Place: Hyderabad
Date : 15th August, 2011



STATEMENT PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956

Balance Sheet Abstract and General Company Profile

1 Registration Details

Registration Number	017-08284
State Code	17
Balance Sheet Date	31.03.2011

2 Capital Raised during the year (amount in Rs '000)

Public Issue	Nil
Bonus Issue	Nil
Right Issue	Nil
Private Placement (Preferential Allotment)	Nil

3 Position of Mobilization and Deployment of Fund (amount in Rs '000)

Total Liabilities	194,867	Total Assets	194,867
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Sources of Funds

Paid up Capital	50,674	Reserves & Surplus	34,073
Fully Conv. Warrants	5,995	Unsecured Loans	405
Secured Loans	100,138	Deferred Tax Liability	3,581

Application of Funds

Net Fixed Assets	90,419	Investments	-
Net Current Assets	104,447	Misc Expenditure	-
Accumulated Loss	-		

4 Performance of Company (amount in Rs '000)

Turnover	152,116	Total Expenditure	149,194
Profit/(Loss) before Tax	(247)	Depreciation	3,169
Profit/(Loss) after Tax	(1,080)		
Earning per Share	(0.021)	Dividend Rate	Nil

5 Generic Names of the three principal products/services of the Company (as per monetary terms)

Product Description	Item Code No.
Specialized Chemicals	-
Bulk Drugs, Compounds & Intermediates\	-

As per our annexed report of even date

for **Anand Jain & Co**
Chartered Accountants

for **P Murali & Co**
Chartered Accountants

for and on behalf of Board of Directors

Sd/-
Anand Prakash Jain
Proprietor
C-11/24, Kaveri Path
Shopping Centre, Mansarovar
Jaipur - 302 020

Sd/-
M V Joshi
Partner
6/3/655/2/3
Somajiguda
Hyderabad - 500 082

Sd/-
Vinod S Gupta
Chairman

Sd/-
Niranjan Agarwal
Director

Sd/-
Kanak Jain
Co. Secretary

-Place: Jaipur
Date : 15th August, 2011

Place: Hyderabad
Date : 15th August, 2011



CASH FLOW STATEMENT FOR THE YEAR ENDING ON MARCH 31, 2011

Amount: Rs

Particulars	As at 31.03.2011	As at 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extra Ordinary items	(246,984)	2,040,180
Adjustments for:		
1 Depreciation & Write off	3,168,811	6,517,848
2 Bad Debts & Sundry Dr. Balances w/off	-	-
3 Loss on sale of Fixed Assets	-	6,686
4 Loss on sale of Investment	-	-
5 Profit on sale of Fixed Assets/Capital Gains	-	-
6 Interest paid	8,166,886	4,226,034
7 Interest received	(154,114)	(86,275)
Operating Profit before Working Capital changes	10,934,599	12,704,473
Adjustments for:		
1 Trade & Other Receivables	3,720,233	(1,760,235)
2 Inventories	(30,668,076)	6,892,647
3 Trade Payable	242,380	22,224,838
Cash generated from Operations	(15,770,864)	40,061,723
1 Dep W/back	-	(58,314)
2 Direct Taxes paid	(345,630)	(181,140)
3 FBT paid	-	-
Cash Flow before Extra Ordinary items	(16,116,494)	39,822,269
1 Extra Ordinary items	-	-
Net Cash from Operating Activities	(16,116,494)	39,822,269
B. CASH FLOW FROM INVESTING ACTIVITIES		
1 Purchase of Fixed Assets	(50,326,760)	(8,093,873)
2 Sale of Fixed Assets	-	118,314
3 Sale of Investments	-	-
4 Purchase of Investments	-	-
5 Interest received	154,114	86,275
6 Loans to others	7,751,107	(38,873,015)
Net Cash from Investing Activities	(42,421,539)	(46,762,299)
C. CASH FLOW FROM FINANCING ACTIVITIES		
1 Proceeds from issue of Share Capital/Warrants/Premium	5,995,000	3,376,990
2 Proceeds from Long Term Borrowings	27,787,813	8,660
3 Proceeds from Short Term Borrowings	33,461,999	9,375,131
4 Dividend paid	-	-
5 Interest paid	(8,166,886)	(4,226,034)
Net Cash from Financing Activities	59,077,926	8,534,747
Net increase in cash and cash equivalents	539,893	1,594,717
Cash and cash equivalents as at opening balance	1,969,061	374,344
Cash and cash equivalents as at closing balance	2,508,954	1,969,061

AUDITORS' REPORT

We have verified the above cash flow statement of Zyden Gentec Limited, derived from the audited annual financial statement for the year ending on March 31, 2011 and found the same in accordance therewith and also with the requirement of clause 32 of the listing agreement with the stock exchange read along with the notes thereon.

for Anand Jain & Co
Chartered Accountants

for P Murali & Co
Chartered Accountants

Sd/-
Anand Prakash Jain
Proprietor

Sd/-
M V Joshi
Partner

Date : 15th August, 2011

Place: Jaipur

Place: Hyderabad



ZYDEN GENTEC LIMITED

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ATTENDANCE SLIP

Registered office: 143/1, Deepshree Building, Kotri-Gumanpura Road, Kota-324 007

Please fill in attendance slip and hand it over at the entrance of the meeting hall. Joint shareholders may obtain additional attendance slip on request.

Name and Address of the Shareholder:

No. of shares held:

Master Folio No./DP ID & Client ID:

I, hereby record my presence at the 17th Annual General Meeting of the Company held on Friday, the 30th September, 2011 at 1:00 p.m. at Surya Plaza, Kotri Road, Gumanpura, Kota, Rajasthan – 324007 (Rajasthan).

Signature of the Shareholder or Proxy*

*Strike out whichever is not applicable.

----- Tear here -----



ZYDEN GENTEC LIMITED

PROXY FORM

Registered office: 143/1, Deepshree Building, Kotri-Gumanpura Road, Kota-324 007

Master Folio No./DP ID & Client ID:

I/We.....
ofbeing member / members of Zyden Gentec Limited, appoint
Mr/Ms.....or failing him Mr/
Ms.....as my / our proxy to vote for me / us and on
my / our behalf at the 17th Annual General Meeting to be held on Friday, the 30th September, 2011 at 1:00 p.m. at Surya
Plaza, Kotri Road, Gumanpura, Kota, Rajasthan – 324007 (Rajasthan) or at any adjournment there of.

Signed this.....day of2011

Affix
Revenue
Stamp

Note: The Proxy must be returned so as to reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.



ZYDEN GENTEC LIMITED

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Interphasing
Chemistry
with **Life...**